Dear Committee Secretary

Performance of Airservices Australia

As one of the primary unions representing Airservices Australia employees, the Community and Public Sector Union (CPSU) is committed to providing a strong voice for our members in key public policy and political debates. The CPSU welcomes the opportunity to make a submission to the inquiry into the performance of Airservices Australia.

The CPSU is happy to provide information on the matters raised in this submission and supplementary information on other relevant issues.

For further information, please contact Osmond Chiu, Research Officer via email Osmond.chiu@cpsu.org.au or on 0424 159 463.

Yours faithfully

Alistair Waters
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Performance of Airservices Australia

December 2016
“The technical staff make up a vital component of service delivery and as such are not back office.”

“People with specialist knowledge have left the organisation and we are struggling to cope with the void created.”

“I feel the CEO does not fully understand the impact of the staff cuts and eventually in time the system may fail with serious consequences. Cutting costs compromising safety.”

“Safety has taken the back seat. With reduced knowledgeable technical staff, mistakes will happen.”

Comments from Airservices staff to the CPSU
Executive Summary

This submission outlines the deep concerns of Airservices Australia staff about:

- Safety risks arising from job losses and the changes to the risk profile;
- Changes to Airservices’ risk management and the risk profile of the National Airways System; and
- Potential contracting out or even privatisation being against the public interest.

Airservices Australia is undertaking a restructure of its organisation through its Accelerate program that aims to slash nearly a fifth of its staff. The CPSU has significant concerns about the extent of job cuts across the organisation and the flawed and arbitrary thinking behind decisions such as classifying technical staff as non-operational, despite Airservices Australia being a technical and infrastructure heavy organisation.

Airservices staff have strongly expressed their deep concerns about changes to the risk profile and what it means for safety as a result of the Accelerate program. There has been a lack of consultation with stakeholders and failure to clarify the impact of cuts. Staff report a deprioritisation of work health and safety with cutbacks to training and generally less interest from management. The removal of staff means that the number of errors needed for an incident to occur is reduced.

All the areas of Airservices Australia work together in tandem and the cuts have meant slower turnarounds, less efficient work practices and higher volumes of work for staff. Staff have reported untrained staff in technical positions, not enough staff to cover the rosters without huge numbers of additional duties, administrative tasks being pushed back onto “operational” areas and not enough time to do anything but basic work.

The next stage of Accelerate will be the ‘market testing’ of functions which will result in outsourcing that will not only increase costs but deliver worse outcomes. Airservices has already outsourced calibration testing and it has resulted in a reduced internal capability. The prior experience of using contractors for maintenance of emergency vehicles, a function that may be ‘market tested’ in 2017, has also been less than satisfactory.

There is a view that the Accelerate program’s cost-cutting may be preparing Airservices Australia for privatisation. Airservices Australia is a natural monopoly providing a public good and there is no business incentive to improve services. The privatisation of such an essential public service is not in the public interest and should be opposed.
Recommendations

1. Airservices Australia ceases using the false and arbitrary distinction between “core” and “non-core” functions.

2. The redundancies occurring in Airservices Australia as a result of the Accelerate program are put on hold.

3. An independent risk assessment of changes that have already occurred be undertaken by recognised experts with the required skills and capacity, who will engage deeply with existing staff, and that Airservices rectify the risks identified.

4. Airservices Australia undertakes genuine consultation with stakeholders about proposed changes.

5. Airservices Australia ceases any further cuts to technical service roles until the independent risk assessment is completed.

6. Airservices Australia ceases any further cuts to the National Operations Centre until the independent risk assessment is completed.

7. Airservices Australia commits to keeping the Melbourne Technical Operations Centre open and ensuring enough staff are employed to provide full 24/7 coverage of critical safety systems.

8. Airservices Australia commits to current passenger movement requirements for Aviation Rescue and Firefighting Services and ceasing further cuts to emergency vehicle technician roles until the independent risk assessment is complete.

9. Airservices Australia ceases further cuts to corporate services and reviews the flow-on impact of the job losses on workload in other areas of the organisation.

10. Airservices Australia rules out ‘market testing’ and focus on improving in-house functions by involving staff.

11. The Government rules out the privatisation of Airservices Australia.
Introduction

Airservices Australia supports Australia’s National Airways System, all the technical infrastructure that allows planes to travel safely in Australia. Everything from communication ground stations, radars, instrument landing systems, operating fire trucks and all the other technical infrastructure that safe air travel in Australia relies on. The technical staff who work at Airservices build, maintain and update the National Airways System. As such they provide a frontline function, maintaining critical and cost effective structures in Australia.

Public confidence in the National Airways System is an economic imperative as well as being critical to the safety and security of the Australian community and everyone who travels. Australia has a very safe aviation system in Australia and it is worth the investment to ensure that it remains the case.

Airservices Australia, by providing a safe, efficient and reliable air traffic network, supports an industry that is responsible for approximately $30 billion of Australia’s GDP. The organisation has achieved this with minimal investment from government over the past few decades. The CPSU rejects the assertion that the model of air traffic control in this country is broken, and that cutting staff numbers is necessary to cut costs.

Our aviation network is arguably Australia’s best ‘bang for buck’ piece of infrastructure. The CPSU also rejects the assertion that staff members in a service based organisation are a “cost” that must be reduced through the Accelerate program. Of note, staffing costs for Airservices Australia as a percentage of total costs have been relatively static for a number of years. Further, the staff at Airservices represents the services provided. Without them, Airservices does not exist.

Accelerate program

Airservices Australia’s Accelerate program was launched in March 2016 and aims to be completed by 30 June 2017. Developed by PriceWaterhouseCoopers (PwC), Accelerate has been justified on the basis that Airservices Australia is not efficient and needs to “minimise the cost burden on Australian aviation.”

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As part of Accelerate, in May 2016, Airservices Australia announced plans to cut 900 staff. This is approximately 20% of its 4,400 staff. Of the 900 job cuts, there would be “at least” 600 voluntary redundancies. The job cuts are part of a suite of changes that aim to reduce Airservices Australia costs by $100 million.

The first stage of the restructure, which was announced on 17 May, was a voluntary redundancy process that occurred between June to August 2016. Operational air traffic controllers and aviation rescue fire fighters were specifically excluded as a group who could apply for a voluntary redundancy because they were deemed to be a “core” function. As these cuts were to occur exclusively to “non-operational” staff, cuts to the maintenance, and corporate services are significant.

The exclusion of technical staff highlights that Airservices has used a flawed definition of “core”. Technical staff are a core function. Airservices is a technical and infrastructure heavy business. Keeping it up to date is a critical function, unless it happens, the rest of Airservices cannot function. The application of this distinction between core “operational” and non-core “non-operational” staff has been extremely arbitrary. For example, despite the Technical Operation Centre being classified as “non-operational”, many staff were informed they would not be offered a voluntary redundancy as they were too important yet they were not considered “core”.

As of the end of September 2016, 580 people have left on redundancy provisions since 1 January this year, and by the end of this calendar year 709 would have gone under a voluntary redundancy process. The further projected 200, or thereabouts, will be the result of either voluntary redundancies or potentially involuntary redundancies in areas that are assessed as such.

The CPSU has been informed that some aspects of Accelerate may continue beyond the end of the financial year including constant reviews of certain areas. Any continuation is likely to result in further cuts to jobs and services.

**Recommendation:** Airservices Australia ceases using the false and arbitrary distinction between “core” and “non-core” function.

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4 Rural and Regional Affairs and Transport Legislation Committee (2016, October 17). Senate Estimates - Infrastructure and Regional Development Portfolio - Airservices Australia. Retrieved from: [http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;adv=yes;db=COMMITTEES;id=committees%2Festimate%2F1067c4b0-a789-4172-868c-38e13b1e25d%2F0005;orderBy=customrank;page=0;query=Dataset%3AcomSen,estimate%20Dataset_Phrase%3A%22estimate%20P%20parliamentNumber%3A%220%22;rec=12;resCount=Default](http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;adv=yes;db=COMMITTEES;id=committees%2Festimate%2F1067c4b0-a789-4172-868c-38e13b1e25d%2F0005;orderBy=customrank;page=0;query=Dataset%3AcomSen,estimate%20Dataset_Phrase%3A%22estimate%20P%20parliamentNumber%3A%220%22;rec=12;resCount=Default)
Impact of job losses

Airservices Australia employees have informed the CPSU that the loss of such a significant number of jobs is having an impact on the services that staff can deliver. The turnaround of work for clients is significantly slower because there are less staff to undertake the same volume of work. Morale is low and quality of work no longer valued as time does not permit. Fatigue management does not appear to be a real concern. As one member outlined:

Members have expressed concern that the speed of the implementation of job cuts and the ongoing uncertainty around cuts has made it difficult to address risks. There is particular concern that there is a lack of understanding about how staff operate and what they do as the Accelerate program is being driven by PwC who do not have the level of tenure nor the corporate knowledge of Airservices staff. Staff are concerned that much of the industry has little awareness as to what is happening and the possible ramifications of the reduction in Airservices’ staff.

Many staff at Airservices have worked there for decades. According to Airservices’ Workforce Plan 2013-2020, over 40 per cent of employees have worked in Airservices for over 10 years with 27 per cent having worked for Airservices for over 20 years and 14 per cent having worked for Airservices for over 30 years.\(^5\) There has been a loss of corporate knowledge and experience that is not easily replaceable.

The most detailed information that the CPSU has been able to obtain indicates that over half of the first 472 redundancies have been in Air Navigation Services (ANS). ANS combines air traffic control, operation and engineering. Of known redundancies from the Information Management & Technology group, half were in the National Operations Centre in Canberra.

In the first round of redundancies, there were 240 redundancies in ANS. Ninety-three of these were in engineering and technical services. Engineering and technical areas build and maintain the infrastructure for our controllers to use and for aviation rescue and firefighting. The quality of the work that the air traffic controllers do on the front line is dependent on engineering and technical services, including the ‘further engineering and IT roles’, from which 56 went. This included air traffic management systems.\(^6\)

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\(^5\) Airservices Australia (2013), Workforce Plan 2013-20, Canberra.

\(^6\) Rural and Regional Affairs and Transport Legislation Committee (2016, October 17). Senate Estimates - Infrastructure and Regional Development Portfolio - Airservices Australia. Retrieved from: <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;adv=yes;db=COMMITTEES;id=committees%2Festimate%2F1067c4b0-a789-4172-868c-38e13b1e25d%2F0005;orderBy=customrank;page=0;query=Dataset%3AcomSen,estimate%20Dataset_Phrase%3A%22estimate%20P
arliamentNumber%3A%2245%22;rec=12;resCount=Default>
Airservices staff safety concerns

The following comments by Airservices staff to demonstrate the seriousness of their concerns about safety. These comments came from members who have had many years experience working in Airservices Australia.

“We are risking a massive safety incident - not because of a cut to frontline services but because the IT and engineering areas have been so heavily impacted. Air Traffic Controllers are pretty useless without their consoles and radios.”

“In our region we have lost our three most senior staff with a combined total of around 100 years service leaving us with just five electricians servicing Mackay to Thursday Island, only two of which have more than ten years service.”

“Most of our equipment is duplicated or triplicated and it was always to maintain top level safety. Now they are trying to reduce routine maintenance to reduce staff. It means there are not enough people to maintain places like Tamworth. There is only one person to cover huge areas like most northern NSW which includes Dubbo, Parkes, Armidale and even Broken Hill.”

“With so few WHS specialists within the organisation, where is the capacity going to come from to bring effort to bear against WHS issues within the organisation? ATC and ARFFS are so busy doing their thing so the task will fall to the 'back-room' operatives who will be working harder and more efficiently to provide the back-room support. At the same time, the 'back room operatives' have been reduced in numbers.”

“It (safety risks) will be ignored until someone dies or a plane crashes.”

“Safety has taken the back seat. With reduced knowledgeable technical staff, mistakes will happen.”

“It’s having lip service paid to it. If they were serious about risk, they would have done a proper safety design case before they started this process.”

“Managers say they have assessed the risk of staffing and subsequent changes but in briefings they say they are "prepared to accept a deal of risk" which implies a greater level of risk that we are used to and should accept.”

“All decisions seem to be being made by people with a poor understanding of how the systems work and why things were done the way they were. Most of the change is being driven by PwC who have no experience in running a high reliability organisation.”
While Airservices Australia stated that “frontline” staff will not be affected, members have disputed that “back of office” were targeted, claiming that it was “completely disingenuous.” Many supposedly “back of house” roles are efficient and help ensure the smooth functioning of the organisation. Many of the “non-core” staff ensure that air traffic controllers and fire fighters can focus on their jobs without worrying about administrative details. They perform a range of roles from ensuring the air traffic control system is working to fixing equipment and repairing radars and emergency vehicles to fixing software glitches. An example provided was that in Brisbane, many roles that directly supported Air Navigation Services functions - like airspace design, procedures are now gone. As one member stated “the technical staff make up a vital component of service delivery and as such are not back office.” Without them, the organisation cannot function effectively and the loss of capacity will have an impact on “frontline” staff.

There is widespread concern that Airservices Australia has not clarified the impact of these cuts on safety risks and that concerns raised within Airservices and by aviation experts have been ignored. The CPSU understands that Airservices did not consult with all of its stakeholders including regional aviation groups and Civil Aviation Safety Authority. Safety staff have been let go in both operational and non operational areas and there is concern this will mean Airservices will only investigate issues after the fact. Many staff are concerned about the impact of the changes on safety.

Aviation incidents and events happen because a string of errors. When job cuts occur, it reduces the number of errors that need to occur for an incident to occur. One example provided to the CPSU highlights the importance of having experienced Airservices staff in ensuring safety by addressing risks. A staff member was reviewing flight paths for an airport in Tasmania that was close to another airport and noticed the turn on departure in the proposed new flight path would put aircraft on a collision path with aircraft departing from the other, smaller airport. This error had made it through rigorous review and approval processes – and was only noticed because the staff member was experienced. It was brought to the attention of a staff member working on safety who was able to fix the issue internally. A mistake like that could easily creep through with serious consequences if experienced and capable staff are removed from the organisation and replaced with inexperienced short-term contractors.

Members report that Airservices has not done a proof-of-concept of trial to demonstrate that the new generalist model they are moving through Accelerate could work. There is significant unease that the new operational model will mean there are no actual staff for projects to identify and manage any safety risks in advance to ensure compliance with

regulatory requirements. This is particularly worrying given Airservices’ record with respect to regulatory compliance with 233 non-compliance notices from CASA over a 9 year period for breaches of safety regulation. One example of the deskilling occurring is in the Operational Risk and Assurance Unit. Despite being a technical role, the Operational Risk Specialist now includes no mention of qualifications in aviation, technical risk analysis or airspace management.

Given the significant concerns about the impact of job losses, the redundancies that are occurring as a result of the Accelerate program should be put on hold. An independent risk assessment of the changes that have occurred should be undertaken by recognised experts and this should engage deeply with existing Airservices staff, not just management.

**Recommendation:** The redundancies occurring in Airservices Australia as a result of the Accelerate program are put on hold.

**Recommendation:** An independent risk assessment of changes that have already occurred be undertaken by recognised experts with the required skills and capacity, who will engage deeply with existing staff, and that Airservices rectify the risks identified.

Technical Services

Staff working in technical services provides a core frontline service. The loss of staff is having a direct impact on the services provided by Airservices Australia. There are less people to do the work, trouble covering the day after major upgrades due to lack of TECHCERT, training and experience. The TECHCERT program assesses technical officers on their knowledge of and ability to safely remove and restore equipment from the National Airways System. Staff are being flown to other centres to conduct upgrades due to lack of qualified staff leaving both centres short staffed. For example, the CPSU has been informed of examples where Airservices is sending someone up from Melbourne to Mount Bobbara (north west of Canberra) to fix radars, an expensive and inefficient solution.

Technical officers are reporting that the level of service they can provide has significantly decreased. Cutting the amount of maintenance makes the system less robust. Preventative maintenance ensures critical safety equipment stays in working order. Reducing or removing routine maintenance increases the chance of a sudden and expensive equipment failure, leading to the potential for safety risks.

Removing staff from remote maintenance bases increases response times to repair faults and reducing service staff levels and stretching or removing regular maintenance schedules
means service restoration times will be increased. Routine maintenance is necessary to keep requirement in good working order and prevent unexpected breakdowns.

Staff have left under voluntary redundancies and been replaced by untrained persons and responsibilities from higher level roles have been given to lower level staff. The lack of Subject Matter Expert knowledge in some areas has resulted in long hours for staff to get across the new work in addition to performing existing regular duties. A member gave a recent example of a failure of Airservices equipment where a pilot reporting a GPS-based navigation outage on their onboard avionics equipment while the associated air traffic controller on the ground had the situation as normal on their awareness screen. A failure of this nature can risk a serious incident. Due to the loss of subject matter experts, the investigation process has been slow and is still ongoing despite it being a potential risk to air safety. Some other examples of comments from members about the lack of experienced subject matter experts are below:

“Due to cuts we no longer have access to Subject Matter Experts to assist on areas such as operational safety, work health safety, environment, human factors. This is all falling back onto the project manager to complete and we are not experts in these fields.”

“Experienced and senior technical officers are gone now. An unqualified technician is senior supervisor, selected by a non-technical manager. Junior technicians now have to do both the senior and junior role due to the new senior technician not having enough experience to do the job.”

“Nearly all the senior project managers have left and Airservices hired a graduate as a project manager. Nearly all the senior CNS/ATM specialists have left the future airspace programme. If it is not outsourced, it will use junior airspace or procedure designers to design the new airspace and new operational concept for Sydney, Melbourne, Brisbane TCU airspace. There is no dedicated safety and human factor specialist to help the project from the initialisation phase until the post implementation 3 month monitoring phase.”

“Both our Radar Experts in Brisbane have been allowed to leave under VR. The staff remaining do not have the same depth experience or knowledge.”

“I am being asked to look after systems that I have not had experience in before. The rest of our team members have been asked to do similar things and we are all spread very thin.”
One member within Air Navigation Services reported that routine software updates were not completed at the last routine upgrade. This resulted in fault and reporting action. The member went on to state that “we are being told that we need to make do with less charts than we currently use.”

Staff have told the CPSU that Airservices has become more willing to take risks, becoming more willing to push out time between scheduling and becoming more reactive. This can cause risks to air safety if repairs to, for example, radars, are not made in time. An appetite for increased risk is inappropriate for an organisation that is focused on the safety of the travelling public by minimising risks.

Combined roles and increased workload are increasing the risk of a failure to respond appropriately to system outages and the identification and rectification of errors. Due to work centre closures like Rockhampton turn around times for critical navigational services will be greatly delayed. There is also reduction of routine performance inspections on equipment that is way past due replacement.

Regional Australia relies on aviation as a lifeline for the community in many situations and it is essential airport equipment is not down in an emergency. Relying on Original Equipment Manufacturers to maintain the equipment will cause unnecessary delays in restoration of equipment potentially causing loss of separation of aircraft, meaning the minimum safe distance required between aircraft to prevent a risk of collision is breached.

Every time a technician in Airservices flips a switch or tightens a bolt, they know that ultimately, the aviation system, 11% of the world’s sky may rest on that switch or that bolt. A third party contractor whose loyalty is to their hiring company, and the loyalty of the hiring company is to profit will not bring that same respect and understanding to their duties. In a contracting world where time is money, the extra moment to consider before flipping the switch or tightening the bolt may not be taken, and that could have serious consequences.

An example of how the removal of staff and outsourcing of maintenance will have significant consequences might be the loss of main power. There was a previous experience of power loss to air traffic controllers in the 1990s after job cuts that led to a revision of the approach taken. A similar problem may occur at the Brisbane Airport Air Traffic Service Centres. The Uninterruptible Power Supply system provides power until the generator starts but occasionally the generator does not start like it should. Experienced local staff available on site or on call ensure the generator can be fixed promptly and hopefully before the UPS batteries run flat causing the loss of air traffic control for half the country and most of the Pacific. Outsourcing maintenance of the generators may mean delays as a third party needs to be contacted.
Radar technician roles have been cut and there has been the removal of remote maintenance bases. This will mean longer service restoration times and push out routine maintenance periods. Faults will be dormant for longer.

There is particular concern about proposed changes to Chief Fire Wardens and getting them to do technical work. Given that their role is to monitor and determine the cause of fires, there is significant concern that allocating additional technical responsibilities will affect safety by increasing risk.

There are concerns that system maintenance will be "watered down" to allow reduced staffing numbers to still "tick the boxes", creating an obvious risk to safety. Preventative maintenance on equipment being extended out longer or removed altogether with more reactive work in response to failures. Higher workload on staff will be more reactive and increasingly stretched, particularly if they cover large regions.

Airservices should cease any further cuts to technical service roles until the independent risk assessment is completed because of the extent of these concerns.

**Recommendation:** Airservices Australia ceases any further cuts to technical service roles until the independent risk assessment is completed.

**National Operations Centre**

The National Operations Centre ensures there is visibility over whole of the airways system to ensure it is working and identify faults and fix them quickly. The loss of experienced staff will have a serious impact on the responsibilities of National Operations Centre (NOC) and lead to increased fuel use and delays. For example, the Harmony program managed by NOC, has delivered significant savings, a predicted 181 million litres in fuel savings over ten years and over 54.1 million tonnes of CO2 per annum. A 2014 report by PwC identified that there is a direct safety benefit because it results in less aircraft holding at any one point in time. It is worth reiterating that PwC the same company advising Airservices Australia to cut staff in the NOC through the Accelerate program which raises questions about their advice.

Staffing cuts have meant there are not enough staff to cover the rosters without huge numbers of additional duties meaning people are tired and worn out. Multiple functions and services are being performed by staff with increased complexity and workload. People are being asked to do extra duties such as portfolio work whilst in operational shifts. It is resulting in delays in completing work, an increased risk of errors and a reduced capacity to identify and respond to hazards and errors. There has been a significant loss of personnel
with key knowledge of systems and lower level staff are also being given their additional responsibilities without having the necessary skills or training.

The staff that have left NOC have worked with the system since it was introduced and have a detailed understanding. The loss of corporate knowledge by replacing these staff with generalists risks program underperformance and may mean that the benefits may not be realised to the same extent.

The staffing reduction at the NOC is having a flow-on effect elsewhere in Airservices. For example, Members in Enterprise reporting and analysis have informed the CPSU that they are being asked to deliver operational reports previously done by operational areas without the expertise to do so. They are currently doing these daily ops reporting despite also having suffered staff reductions. They are also being asked to provide business support to Accelerate initiatives which are poorly thought out and will result in increased risks to Airservices.

Further cuts to the National Operations Centre should cease until the independent risk assessment that is recommended is completed.

**Recommendation:** Airservices Australia ceases any further cuts to the National Operations Centre until the independent risk assessment is completed.

**Technical Operations Centre**

As part of Accelerate, a range of reviews are being undertaken including of the Technical Operations Centres. The Technical Operations Centres (TOC) monitors and manages the equipment and systems that underpin our air traffic management system. They ensure that the impacts of equipment failure are contained and rapidly responded to with minimal impact on the travelling public. While the Brisbane TOC did not experience any redundancies, there have been three in the Melbourne TOC.

There are concerns that the Melbourne TOC may close, leaving only the Brisbane TOC, something that air traffic controllers do not support. Centralising the Melbourne TOC ATM shift into Brisbane, and having the Critical Level 1 functions performed by the Brisbane TOC ATM shift is effectively a 50% workload increase for the Brisbane TOC ATM shift group. No review has been conducted in the BN TOC to decide on whether staffing will be increased to take on the extra workload. The geographical spread of facilities to be monitored in Australia means that an occurrence may be missed due to the scale of systems to be monitored from one centralised location.
In the words of one member, the voluntary redundancies in Melbourne were a debacle and “they clearly have no idea what they are doing.” The voluntary redundancies occurred without Airservices looking into the impact of operational requirements. Staff have indicated that the loss of the three staff will mean that Technical Operations Centre Australian Traffic Management (TOC ATM) in Melbourne will not be able to cover a 24/7 shift in Melbourne with the remaining four staff. Members are reporting that reduced staff will mean they cannot presently provide full 24/7 coverage of these critical safety systems. This means that the first response to equipment failure is severely compromised. The staff that took voluntary redundancies in Melbourne were asked to stay on longer due to operational issues about their departure. Furthermore, the previous manager of TOC was made redundant without clear job delegations to remaining staff. It has meant that presently there is no manager who holds clear responsibility for oversight of the technical systems in Melbourne – the equipment that underpins half of Australia’s airspace, including Melbourne airport.

Airservices Australia should commit to ensuring the Melbourne TOC remains open and that there are enough staff to cover a 24/7 shift.

**Recommendation:** Airservices Australia commits to keeping the Melbourne Technical Operations Centre open and ensuring enough staff are employed to provide full 24/7 coverage of critical safety systems.

**Aviation Rescue and Fire Fighting Services**

There are concerns that Airservices Australia may seek to close Aviation Rescue and Fire Fighting Services in regional areas. Currently, if an airport has more than 350,000 passenger movements (take offs and landings), Airservices is required to put in a service. Through a regulatory review conducted by the Department of Infrastructure and Regional Development, Airservices has proposed that the regulations are changed to lift the requirement to 500,000 passenger movements over a rolling twelve month period and disestablishment of services to 400,000.⁸ The impact of this change is that Aviation Rescue and Fire Fighting Services at five regional airports (Coffs Harbour, Gladstone, Broome, Newman and Ayers Rock) may be removed and a range of airports will not receive a service into the future. It is also contrary to earlier internal reviews that recommended maintaining the level of services at Ayres Rock. Further, the CPSU notes that the requirement in Canada for Aviation Rescue and Fire Fighting Services is 180,000 passenger movements.⁹

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highlighting that the increase would be out of step with comparable nations. The changes to passenger movement requirements should be opposed.

While fire fighters have been exempt from voluntary redundancies, vital technical roles have not been. Emergency Vehicle Technician (EVT) numbers have been reduced from 40 to 32 since Accelerate began, nearly 20% of the workforce. The remaining staff are left to carry out the same workload with no consideration as to the impact this will have on the quality of work performed.

Fire fighters are being told to continue to operate vehicles with so-called minor defects. Concerns have been raised that unqualified fire fighters will be expected to carry out repairs on vehicles. Aviation fire trucks are complex and high-performance vehicles that must be maintained to aviation standards, as they are what people rely on to save lives during an air crash.

These cutbacks to EVT indicate that Airservices wants to take bigger risks with the lives of Australians. Job cuts will mean the expected enforcement of a quick turn around on repairs will be lost. The big risk of not being a trained emergency mechanic is the risk of tools and parts being left on the vehicles when returning them to operational status and these items (parts and tooling) ending up on the runway. This is one of the biggest lessons that all EVT staff must understand.

The cutbacks will have long-term implications for the future capacity of Airservices Australia. Previously there were plans to employ apprentice Emergency Vehicle Technicians (EVT) but now the numbers will be cut. There will be no capacity if the previous problems with contractors occur as the workforce will have been deskilled. The job losses must cease until there can be a proper risk assessment of the impact of EVT job cuts to date.

**Recommendation:** Airservices Australia commits to current passenger movement requirements for Aviation Rescue and Firefighting Services and ceasing further cuts to emergency vehicle technician roles until the independent risk assessment is complete.

**Corporate Services**

The false distinction between “core” and “non-core back office” work has meant that job losses have meant that important “back of office” work that is essential to improving Airservices quality of service is also no longer occurring. For example, while internal maintenance reporting is still being conducted, members indicate that detailed analysis of trends and root-causes are no longer being conducted. Having the data is important but useless if it is not analysed to make necessary changes. Without a focus on continuous improvement, safety performance cannot be expected to improve.
Even cutbacks to areas considered administrative like documents and records management are having a flow on effect. There is a slower turnaround of work and work is being pushed back onto areas in Air Navigation Services to do themselves, meaning they will need to undertake the work using their own resourcing. The net impact is greater inefficiency as administrative tasks will be done by “frontline” staff. Feedback from areas is that they do not have time/resources to complete the work themselves that we used to do for them. Significantly reduced focus on quality of work, including operational documents. The focus is now on doing 'basic' work as that is all staff have time to do.

Managing administrative work is most effectively done through a centralised and specialised office, however, now air traffic controllers are going to have to step away from the console to manage administrative duties – doing an administrative task at a slower pace.

Members have informed that CPSU there are rumours that many sections of corporate services will be outsourced after the Asset Review in early 2017 including work that is currently considered “efficient” such as accounting.

Given the flow-on impact of job losses, Airservices should cease further cuts in corporate services until a proper review of its impact on the workload of other areas occurs.

**Recommendation:** Airservices Australia ceases further cuts to corporate services and reviews the flow-on impact of the job losses on workload in other areas of the organisation.

**Decreased management of risk**

There are significant concerns that Work Health and Safety (WHS) is being deprioritised by management and that WHS obligations to both staff and the wider community are being affected. This is particularly worrying given the fact that Airservices has had multiple workplace deaths, and a serious injury rate that remains static despite efforts to improve WHS in recent years.

Of great concern are the substantial cuts to areas of the organisation dedicated to managing regulatory compliance and WHS. Given Airservices’ poor record with respect to management of regulatory compliance, it is likely that reducing staffing levels in these areas are likely to lead to serious outcomes for the organisation.

Members report that site supervisor training that was due to be rolled out in August 2016 has not occurred as all key staff involved in safety and delivery have been made redundant. One respondent highlighted the impact of Accelerate has been cuts to the WHS department,
reducing the number of Safety Specialists from approximately 1 per 300 to 1 per 900 employees. Such an extensive reduction will inevitably mean that there is less capacity for Safety Specialists to ensure WHS issues are addressed.

The CPSU has also been informed that the CEO of Airservices Australia, having previously received regular WHS reports outlining incidents no longer receives them.

The seriousness of concerns about increasing risk come through in comments from members. A number have stated that Airservices Australia has explicitly stated the term "accepting greater risk" is being used. Some examples of safety concerns are provided below.

Many have spoken about the lack of consultation. Members have stated that none of the consultants spoke to them prior to the Accelerate program being rolled out and they had only dealt with management.

Many members have commented that the overriding factor in all decision-making has been financial. “We are told how many staff we can afford and then have to make that work rather than assessing what resources are required for safety and then cutting any excess.”

The seriousness of these allegations highlights that Airservices Australia must genuinely consult on these changes and restore staff to ensure that any cuts do not increase risks that might impact on safety. Airservices has obligations to consult under the Enterprise Agreement; however, it has failed to do so. The Fair Work Commission had to direct Airservices Australia in regards to consultation.

**Recommendation:** Airservices Australia undertakes genuine consultation with stakeholders about proposed changes.

**Outsourcing and market testing**

The CPSU notes that there has been a push to open up Airservices Australia to “contestability”. The proposal has been particularly pushed by investment bankers. The National Commission of Audit recommended a review of Airservices Australia “with a particular focus on the scope of its activities.” Similarly, the Productivity Commission Inquiry into infrastructure noted that air traffic control had been “market tested” in

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Europe\textsuperscript{12} This is despite air traffic control in Australia being very different as Europe has multiple nations joining together to have a single entity operating their air traffic control.

Airservices Australia’s emphasis on “streamlining our operational model” to focus on core services; Air Navigation Services and Aviation Rescue Fire Fighting Services, suggests that other functions will be “market tested”\textsuperscript{13}. In October 2016 Senate Estimates, the CEO of Airservices Australia did not rule out contracting “non-core services, some administrative service or whatever”. He went on to state “that there may be a service that we find is more appropriate and more efficient to contract out, and is not what we would call a core service.”\textsuperscript{14}

People are worried about job uncertainty, accepting more risk and reducing servicing time. There is speculation that the next stage of the Accelerate program, focused on asset management and technology will result in outsourcing and further job losses. It is rumoured that the job cuts will be between 150 and 200. By this stage, a quarter of the Airservices workforce will have been cut from the organisation.

There are significant concerns that because of the implementation of Accelerate to date, the introduction of “market testing” will end up costing Airservices Australia more than maintaining functions in-house because of the experience of poor services from contractors. Given the numerous issues surrounding Airservices’ management of contracts, as highlighted by the recent ANAO audit\textsuperscript{15}, functions should be kept in-house until greater confidence and competence regarding contracting is gained.

Parts of Airservices Australia have already been outsourced which has undercut internal capacity. For example, the Test Equipment Maintenance and Calibration Centre (TEMACC) was outsourced to Keysight, starting 3\textsuperscript{rd} October 2016, on the basis of cost while ignoring that staff performed more functions than calibration. Many of the staff in TEMACC had experience with maintenance of the National Airways System as well as extensive test equipment maintenance experience, advice on suitability and proper use of test equipment was freely given to help engineering and field staff, this will not be available from Keysight. Repair of faulty test equipment was usually provided by TEMACC, saving Airservices time and money. Keysight will only repair equipment that they provided for a fee, everything else

\textsuperscript{12} Productivity Commission (2014), Public Infrastructure, Inquiry Report No. 71, Canberra.
\textsuperscript{14} Rural and Regional Affairs and Transport Legislation Committee (2016, October 17). Senate Estimates - Infrastructure and Regional Development Portfolio - Airservices Australia http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;adv=yes;db=COMMITTEES;id=committees%2Festimate%2F1067c4b0-e789-4172-8d8c-3be13b1eb254%2F0005;orderBy=customrank;page=0;query=Dataset%3AcomSen,estimate%20Dataset_Phrase%3A%22estimate%22%20ParliamentNumber%3A%2245%22;rec=12;resCount=Default
will be sent to the OEM for repair at often inflated prices plus a markup, anything deemed obsolete will be written off with no attempt at repair. Much of Airservices’ test equipment is fast approaching or already passed when most manufacturers would like you to replace with newer models at unnecessary considerable expense. Some equipment is highly specialised and cannot be replaced by anything currently manufactured and the OEM no longer exists. The expertise to maintain this equipment has now been lost. The treatment of ex TEMACC staff by management at Airservices has made it unlikely that any of them would be willing to help when Airservices discover that they have made a mistake in a few years time.

The CPSU has previously warned Airservices about the impact of outsourcing TEMACC. The CPSU prepared a response to the market testing of TEMACC in February 2016 which highlighted that it would only increase the risk to Airservices and would focus primarily on profit. The benchmarking done by consultants was not impartial. The consultants hired to do the review of TEMACC recommended that TEMACC be outsourced and they were best placed to provide TEMACC’s services. The CPSU recommended allowing greater revenue generation and impartial benchmarking. The outsourcing of TEMACC occurred despite operating under budget and having instigated a range of savings measures. A copy of the CPSU response is attached. It is concerning that the same experience may be repeated as a result of further ‘market testing’.

The CPSU notes that emergency vehicle technicians (EVT) have been told they will be subject to “market testing” in 2017 before the end of the financial year. This is despite EVTs having a specialised skillset, working with specialised equipment and being required to be able to drive emergency vehicles. Previous experience of getting external technicians to work on the fleet of emergency vehicles resulted in EVTs being required to complete the work. An example of a contractor being used to repair a fire vehicle fault in Hamilton Island was provided. It resulted in the vehicle being offline for about 3 weeks due to the contractor not having the skills to repair quickly. This meant the airport was without a fire truck for three weeks. If an aircraft had crashed at the airport during this time, fire fighters would not have had the equipment they needed.

Members have also informed the CPSU that the outsourcing of Notice to Airmen and briefing offices has been discussed. This would mean more redundancies and also giving the work to much less qualified and experienced people. The effect on morale is noticeable too as it is clear Airservices does not value the expertise of the current staff and believes non-aviation staff could perform the roles just as well. The CPSU disagree with that notion. Skilled, experienced staff should not be replaced by inexperienced generalists.

Comments and concerns were not just about the loss of jobs but the impact on the quality of services and the increased costs as a result, because management does not have the
requisite knowledge. Members are significantly concerned that if an issue is complex Airservices would consider engaging a safety specialist externally. This would be problematic as an external person has no knowledge of what Airservices staff do. There are significant concerns as to what may occur if there are no in-house experts and AFFRS are reliant on external mechanics being able to maintain when they can, who do not have the specialised experience.

A particular concern amongst staff is that once the Asset Review is released in March 2017, there will be the further outsourcing of electrical and mechanical based work to contractors who are not familiar with the operational environment including operational risk assessment. The lack of an internal skilled workforce to maintain electrical and mechanical sections will reduce the internal capacity of the organisation. Airservices currently has substantial processes, systems and internal training that ensure maintenance is done in a way that minimises impact on the aviation system. Before flipping a switch or starting work on a vehicle, careful consideration is given to the impact on the whole system. An external contractor with no awareness of the organisation as a whole can not have this level of consideration – leaving a greater risk of maintenance caused system failures.

One member spoke about their previous experience with contractors:

“Many projects have been completed by contractors with varying results. I have seen all sorts of things from mains power cable feed joints being sealed with duct tape instead of resin encapsulated joints to external companies writing reports on our sites without doing the actual inspections required. Staff have picked up the problems early enough to ensure that no damage is done to equipment or people hurt. The quality of work done by full time staff is far superior to that done by contractors as we know the equipment and will need to repair it if it fails. Contractors want to get in and out as fast as possible to maximise profits”

The CPSU opposes the market testing of Airservices Australia functions which is being driven by cost-cutting rather than better outcomes. Instead, the focus should be on improving in-house functions by involving staff.

**Recommendation:** Airservices Australia rules out ‘market testing’ and focus on improving in-house functions by involving staff.

**Privatisation of Airservices Australia**

The CPSU has concerns that the ultimate end goal of the Accelerate program is to reduce costs to prepare Airservices Australia for privatisation. The Department of Infrastructure and Regional Development’s Functional and Efficiency Review, part of the Government’s
Contestability Programme, recommended that the Government “consider further options” for the future of Airservices Australia.\textsuperscript{16} The Review, conducted by KPMG and completed in February 2016, examined international examples where air traffic control providers are no longer publicly owned. The CPSU also notes that privatisation has recently been pushed by the Australian Aviation Associations’ Forum.\textsuperscript{17}

As air traffic control is a natural monopoly, there is no competitive market for air traffic control services and no business incentive for a private body to be a high performing organisation. Given that the services delivered are highly specialised, it is difficult to see how competition could develop. Even if services are poorly run by a privatised entity, it seems unlikely that competitors would make the investment and build the expertise necessary to be in a position to bid to take over the operation of the services.\textsuperscript{18} Further, private ownership of our air traffic control network exposes the nation to political security risks given its strategic importance, particularly as Australia is combining its civil military air traffic management system. If Australia genuinely wants a high performing air traffic control service, then the best approach is for the government to retain ownership of that service.

The CPSU notes that Airservices Australia is already a corporatised entity with financial and managerial independence from the government and a self-financing structure, mainly through user fees. There is also no conflict of interest as Airservices Australia does not regulate safety so it is unclear what rationale there would be for privatising beyond handing a natural monopoly to the private sector. The CPSU opposes any move to privatise Airservices Australia and recommends the Government rules this out.

**Recommendation:** The Government rules out the privatisation of Airservices Australia.