

Attachment 1

Draft Price Notification Airways Activity Reconciliation to IATA Report

Airways Activity (mil) MTOW /MTOW-Km's		IATA Review					Airservices Draft Price Notification - Appendix 1 (Table 23, page 71)						Variance						Notes	
Service	2011	2012	2013	2014	2015	2016	2011	2012	2013	2014	2015	2016	2011	2012	2013	2014	2015	2016		
<b>Enroute</b>																				
Major International > 20t	57.0	60.1	62.7	65.1	68.3	70.6	57.0	59.8	62.1	64.5	67.7	69.9	-	(0.3)	(0.6)	(0.6)	(0.6)	(0.7)	(a)	
Major Domestic	38.5	40.3	41.4	43.1	44.8	46.5	38.5	40.3	41.4	43.1	44.8	46.5	-	0.0	0.0	0.0	0.0	0.0		
<b>Terminal Navigation</b>																				
<b>Major Airports</b>																				
Adelaide	2.3	2.4	2.5	2.6	2.7	2.8	2.3	2.4	2.5	2.6	2.7	2.8	-	-	-	-	-	-		
Brisbane	7.2	7.7	8.0	8.3	8.8	9.1	7.2	7.7	7.9	8.3	8.7	9.1	-	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(a)	
Cairns	1.4	1.4	1.4	1.5	1.5	1.6	1.5	1.6	1.6	1.6	1.7	1.7	0.1	0.1	0.1	0.2	0.2	0.2	(b)	
Canberra	1.1	1.2	1.2	1.2	1.3	1.3	1.1	1.2	1.2	1.2	1.3	1.3	-	-	-	-	-	-		
Coolangatta	1.5	1.6	1.7	1.7	1.8	1.9	1.7	1.7	1.8	1.9	2.0	2.1	0.1	0.1	0.1	0.1	0.2	0.2	(b)	
Melbourne	10.6	11.2	11.6	12.0	12.6	13.1	10.6	11.1	11.5	12.0	12.5	13.1	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	-	(a)	
Perth	4.6	4.9	5.1	5.4	5.7	6.0	4.6	4.9	5.1	5.4	5.7	5.9	-	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(a)	
Sydney	16.2	17.0	17.5	18.1	18.7	19.3	16.2	16.9	17.4	17.9	18.6	19.2	-	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(a)	
<b>Subtotal</b>	<b>45.0</b>	<b>47.4</b>	<b>48.9</b>	<b>50.9</b>	<b>53.1</b>	<b>55.1</b>	<b>45.2</b>	<b>47.5</b>	<b>49.0</b>	<b>51.0</b>	<b>53.2</b>	<b>55.2</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	
<b>Regional Airports</b>	<b>2.2</b>	<b>2.3</b>	<b>2.3</b>	<b>2.4</b>	<b>2.6</b>	<b>2.7</b>	<b>2.2</b>	<b>2.3</b>	<b>2.3</b>	<b>2.4</b>	<b>2.6</b>	<b>2.7</b>	-	-	-	-	-	-		
General Aviation Airports	-	-	-	-	-	-	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	(c)
RAAF Airports	-	-	-	-	-	-	1.7	1.7	1.8	1.9	1.9	2.0	1.7	1.7	1.8	1.9	1.9	2.0	2.0	(d)
Other adjustments	-	-	-	-	-	-	0.1	0.1	0.1	0.1	0.0	0.0	0.1	0.1	0.1	0.1	0.0	0.0	0.0	(e)
<b>Subtotal</b>	<b>2.2</b>	<b>2.3</b>	<b>2.3</b>	<b>2.4</b>	<b>2.6</b>	<b>2.7</b>	<b>4.4</b>	<b>4.5</b>	<b>4.6</b>	<b>4.8</b>	<b>5.0</b>	<b>5.1</b>	<b>2.2</b>	<b>2.2</b>	<b>2.3</b>	<b>2.4</b>	<b>2.4</b>	<b>2.4</b>	<b>2.5</b>	

Airways Activity (%) Growth		IATA Review					Airservices Draft Price Notification - Appendix 1 (Table 23, page 71)					Variance					Notes
Service	2012	2013	2014	2015	2016	2012	2013	2014	2015	2016	2012	2013	2014	2015	2016		
<b>Enroute</b>																	
Major International > 20t	5.5%	4.4%	3.8%	4.9%	3.4%	5.0%	3.9%	3.8%	4.9%	3.4%	-0.5%	-0.5%	0.0%	0.0%	0.0%	(a)	
Major Domestic	4.7%	2.8%	4.1%	3.9%	3.8%	4.7%	2.8%	4.1%	3.9%	3.8%	0.0%	0.0%	0.0%	0.0%	0.0%		
<b>Terminal Navigation</b>																	
<b>Major Airports</b>																	
Adelaide	4.7%	2.6%	3.8%	3.7%	3.4%	4.7%	2.6%	3.8%	3.7%	3.4%	0.0%	0.0%	0.0%	0.0%	0.0%		
Brisbane	6.2%	3.9%	4.7%	5.0%	4.4%	6.0%	3.7%	4.7%	5.0%	4.4%	-0.2%	-0.2%	0.0%	0.0%	0.0%	(a)	
Cairns	4.4%	1.7%	2.7%	2.7%	2.3%	15.0%	1.7%	2.7%	2.7%	2.3%	10.6%	0.0%	0.0%	0.0%	0.0%	(b)	
Canberra	4.0%	2.3%	3.6%	3.5%	3.3%	4.0%	2.3%	3.6%	3.5%	3.3%	0.0%	0.0%	0.0%	0.0%	0.0%		
Coolangatta	3.1%	4.2%	5.5%	5.6%	5.1%	11.5%	4.2%	5.5%	5.6%	5.1%	8.4%	0.0%	0.0%	0.0%	0.0%	(b)	
Melbourne	5.6%	3.3%	4.2%	4.4%	3.8%	5.3%	3.3%	4.2%	4.4%	4.5%	-0.4%	0.0%	0.0%	0.0%	0.6%	(a)	
Perth	5.9%	4.4%	5.1%	5.4%	4.7%	5.7%	4.2%	5.1%	5.4%	4.7%	-0.2%	-0.2%	0.0%	0.0%	0.0%	(a)	
Sydney	5.1%	2.8%	3.4%	3.8%	3.0%	4.5%	2.8%	3.4%	3.8%	3.0%	-0.6%	0.0%	0.0%	0.0%	0.0%	(a)	
<b>Subtotal</b>	<b>5.4%</b>	<b>3.3%</b>	<b>4.0%</b>	<b>4.3%</b>	<b>3.7%</b>	<b>5.0%</b>	<b>3.2%</b>	<b>4.0%</b>	<b>4.3%</b>	<b>3.9%</b>	<b>-0.4%</b>	<b>-0.1%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.2%</b>		
<b>Regional Airports</b>	<b>2.5%</b>	<b>4.1%</b>	<b>4.3%</b>	<b>4.3%</b>	<b>4.3%</b>	<b>2.5%</b>	<b>4.1%</b>	<b>4.3%</b>	<b>4.3%</b>	<b>4.3%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>		
General Aviation Airports	0.0%	0.0%	0.0%	0.0%	0.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	(c)	
RAAF Airports	0.0%	0.0%	0.0%	0.0%	0.0%	2.5%	4.1%	4.3%	4.3%	4.3%	2.5%	4.1%	4.3%	4.3%	4.3%	(d)	
Other adjustments	0.0%	0.0%	0.0%	0.0%	0.0%	-15.7%	-19.5%	-21.5%	-41.4%	-87.8%	-15.7%	-19.5%	-21.5%	-41.4%	-87.8%	(e)	
<b>Subtotal</b>	<b>2.5%</b>	<b>4.1%</b>	<b>4.3%</b>	<b>4.3%</b>	<b>4.3%</b>	<b>1.9%</b>	<b>3.4%</b>	<b>3.6%</b>	<b>3.5%</b>	<b>3.4%</b>	<b>-0.6%</b>	<b>-0.8%</b>	<b>-0.7%</b>	<b>-0.8%</b>	<b>-0.9%</b>		

Notes:

- (a) Reduction in activity relating to 500t weight cap. Assumes A380 operations growth including the introduction of new services into Brisbane and Perth airport
- (b) Increase in activity to address Cairns and Gold Coast forecast updates.
- (c) IATA Regional Airport analysis excluded traffic at General Aviation Airports/Secondary Capital City Airports
- (d) IATA Regional Airport analysis excluded traffic and RAAF operated airports
- (e) Regression modelling adjustments, which were an outcome of translating aggregate growth forecasts to location specific forecasts

Attachment 2  
Airservices Workforce Plan



Workforce Plan  
**2010-2013**



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Manager, Corporate Communication  
Airservices Australia  
GPO Box 367  
Canberra City ACT 2601  
Telephone (02) 6268 4867  
Fax (02) 6268 5688

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## Building the 'New Workforce'

Over the next five to ten years the number of skilled employees in the labour market is expected to decline significantly and competition between industry sectors for new and skilled staff will rapidly intensify.

Advancements in information technology and Australia's booming mining sector means that the aviation industry is no longer the first choice as it once was of the current generation. Competition from other industries is fierce and people entering the workforce no longer necessarily want life long relationships with a single employer or industry.

The workforce of the future will be different. It will welcome a more diverse range of people with different needs and expectations. Employers will need to change the way they engage with their staff and modify their workplace environment to accommodate and retain this 'New Workforce'.

Airservices Australia faces the challenge of an ageing workforce and the need to build capacity during this challenging period. A lack of focus on training and recruitment over the past two decades has put pressure on the organisation and forced it to re-examine the way it attracts and retains its workforce.

During the past few years Airservices has made this issue a major priority. This four year Workforce Plan identifies Airservices workforce challenges and lays out our strategy to build a 'New Workforce' for

the future. The strategy recognises the need to attract people from backgrounds that have previously been under-represented in our workforce and outlines the measures we will take to improve the way we retain and engage the people we employ. The strategy also addresses Airservices commitment to the Government's National Aviation Policy White Paper which highlights the importance of continued industry improvement in workforce planning and training.

Perhaps the most crucial aspect of this Workforce Plan is a change to the culture of the organisation. We are fostering a culture that drives business improvement, builds efficiencies for our customers and improves the way we work together.

This four year Workforce Plan demonstrates my commitment to creating a 'New Workforce' that supports each other and our industry partners to deliver effective outcomes for the Australian aviation industry.

**Greg Russell**  
CEO Airservices Australia  
May 2010

## Summary

Airservices developed enterprise-wide workforce planning in 2006 and since that time has updated its workforce plan each year. Workforce planning is a major priority for the organisation and it has been developed and updated to provide a link between the strategic objectives of the organisation and the people initiatives needed to achieve those objectives.

This plan provides an overview of our workforce requirements over the next five years based on changes to the services we provide, changes to the asset base required to provide current and new services and changes to the demographics of our workforce. Assumptions underlying this plan are drawn from the organisation's broader and now robust planning process involving corporate, financial, technical and services plans and it sets the foundations for the following five to ten years.

The plan focuses on the people objectives of our overall strategy which is summarised as **People, Assets and Services**.

Airservices unique workforce requires most skills to be developed internally and as such, careful workforce planning is required to ensure that the workforce supply matches current and future demands. Traditionally Airservices has attracted people to work within the organisation in numbers that exceed requirements.

Analysis of changes to the available workforce over the next 20 years and beyond indicate that Airservices will need to be more innovative and flexible if we are to compete with other industries in what is expected to be a shrinking labour market.

The current analysis identifies that Airservices workforce will need to grow from current levels of close to 3,350 to 3,500 over the next five years. This represents a net five per cent increase in full time equivalent employee numbers. The growth anticipates:

- the implementation and rollout of the organisation's large capital works program
- the commissioning of new Aviation Rescue and Fire Fighting (ARFF) stations as well as category upgrades at existing locations to meet new requirements from the aviation industry - including the further introduction of more A380 aircraft
- new air traffic control services and towers
- ongoing offsetting efficiency gains as a result of reform programs which have been implemented over the last three years.

Airservices will also need to access the labour market to replace its ageing workforce. Based on the current age profile and using

historical patterns of labour turnover and retirements, Airservices can be expected to lose up to an average of around seven per cent of our workforce (or about 230 staff) per annum over the next five years. Significant recruitment activity and training is now underway to ensure that these expected losses are seamlessly covered.

While a focus on employee numbers is essential, the environment within which our people work is also critical to ensure we maintain and motivate an engaged workforce. To address the challenges of attracting, developing and retaining our workforce for the future, Airservices is implementing a comprehensive five stream people program that focuses on:

### **1. Building capability**

To provide the skills and capacity required to support current and future technology and services.

### **2. Diversifying the workforce**

In order to match industry trends and to be competitive in a contracting and changing labour market.

### **3. Lifting employee engagement**

Through the creation of opportunities for individuals to develop and excel and to ensure the workforce as a whole is ready to take on the challenges of the future.

### **4. Aligning our values**

To the expectations of an industry and travelling public that demands safe and effective services while acknowledging the need for continuous improvement and change.

## **5. Developing strong leaders**

Who are focused on guiding and motivating the workforce to deliver future outcomes.

Strategies designed to achieve the objectives of the five streams are provided in this plan.

Air Traffic Management is in a transitional period and part of the challenge is to ensure the organisation has the skills to maintain older technology while building the capability and capacity to introduce new technologies and provide services in regions where they have not previously been available.

The introduction of future systems may result in a requirement for a different mix of operational skills and capabilities within the workforce that is beyond the current planning horizon. However identification of any changes to our skill base becomes an essential activity for this planning period due to the lead times required for training and the need to have people in place with the right skills well before the introduction of new systems.

The Government's National Aviation Policy White Paper released in December 2009 recognises the opportunities that exist to recruit and train air traffic controllers and specialist technical staff and highlights the need for cooperation on workforce planning and close alignment of operational training and resources. The cost of recruiting and training air traffic controllers and technical specialists is significant and Airservices fully supports the harmonisation of our workforce in these areas with the Department of Defence.

In developing its new workforce, Airservices will work closely with industry, the Department of Defence and our regional partners.





## Airservices Australia overview

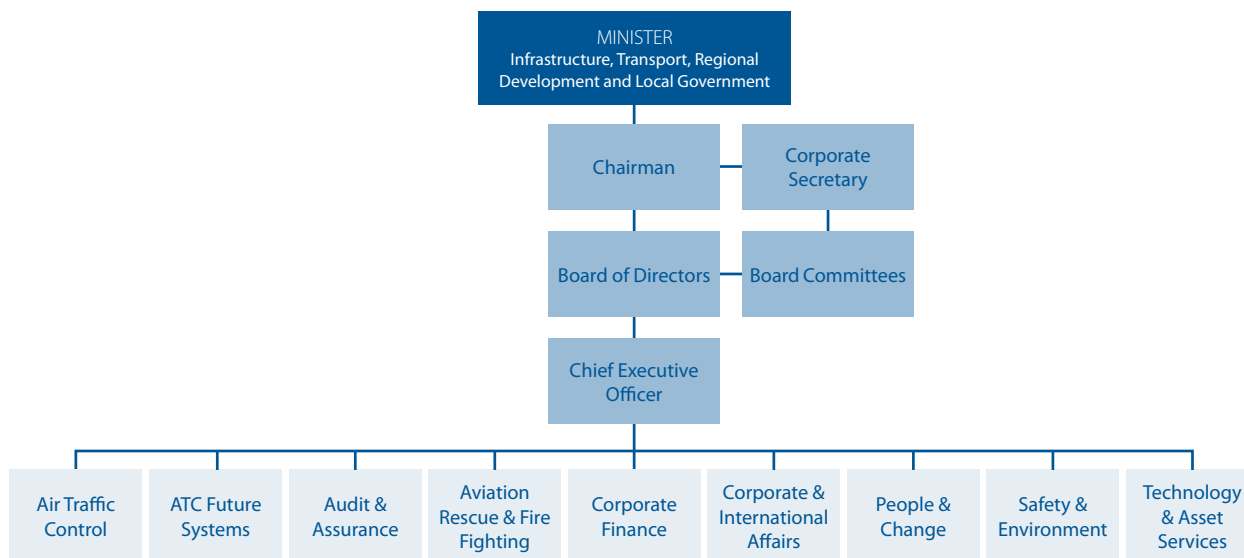
Airservices Australia is a statutory authority wholly owned by the Australian Government and responsible for providing safe and environmentally sound air traffic management and related services in the Australian Flight Information Region (FIR).

Airservices provides communication, navigation and surveillance, and air navigation services for more than four million flights and 65 million passengers each year and operates tower and aviation and rescue fire services at Australia's busiest airports.

Airservices also delivers aeronautical data services, such as charts and departure and approach procedures and is responsible for maintaining a \$780 million fixed asset base at more than 600 sites around Australia.

Airservices corporate structure consists of a Board of Directors who who are appointed by the Minister for Infrastructure, Transport, Regional Development and Local Government and a Chief Executive Officer who is appointed by the Board.

A headline organisational chart is described below.





# Airservices workforce metrics

## Current workforce

As at December 2009, Airservices workforce was comprised of 3,350 employees. Operational staff who work in the Air Traffic Control (ATC), Aviation Rescue and Fire Fighting (ARFF) and Technology and Asset Services (TAS) groups comprise close to 80 per cent of this workforce or 2,800 employees. The additional 600 staff provide safety, training and corporate services. Owing to the specialised nature of Airservices core business, our employees generally have long careers with the organisation with the average tenure being 15 years.

## Workforce projections

A projected net increase in our operational workforce of seven per cent is planned to support industry requirements for increased service provision and to continue to deliver an aggressive capital expenditure program. Conversely, the non-operational workforce is forecast to reduce by around 10 per cent to 550 by 2013 as a result of improved efficiencies in our support areas.

The plan projects the potential attrition of up to 37 per cent of the workforce during the planning period. Planning assumptions indicate that over half of these departures are through retirement. However, unlike planning for previous generations, predicting retirement numbers has become more complex as a result of the global economic crisis and what appears to be an emerging trend of people working past historical retirement ages. Retirement trends will be routinely monitored during the planning period and adjustments made to projected numbers as required.

Figure 2 provides a summary of Airservices total workforce requirements over the four year planning period.

Figure 1: Workforce projections

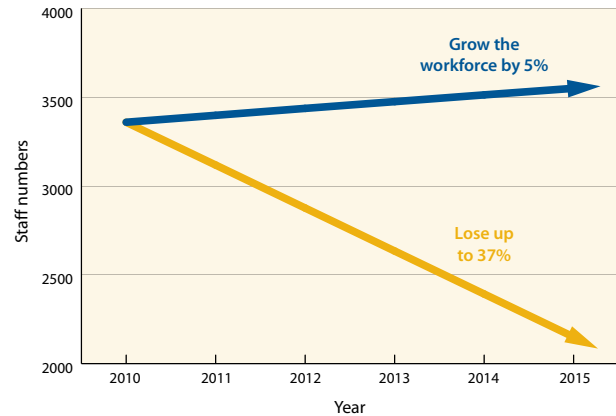
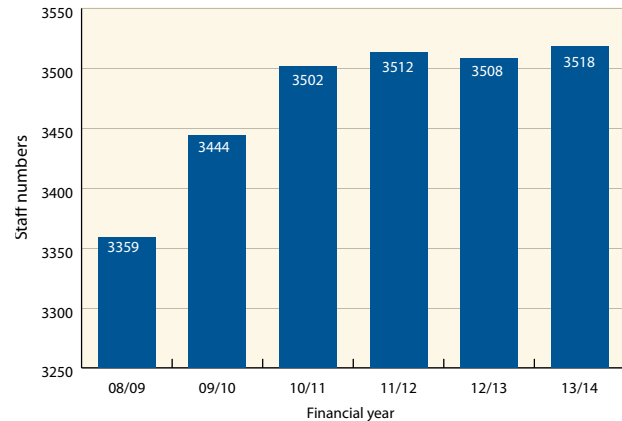


Figure 2: Airservices projected full-time workforce





## Workforce characteristics

Almost 50 per cent of Airservices workforce is currently aged over 45 years and as these employees prepare for retirement, Airservices needs to prepare for a changing mix of generations within the workforce.

The anticipated change to culture is already manifesting itself in the current workforce. Our most recent employee opinion survey highlighted that lifestyle balance (the ability to manage work, family responsibilities and personal objectives) is becoming increasingly important to our workforce.

The overall demographic profile of the workforce is predominately male, Anglo Saxon and between the ages of 35 and 55 years. A more detailed analysis of the demographics reveals that Airservices has a workforce very different to the broader Australian working population (see Figure 3).

For example only four per cent of Airservices workforce is under the age of 25 compared to 22 per cent across Australia and 34 per cent of the workforce is aged between 45 and 54 compared to 17 per cent across Australia.

Figure 4 demonstrates the four main groups under-represented in Airservices workforce.

Only 16 per cent of the workforce is female and when administrative staff are excluded, this figure reduces to 10 per cent with three per cent in technical roles and two per cent in fire fighting roles.

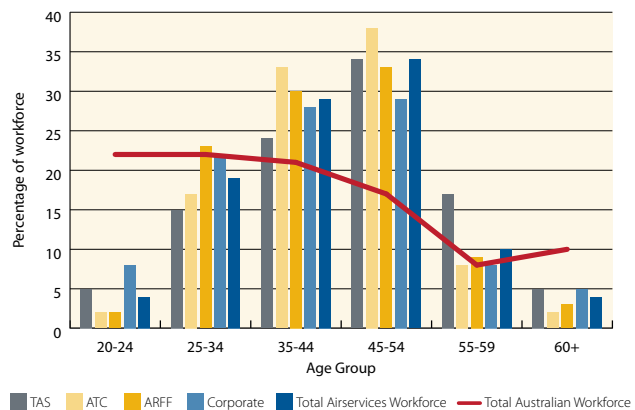
Indigenous employment is consistent with the Australian workforce however indigenous employees are not represented in senior positions. Employees from non-English speaking backgrounds tend to fill technical or back office roles.

Airservices current workforce is ageing and has a gender imbalance heavily weighted to males. Both these issues create future recruitment opportunities for the organisation that will need to be rigorously pursued in a changing labour market.

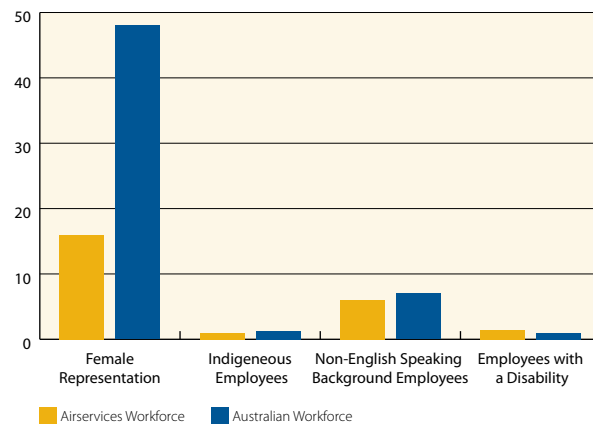
To compete in such a market, Airservices attraction and retention policies will need to be innovative and seek to attract employees from a wide range of backgrounds. To achieve this, employment conditions will need to be significantly modified to become more flexible and family friendly.

Finally, with the introduction of new services and systems, Airservices will need to work more closely with the Department of Defence and other Air Navigation Service Providers (ANSPs) in the region.

**Figure 3:** Airservices age profile



**Figure 4:** Diversity profile of Airservices and Australian workforce





## The Air Traffic Control Group

The Air Traffic Control (ATC) Group is the major service delivery arm of Airservices, representing 34 per cent of Airservices workforce. 1,180 full time equivalent employees provide air traffic control, flight information, aeronautical information and support services.

The majority of our ATC employees work in the two major en route centres at Melbourne and Brisbane while smaller numbers are employed at the four terminal control units at Cairns, Sydney, Adelaide and Perth, and in 26 towers at capital city and regional airports across Australia.

### Workforce projections

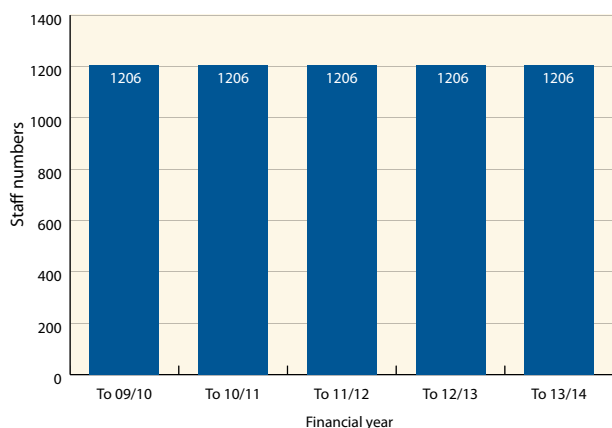
Previous workforce plans identified an overall increase in ATC numbers of around 80 full time equivalent employees. This increase was to accommodate new air traffic control tower services at Avalon, Karratha and Broome, and project related work such as the replacement of existing air traffic control towers at Melbourne, Adelaide, and Rockhampton by 2011.

Current projections however, suggest that the workforce numbers will remain stable across the group during the planning period as shown in Figure 5.

A program of improvement covering attendance, rostering, career structures and flexible endorsements is also being implemented which will reduce the need for significant increases in total ATC numbers.

Current demand projections also take into consideration directions by Civil Aviation Safety Authority (CASA) in July 2009 to provide Class D air traffic services at six General Aviation Aerodrome Procedures (GAAP) aerodromes: Archerfield, Bankstown, Camden, Jandakot, Moorabbin and Parafield by June 2010.

**Figure 5:** ATC projected demand

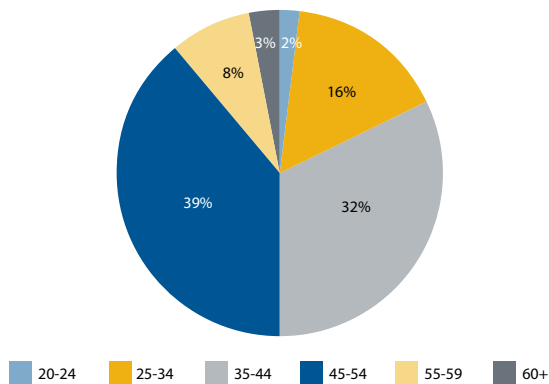




## Workforce supply

Air traffic controllers have traditionally maintained long careers at Airservices with the average tenure currently 17 years. Figure 6 represents the age profile of the group, indicating that around 50 per cent of the group are currently aged over 45 years while around eight per cent have reached what was previously regarded as retirement age.

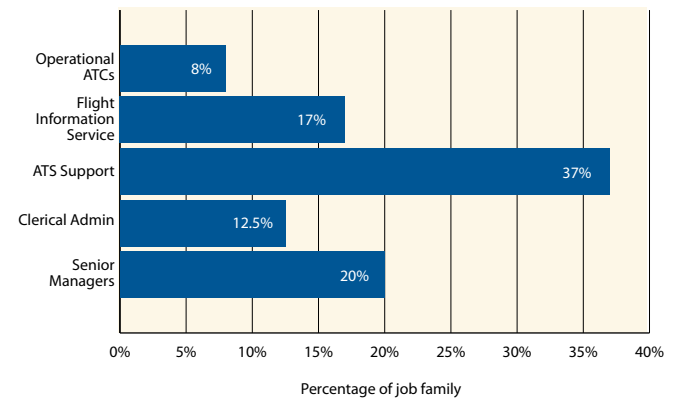
**Figure 6:** ATC age profile



The primary workforce focus for the ATC group over the planning period is to manage the forecast increase in retirements. Actual retirements during the 2008/09 financial year were minimal as a result of the global economic crisis, and consequently, the number of employees now eligible to retire is close to 110.

Figure 7 indicates the number of employees eligible for retirement by employment category.

**Figure 7:** ATC employees eligible for retirement currently aged 55 and above



The cumulative impact of retirements and natural attrition may result in the loss of around 330 employees from the ATC group over the period to 2013, as indicated in Figure 8.

### Planned recruitment and training

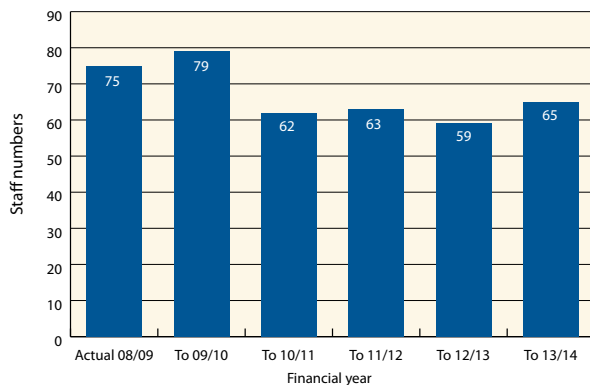
As at December 2009, the required numbers of operational ATC staff were available, reflecting the impact of a significant increase in recruitment and training throughout 2008 and 2009 and more effective management of the ATC group. During the 08/09 financial year about 43 ATC trainees and 46 experienced controllers commenced training in our Melbourne Learning Academy. Overtime usage to maintain operational requirements also decreased over the last 12 months, although the requirement for some overtime will be

required for retraining and remain as an essential part of delivering a cost-effective, safety-critical service.

Plans are in place to recruit close to 100 ATC trainees annually to 2013 in order to offset the impact of retirements and resignations. Ensuring that the supply of controllers exceeds our requirement will continue to reduce the high dependency on overtime and allow for career mobility opportunities for employees.

Australia is viewed as an attractive place to work and our recruitment programs attract experienced ATCs from all over the world. While our emphasis is on recruiting and training our own ATC staff, our recruitment plans will not exclude experienced ATCs looking to live and work in Australia.

**Figure 8:** ATC projected turnover



**Note:** Forecast turnover is based on historical attrition rates and a projected retirement age of 60 for ATCs, 65 for Support Staff, 64 for Flight Information Service Officers and 60 for Clerical staff, Managers and Flight Service Coordinators.

### The 'New Workforce'

The future direction for air traffic management (ATM) is one of increased automation of traditionally manual processes, collaborative decision making, increased flight deck autonomy, reduction in traditional dependency on ground-based navigational facilities and increased flexibility in ATM techniques.

The introduction of new technologies will result in a different mix of skills and capabilities within the ATC workforce beyond this planning horizon. A key outcome during this planning period therefore is to identify the impact of future technology on the workforce and to revise our recruitment and training plans to ensure the right numbers of skilled people are available well before new systems and services are commissioned.

Future plans will also need to identify skills and numbers necessary to work closely with the Department of Defence in providing seamless and integrated services for the future.



## The Aviation Rescue and Fire Fighting Group

The Aviation Rescue and Fire Fighting (ARFF) Group provides aviation rescue and fire fighting services at 21 of Australia's busiest airports.

The ARFF business group represents 22 per cent of the Airservices workforce with around 750 full time equivalent employees. The ARFF workforce includes 680 aviation fire fighters who are trained in public safety, fire fighting operations and management. Aviation fire fighters are supported by emergency vehicle technicians who maintain a fleet of specialised aviation fire vehicles, water rescue craft and fire and emergency response equipment.

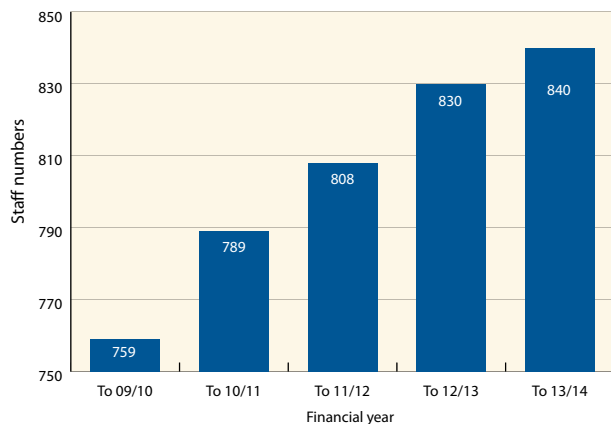
### Workforce projections

Due to the introduction of larger category aircraft, ARFF operations in Sydney and Melbourne have been, or are in the process of being upgraded to Category 10 which requires additional fire crew on station. It is expected that Brisbane and Perth will be similarly upgraded over the next five years.

A number of regional ports, particularly in Western Australia and Queensland, have also experienced significant growth in passenger numbers and larger aircraft types and will require new services or category upgrades. New fire services were established in Broome in July 2008 and Karratha in May 2009 and new services in Coffs Harbour and Ballina are projected for 2011-2012.

As a result of increased services, the projected growth in the ARFF group is predicted to be up to 100 additional employees by 2013. Figure 9 outlines the projected growth over the planning period.

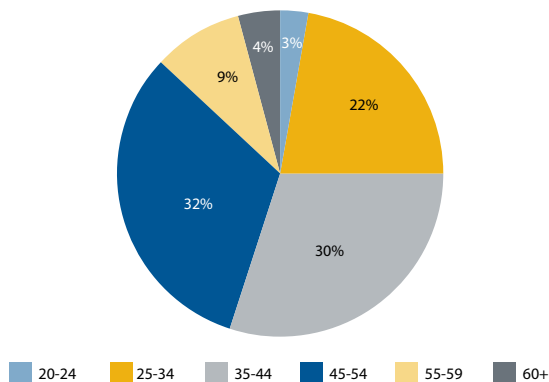
**Figure 9:** ARFF projected demand



## Workforce supply

ARFF employees maintain long careers at Airservices. The average tenure in the group is 14 years, and the average age of ARFF staff is 43 years. Figure 10 represents the current age profile of the group and indicates that 45 per cent of the ARFF workforce is currently aged over 45 years and that 13 per cent of the group is currently eligible for retirement at 55 years and over.

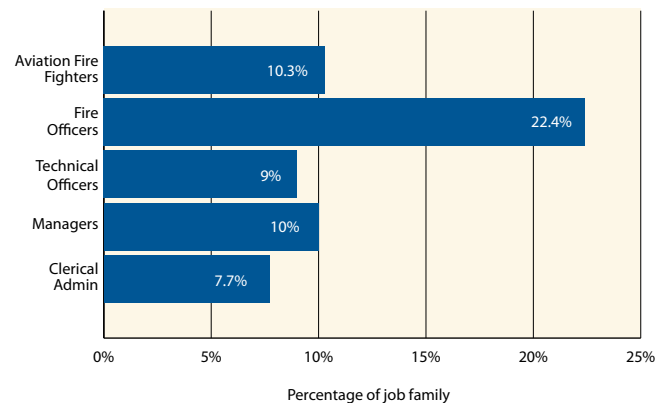
**Figure 10:** ARFF age profile



A major focus for the ARFF group during the planning period will be the replacement of retirees and the development of management capability. This analysis indicates that we will require an additional 40 fire officers over the next five years to service new stations and category upgrades while at the same time, up to 40 from the current officer ranks will retire.

While the actual retirements in 2008/09 were lower than anticipated as a result of the global economic crisis, Figure 11 indicates the

**Figure 11:** ARFF employees eligible for retirement currently aged 55 and above



numbers of eligible retirements by employment category and highlights the need to focus on the development of fire officers.

Figure 12 indicates that the cumulative impact of retirements and natural attrition may result in the loss of around 160 FTE from the ARFF group over the period to 2013.

### Planned recruitment and training

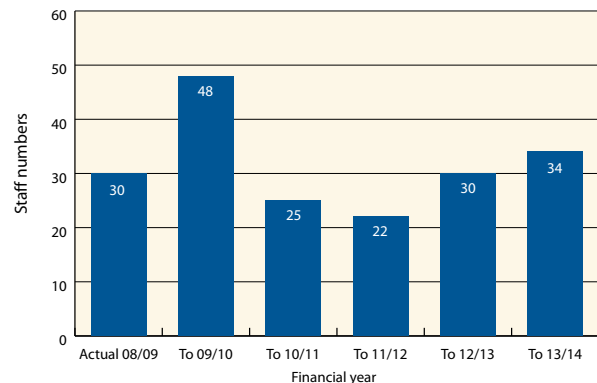
The eligibility of fire fighters to progress to the officer ranks requires attaining qualifications at the Certificate IV, Diploma and Advanced Diploma levels. It generally takes 10 years to develop the capability to move to the most senior position of Station Commander. This means that preparation for establishment of new services requires careful planning and we are managing the numbers of suitable and qualified staff eligible for promotion to each of the officer levels in order to sustain capability.

Officer training programs have been redesigned to accelerate attainment of qualifications and incentives have been introduced to encourage fire fighters to undertake officer training.

Additionally, four recruitment rounds per year, each delivering 18-24 new recruits are scheduled to offset the projected employee turnover through retirements and resignation to 2013. This training will be supplemented by two Certificate IV, two Diploma and one Advanced Diploma course per year to 2013.

A program to modernise our ARFF vehicle fleets is also underway. This will help streamline and improve training by reducing and standardising the number of vehicle types and equipment, significantly lowering lead times for staff undergoing operational training, as well as reducing the complexity of maintaining the fleet.

Figure 12: ARFF projected turnover



**Note:** Forecast turnover is based on historical attrition rates and a projected retirement age of 62 years for Superintendents and Station Commanders and age 60 for all other employees.





## The Technology and Asset Services Group

The Technology and Asset Services (TAS) Group provides engineering, consulting, project management, asset management and maintenance services for Airservices. It manages assets including the network of air traffic management, surveillance, navigation and communication systems that form the National Airways System. The TAS Group represents 25 per cent of the Airservices workforce or 850 employees.

### Workforce projections

Over the next five years the critical issues for the technical and engineering group are the delivery of the organisation's capital works program and the need to attract and retain engineering and technical personnel to support both legacy and modern systems.

Airservices capital program has more than doubled since 2007 reflecting the requirement to replace, upgrade and enhance key infrastructure and the organisation's existing asset base following years of under-investment. These renewal programs are augmented by investment in new and emerging technologies to establish the foundation for Australia's next generation air traffic management environment.

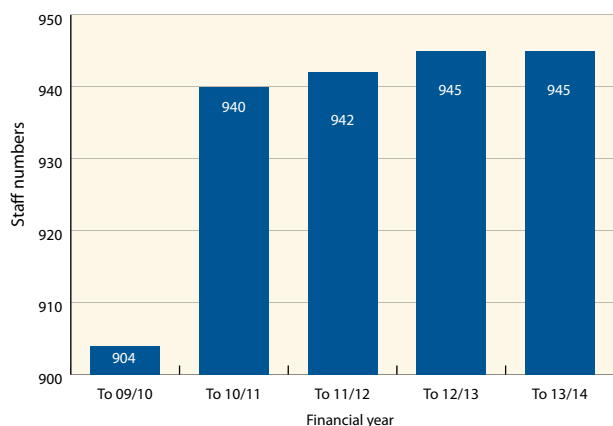
Our more recent workforce plans predicted expenditure on capital investment of around \$145 million per annum, however, current projections suggest investment of approximately \$200 million per annum over the next three years at least.

While the previous plans projected a moderate growth of around 40 employees in 2008/09 to support the delivery of capital projects, actual growth of 100 employees occurred in this period, reflecting the significant increase in the size and pace of the capital program.

Over the period to 2013 the TAS group may potentially increase from the current levels of 850 employees to around 945 employees to deliver the capital program.

Figure 13 provides an overview of projected workforce requirements for the TAS group over the planning period. As individual capital projects beyond 2010 are scoped in greater detail the resource demands will be continually reviewed and modified.

**Figure 13:** TAS projected demand



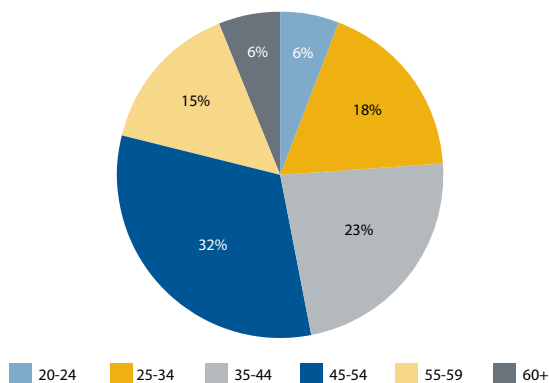


## Workforce supply

The average employee tenure in the TAS group is 17 years but is highly variable across the different branches. Technical maintenance staff continue to have low turnover rates however IT, project management and some engineering areas are more transient.

Figure 14 indicates the current age profile of this group and highlights that 53 per cent of the current workforce is aged over 45 years with 21 per cent aged over 55.

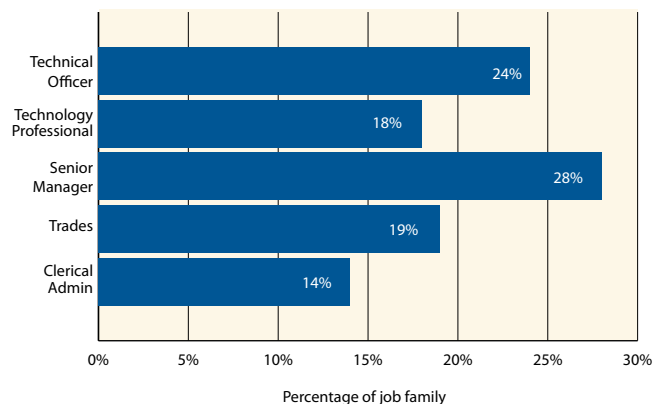
**Figure 14:** TAS age profile



The age profile is relatively consistent across all job roles within this group as indicated in Figure 15 and will require a focus on recruitment and development across all employment categories.

The main focus for the TAS group during the planning period is to manage the forecast retirements and resource the capital program. With a potential turnover of over 30 per cent of the group - around 250 employees - through resignation and retirement to 2013 (see Figure 16), significant effort is required in the recruitment and development of new employees.

**Figure 15:** TAS employees eligible for retirement currently aged 55 and above



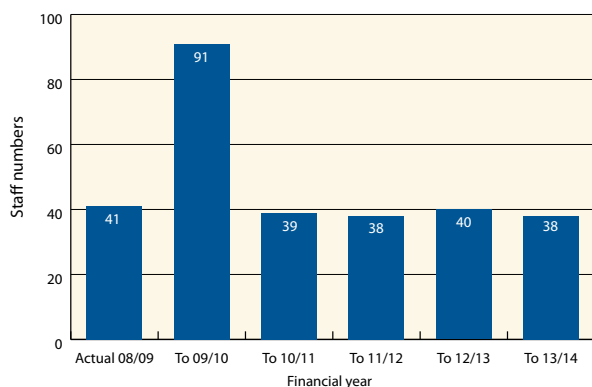
## Planned recruitment and training

Sustaining capability through a period when many experienced staff are expected to retire from the TAS group presents a significant challenge. Recruitment plans are in place to meet the increased demand within the group and offset the impact of potential retirements.

In February 2009 Airservices partnered with TAFE NSW Riverina Institute in Wagga Wagga to deliver a tailored Electronics and Communications Engineering Diploma course to Airservices trainees.

This initiative will alleviate the issues associated with sourcing communications technicians who are critical to our business, but difficult to source in the current market. Opportunities to broaden the scope of the courses offered with a view to progressively increasing the annual intake over the next five years are being examined.

**Figure 16:** TAS projected turnover



**Note:** Forecast turnover is based on historical attrition rates and a projected retirement age of 60 years.

Over the period to 2013 we will maintain our intake of engineering graduates and technical trainees. At the same time we will continue to recruit laterally.

We will manage short-term project demands through strategies such as engaging project staff on contract or 'turn-key' procurement, depending on the market and the individual project risk assessments. As the bulk of the increases relate to project management related skills, it is planned to establish a network of organisations who can provide these skills for what are predominantly short term roles.

## The 'New Workforce'

Beyond the planning period Airservices will move progressively to a greater reliance on data communications and satellite based navigation. The requirement to maintain voice based communication systems and radars will be progressively reduced, as will the number of people required to deliver these services. The maintenance of the newer generation radars and navigational aids will also be less complex than the maintenance historically provided.

During this planning period, we need to attract technical people that can maintain new technologies, and retain existing staff with legacy system expertise. This presents additional challenges when coupled with a group age profile which suggests that many of our specialist resources will retire during the next five years. We are actively managing the group to ensure that our experienced employees mentor newer and younger staff ensuring the transfer of corporate knowledge.



## Corporate groups

### Current workforce

The corporate business groups provide support to the operational groups through the provision of specialist advice and service delivery in the areas of safety management, human resources and training, finance and business services, public affairs and internal auditing.

Collectively, the corporate groups comprise around 634 staff or 19 per cent of Airservices workforce with tenure averaging eight years. The average age of corporate employees is 44 years with 41 per cent of the group aged over 45 years and 15 per cent currently eligible for retirement at 55 years or over.

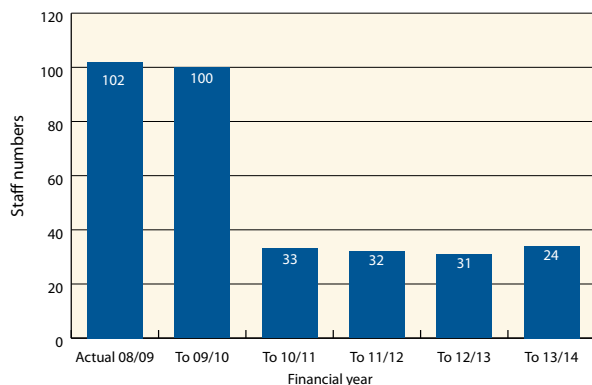
The People and Change business group is atypical, with about one third of employees in the 45-55 year age bracket, reflecting the large number of experienced operational staff involved in training at the Learning Academy.

### Workforce projections

While this plan indicates that corporate workload demand will remain relatively steady to 2013, it is expected that some increases will be required to support the scoping and implementation of ATC future systems as well as to support the implementation of revised capital project methodologies. As these initiatives are planned in greater detail, the extent of additional resource requirements will become clearer and will be programmed into future workforce plans.

Around 110 employees are forecast to retire from the corporate groups to 2013, with a further 100 losses through voluntary turnover (see Figure 17). A large percentage of the projected retirements will be from the People and Change Learning Academy. Plans are in place to recruit additional instructors for operational training and phased retirement initiatives are in place to ensure the retention of this critical group in the interim period before new technologies result in a reduced requirement for simulator support staff.

**Figure 17:** Corporate projected turnover



With the exception of safety specialist employees, the skills required within the corporate areas are generally available in the external market. A focus on the recruitment and development of safety specialists will be ongoing over the planning period. Skills in this area are in short supply and will be critical as the organisation embarks on implementing new systems and technology.

Overall, turnover within the corporate group is typically higher than within operational business groups due to the generic nature of the skills required and the ease at which staff can transfer to other industries. Exit survey data also indicates that short-tenured turnover is in part a generational issue, reflecting the unfulfilled expectations of younger employees. As such, our retention strategies include the provision of career development and training opportunities for employees, coupled with flexible working arrangements and work-life balance initiatives.



## Airservices strategy to deliver the 'New Workforce'

To address the challenges of growing our 'New Workforce', Airservices is implementing a comprehensive five stream people program.

### Building capability

Airservices faces significant challenges in building its workforce for the future as it replaces an ageing workforce in a reducing labour market. As the organisation develops a detailed scope for its future systems and services over the next two years, our Workforce Plan will also need to detail its resource and skill requirements.

Over the next decade, the combined trends of baby boomers departing the workforce and a reduction in the number of younger people entering the labour market will result in an unparalleled era of competition for people and skills. Accessing non traditional employment markets such as retirees, women and people from different backgrounds and cultures will become an important component of our overall recruitment strategy.

To attract and retain these people, Airservices is reviewing its employment conditions and operational requirements (such as rosters) to ensure they accommodate differing requirements and are flexible in their application over time.

Effective recruitment and training processes are critical to the successful attraction and retention of the 'New Workforce'. Utilisation of intuitive e-recruitment and other online people technology will be a key platform in competing in a tight labour market for both existing skills and for the future.

Timely and robust operational training is a cornerstone in the development of the future workforce. In December 2007 the Airservices Board approved a proposal to develop a world class approach to learning through the creation of the Airservices Learning Academy at our facilities at Melbourne airport and these

became operational in 2008. An improved operating model is also being introduced to accommodate the dynamic nature of operational training.

Finally, the introduction of future air traffic management systems has the potential to break down traditional boundaries for the delivery of air traffic management services. This provides opportunities to cooperate in the provision of services and to share skilled resources with the Department of Defence and neighbouring Air Navigation Service Providers.

During the planning period, Airservices will focus on building its 'New Workforce', while ensuring it continues to provide the services required by industry.

In tackling these challenges, Airservices will:

- critically review and define the workforce numbers and skills needed to support and provide future systems and services
- revise recruitment and training strategies to support future capability requirements
- inject workforce flexibility through initiatives such as generic ATC ratings and cross training across operational groups
- seek out partners who can assist us deliver a significant upgrade to our technical systems
- access the knowledge of our retired workforce through the introduction of an Airservices Alumni
- explore and identify people areas of cooperation with the Department of Defence as well as our neighbouring countries.





**PEOPLE:** Some of Airservices trainees undergoing a tailored Electronics Diploma course with the Riverina Institute of TAFE in Wagga Wagga. This partnership is providing valuable opportunities for young people seeking training and employment in regional areas.

## Diversifying the workforce

Over the next 10 years it is expected that 50 per cent of the current Australian workforce will have retired. At current rates of turnover, an additional 30 per cent is expected to leave through natural attrition – representing an 80 per cent change of personnel at current workforce levels.

These changes will present significant workforce challenges to Airservices. However the changes also herald a unique opportunity to transform not only our workforce profile but also the organisation's culture and capability.

A sustainable workforce will require:

- more effective competition for traditional talent
- efficient sourcing of scarce resources
- accessing new labour markets
- increased workforce diversity to optimise the pool of available talent.

Attracting people from diverse backgrounds has a greater chance of success if the organisation 'mirrors' the make up of the community at large. It is important that Airservices fits within the broader Australian society and can culturally grow with that society.

Achieving sustainability through increased workforce diversity will require an understanding of the needs and preferences of the groups targeted and related adjustments to the businesses culture, processes and systems. The challenge for Airservices is to start now in the diversification of its workforce.

To achieve this, Airservices will:

- establish a role that promotes diversity across Airservices
- design and implement recruitment systems that encourage diversity of applicants
- establish a northern Australian indigenous development role – focusing on designing and implementing indigenous employment strategies
- implement a Women in Leadership Network co-chaired by the Chief Executive Officer and the General Manager People and Change - aimed at developing and networking current and potential female managers
- establish a target to double the numbers of females and people from diverse groups employed in non-traditional roles over the life of the plan
- educate and create awareness around diversity throughout the organisation
- review and modify as necessary our harassment and fair treatment procedures.

**ASSETS:** A tower being erected as part of Airservices nation wide roll out of navigation, communication and surveillance technology. Airservices will spend around \$800 million over the next five years on infrastructure to support the Australian aviation industry.

## Lifting employee engagement

Research demonstrates that engaged employees are more productive at work and their discretionary effort is proportional to the commitment they feel to their role and the organisation they work for.

While our annual employee opinion surveys indicate that our engagement as an organisation is increasing, the challenges of the future mean that further improvement will be essential.

The main drivers of engagement across the organisation include having stimulating work and autonomy – “being able to contribute to the outcomes that affect us in the workplace”.

This makes it critical for us as an organisation to provide challenging work for our employees and encourage high levels of performance and discretionary effort. It is also imperative that we effectively manage the changing demographics and expectations of our employees through the provision of flexible work arrangements and innovative work practices.

In improving engagement, Airservices will:

- promote General Manager sponsored ‘action learning projects’ that provide opportunities for individuals to contribute to the goals and objectives of the organisation



- continue to deliver comprehensive monthly staff communication and feedback sessions by the Chief Executive Officer and Executive
- implement child care facilities in Canberra and review options for other locations
- develop a collaborative approach in the development and implementation of the next Collective Agreement
- introduce a new career model for air traffic controllers and proactively implement the organisation’s new Career Development System for all employees.





**SERVICES:** New recruits at the Learning Academy in Melbourne who have embarked on a career as aviation fire fighters. The 10 week course involves intensive training that teaches recruits how to fight fires in aircraft and buildings at airports and to provide rescue and first-aid services for aircraft passengers and crew.

## Aligning our values

A key people component in meeting the challenges of the future is for Airservices to define our corporate values and to demonstrate consistency in their application. As a high performing organisation, our corporate values and the personal values of our workforce should be aligned.

Furthermore, with safety as our first priority, Airservices corporate values are, and will continue to be, aligned to the values of a high reliability organisation.

Personal values (or beliefs) that match our corporate safety values include:

- acceptance of accountability
- desire for accuracy and orderliness
- preference for discipline and integrity
- responsiveness.

Traditionally corporate and personal values have generally aligned and have resulted in the continual provision of safe and reliable services to the aviation industry. While safety values will always remain, corporate and personal values may change significantly as Airservices refreshes and diversifies our workforce, adjusts service levels to meet industry demand and implements new technology and systems.

Airservices has embarked on a program to define more clearly our organisational values, test these values against personal values (both now and what might be expected as the workforce changes) and to develop alignment programs as required. Airservices will implement the outcomes of this program which, as a minimum, will define future values around safety, diversity, fairness and flexibility.

## Developing strong leaders

The development of senior leadership capability continues to be a key strategic initiative for Airservices. Our future focus will be on accelerating the development of Airservices future leaders to ensure the organisation has the requisite leadership strength to take the business forward and meet future organisational challenges.

A Senior Leadership Program commenced in March 2009 at the Mt Eliza Business School in Melbourne. Groups of around 20 managers each participate in the program that involves three key modules:

1. Understand yourself as a manager
2. Understand the Airservices business
3. Understand the future and what role each manager will play in implementing the future.

In parallel, the program includes an action learning project that involves real organisational issues requiring cross business group solutions.



The introduction of a new Airservices management structure in 2006 highlighted the need to enhance 'people skills' across the organisation. As a consequence a 'Leaders Leading' program was designed to support managers in the delivery of fair and consistent leadership across the organisation. In support of this initiative, a 'Management Essentials' program was also designed and launched in 2009 aimed at building the skills of front line managers.

The embedding of leadership programs and the continuous improvement of our management capability will be an ongoing focus over the planning period. Airservices will continue to enhance our management and leadership capability through:

- implementing succession plans for Executive and senior management roles and operationally critical positions
- refresher training to embed leadership principles into the daily work of our managers
- building line management and supervisor capability through structured training using our 'Management Essentials' program
- continuing to build current and targeted future senior leaders through the Senior Leadership Development Program and other talent programs.

## Summary

Ten years ago the Airservices workforce was the same as it is today – just ten years younger. Ten years from now a majority of the current workforce will have retired and our 'New Workforce' will be in place. Those who replace many of our current employees are unlikely to mirror the past.

In this period Airservices will be entering a significant transformation period covering changes to our services, our systems and our people. The implementation of this Workforce Plan will increase the success of that transition and ensure Airservices continues to provide safe, reliable and efficient services to the aviation industry into the future.



**AIRSERVICES AUSTRALIA**

[www.airservicesaustralia.com](http://www.airservicesaustralia.com)

## Attachment 5

### Asset useful lives

Asset	Short text	Account	Corporate		Tax	
			Depn	Useful life	Depn	Useful life
			Key	Years	Key	Years
10001	Land	17000	Z000	0	Z000	0
15001	Residences Pre 18/07/85	18000	ZASA	40	Z000	0
15002	Residences - 18/07/85 to 15/09/87	18000	ZASA	40	ZASA	25
15003	Residences - Post 15/09/87	18000	ZASA	40	ZASA	40
15004	Non Residences - Pre 20/07/82	18000	ZASA	40	Z000	0
15005	Non Residences -20/07/82 - 21/08/84	18000	ZASA	40	ZASA	40
15006	Non Residences -22/08/84 - 15/09/87	18000	ZASA	40	ZASA	25
15007	Non Residences - Post 15/09/87	18000	ZASA	40	ZASA	40
15008	Pavements & Drains	18000	ZASA	20	Z000	0
15009	Ducts & Pits	18000	ZASA	20	Z000	0
15010	Tanks	18000	ZASA	13	ZT20	25
15011	Fencing & Minor Structures	18000	ZASA	10	ZT20	20
15012	Water Reticulation	18000	ZASA	13	Z000	0
15013	Landscaping	18000	ZASA	10	Z000	0
15014	Building Electrical Reticulation	18000	ZASA	20	ZT20	25
15015	Lifts	18000	ZASA	16	ZT20	30
15016	Building A/C	18000	ZASA	13	ZT20	25
15017	Room A/C	18000	ZASA	10	ZT20	10
15018	Building Pumps	18000	ZASA	20	ZT20	20
15019	Sewerage	18000	ZASA	20	ZT20	25
15020	Hot Water	18000	ZASA	20	ZT20	15
15021	Signs	18000	ZASA	20	ZT20	10
15022	Amenities Equipment	18000	ZASA	3	ZT20	20
15023	Amenities Fittings	18000	ZASA	3	ZT20	20
15024	Gym Equipment	18000	ZASA	10	ZT20	10
15025	Fittings	18000	ZASA	13	ZT20	20
15026	Floor Coverings	18000	ZASA	10	ZT20	10
15027	Sanitary Ware	18000	ZASA	20	ZT20	20
15028	Fire Alarm - Buildings	18000	ZASA	20	ZT20	12
15029	Security - Buildings	18000	ZASA	6	ZT20	6
15030	Lighting - Buildings	18000	ZASA	20	ZT20	20
20001	Control Towers	17001	ZASA	20	ZT20	30
20002	Tower Services - Control Towers	17001	ZASA	13	ZT20	30
20003	Fire Alarm - Control Towers	17001	ZASA	20	ZT20	12
20004	Security - Control Towers	17001	ZASA	6	ZT20	6
20005	Lighting - Control Towers	17001	ZASA	20	ZT20	20
20006	Electrical - Control Towers	17001	ZASA	20	ZT20	25
25001	Radio HF	11001	ZASA	15	ZT20	15
25002	Radio VHF	11001	ZASA	15	ZT20	10
25003	Satellite Bearer Equipment	11001	ZASA	15	ZT20	10
25004	Terrestrial Bearer Equipment	11001	ZASA	10	ZT20	10
25005	Operations Computers/Cards	11001	ZASA	10	ZT20	4
25006	Electronic Others	11001	ZASA	10	ZT20	10
25007	Voice System (ex Voice Switch)	11001	ZASA	10	ZT20	10
25008	Multiplexer Equipment	11001	ZASA	15	ZT20	15
25009	Noise Monitoring Equipment	11001	ZASA	15	ZT20	10
25010	Network Equipment	11001	ZASA	6	ZT20	10
25011	Local Area Networks	11001	ZASA	6	ZT20	10

Asset	Short text	Account	Corporate		Tax	
			Depn	Useful life	Depn	Useful life
			Key	Years	Key	Years
25012	Masts & Tower	11001	ZASA	20	ZT20	30
25013	PRM	11001	ZASA	15	ZT20	15
25014	SMR	11001	ZASA	15	ZT20	15
25015	RSR/TAR	11001	ZASA	15	ZT20	15
25016	ADSB	11001	ZASA	15	ZT20	15
25017	ILS	11001	ZASA	15	ZT20	10
25018	NDB	11001	ZASA	15	ZT20	15
25019	VOR	11001	ZASA	15	ZT20	15
25020	DME	11001	ZASA	15	ZT20	15
25021	Strobes	11001	ZASA	15	ZT20	12
25022	Visual Aids (ex Aerodrome Beacons)	11001	ZASA	15	ZT20	15
25023	Operations Consoles	11001	ZASA	15	ZT20	10
25024	Multipair Copper Control Cable	11001	ZASA	40	ZT20	50
25025	Optical Fibre Cable	11001	ZASA	20	ZT20	25
25026	Coaxial Cable	11001	ZASA	20	ZT20	20
25027	Power Cable	11001	ZASA	20	ZT20	50
25028	Pressurisation and Alarms	11001	ZASA	15	ZT20	25
25029	Power Generation	11001	ZASA	15	ZT20	25
25030	Power Reticulation	11001	ZASA	20	ZT20	25
25031	Electrical - Non Property related	11001	ZASA	20	ZT20	25
25032	Station Battery	11001	ZASA	10	ZT20	13
25033	Portable Generators	11001	ZASA	15	ZT20	20
25034	Visual Aids (ex Lighting - non Property related)	11001	ZASA	20	ZT20	20
25035	Equipments and Tools	11001	ZASA	10	ZT20	20
25036	Vehicle Repair Equipment	11001	ZASA	10	ZT20	10
25037	Cranes	11001	ZASA	20	ZT20	20
25038	Fume, Dust, Exhaust Extrac. System	11001	ZASA	10	ZT20	20
25039	Precision Equipment	11001	ZASA	10	ZT20	15
25040	Test & Measuring Equipment	11001	ZASA	10	ZT20	13
25041	Mechanical	11001	ZASA	10	ZT20	10
25042	Tower Services - Non Property related	11001	ZASA	13	ZT20	15
25043	Service for Shelters and Specialised Structures	11001	ZASA	15	ZT20	15
25044	Pumps	11001	ZASA	10	ZT20	20
25045	Rescue Equipment	11001	ZASA	5	ZT20	10
25046	Training Aids	11001	ZASA	5	ZT20	8
25047	Rescue Boats	11001	ZASA	13	ZT20	20
25048	Fire Alarm - Non Property related	11001	ZASA	20	ZT20	12
25049	Fire Fighting	11001	ZASA	10	ZT20	15
25050	Security - Non Property related	11001	ZASA	6	ZT20	6
30001	Flight Inspection Equipment	13000	ZASA	10	ZT20	15
30002	Aircraft	13000	ZASA	7	ZT20	20
35001	Vehicle Light	14000	Z050	1	ZT20	8
35002	Vehicle Heavy	14000	ZASA	6	ZT20	8
35003	Trailer	14000	ZASA	10	ZT20	10
35004	Vehicle Spec Purpose	14000	ZASA	10	ZT20	10
35005	Fire Vehicle	14000	ZASA	15	ZT20	20
40001	Airways Equipment (P&A)	15000	ZLVA	0	ZT20	20
40002	Rescue and Firefighting Equipment (P&A)	15000	ZLVA	0	ZT20	20
40003	Office Equipment (P&A)	15000	ZLVA	0	ZT20	6
40004	Building Equipment (P&A)	15000	ZLVA	0	ZT20	20

Asset	Short text	Account	Corporate		Tax	
			Depn	Useful life	Depn	Useful life
Class			Key	Years	Key	Years
40005	Other (P&A)	15000	ZLVA	0	ZT20	10
40006	Comms Portable (P&A)	15000	ZLVA	0	ZT20	10
45001	Office Equipment	16000	ZASA	10	ZT20	10
45002	General Computing Network	16000	ZASA	3	ZT20	4
45003	Computers	16000	ZASA	5	ZT20	4
45004	Office Furniture	16000	ZASA	13	ZT20	20
50001	ATM/Operational Software	19000	ZASA	5	ZASA	4

**Keys:**

- Z000 Used for assets that do not depreciate (used in books 01, 15 and 20).
- ZASA Uses straight line depreciation based on remaining useful life (used in books 01 and 15).
- ZTAX Not to be used for new assets. Uses diminishing value method based on useful life with a multiplier of 1.5 and only applies for assets purchased pre 10/5/06 (used in book 15 only).
- ZT20 Uses diminishing value based on useful life with a multiplier of 2 for assets purchased post 10/5/06 (used in book 15 only).