Australia
Pacific
Airports

SUBMISSION TO THE COMMONWEALTH PARLIAMENT

JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT

REVIEW OF AVIATION SECURITY IN AUSTRALIA

ON BEHALF OF

MELBOURNE AND LAUNCESTON AIRPORTS

MELBOURNE AIRPORT   LAUNCESTON AIRPORT

29 July 2003

The Secretary
Joint Committee of Public Accounts and Audit
Parliament House
Canberra ACT 2600

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Joint Committee of Public Accounts and Audit
Review of Aviation Security in Australia**

Australia Pacific Airports Corporation Pty Limited (APAC)which is the airport owner and operator of Melbourne and Launceston Airports is pleased to lodge a submission to the Joint Committee of Public Accounts and Audit ("**Committee**") in respect of key issues of interest and concern in relation to aviation security in Australia.

Our submission expresses our views on both the present position on aviation security in Australia, and suggestions for it's future. I would be pleased to address the Joint Committee personally if they so desire.

Yours faithfully

**CHRIS BARLOW
CHIEF EXECUTIVE OFFICER**

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AUSTRALIA PACIFIC AIRPORTS CORPORATION PTY LIMITED

1. EXECUTIVE SUMMARY

1.1 OVERVIEW

Aviation Security in Australia "aint broke so don't fix it", but of course improvements can be made.

There are two types of security: "real security" and "political security". Both are essential. The first is addressed by considering the level of threat. The second, by what is perceived as being necessary by the man in the street.

1.2. THE REGULATOR

The Federal Government must be the regulator. Only they have the intelligence sources to make the necessary risk assessments, which are the foundation of any aviation policy. The department with direct control over airport owner i.e. DOTARS is the sensible home for regulation.

Consultation with the industry is essential to ensure that the regulations can be implemented and operated in the real world. The appropriate level of expertise needs to be available to DOTARS to carry out this role in a highly technical and practical area.

1.3. COMPLIANCE

Speaking for the second largest Australian airport compliance with all aspects of Safety, Security and the Environment are critical issues to the Company. Performance and compliance is reviewed by the Board each month. The holding Company is also responsible for Launceston Airport and the Board also reviews their performance each month.

This "degree of clout" may not be the case where regional airports are owned and managed on a one off, stand alone base.

Third parties such as tenants at airports sometimes pose problems in compliance. More teeth should be given to the airport operator to enable them to ensure full compliance.

The overall coordination of security at an airport is best carried out by the operator. The relationship between airlines and tenants in the corporate sector and other stakeholders is sound. However, when Federal bodies are involved such as the AFP in this coordination roll it is often disregarded by them. This needs improvement.

1.4. OVERSEAS IMPACT

The level of risk is likely to be different and there needs to be a reasonable uniform level of "political security" which is common through out the world at international airports, for example, screening of hand luggage. Otherwise the "real security" should be appropriate to the level of threat and vary from nation to nation.

1.5. COST IMPACTS

There must be a level playing field for major and regional airports. This issue is all about balancing "real security" and "political security". Unless the Government pays all security costs the user must pay i.e. the passenger. This means lower security at regional airports, where the risk is low, with low costs, or high inappropriate security with high inappropriate costs.

1.6. PRIVACY

Any increase in the threat level would justify intrusions into privacy on the person. This needs to be balanced, again the chance of hundreds of deaths. Privacy will need to be sympathetically compromised in such a situation.

1.7. EMERGING TECHNOLOGIES

New and improved technologies will continue to be developed. The key for their use at airports is that they need to be robust and have the necessary capacity. Many claims for the "wonder solution" have been made, but few have delivered. Australia should not be the guinea pig for new unproven technology.

2. MELBOURNE AIRPORT INTRODUCTION

Australia Pacific Airports Corporation Pty Limited (APAC) is the Airport Owner and Operator of Australia's second major airport, Melbourne Airport, a Category One Airport which presently services 22 passenger and 3 freighter airlines. It also is the airport owner and operator of Launceston Airport. This submission refers principally to Melbourne Airport.

Currently at Melbourne there are approximately 157,000 aircraft movements per annum and in excess of 16 million domestic and international passengers are handled each year within a single Terminal complex.

APAC's wholly owned subsidiary Australia Pacific Airport's (Melbourne (APAM) is responsible for the provision and management of the Melbourne Airport Security Program. It is also responsible for the chairmanship of the Melbourne Airport Security Committee which meets every two months.

APAM also has responsibility for the Counter Terrorist First Response (CTFR) contract arrangements currently provided by the Australian Protective Service (APS).

APAM manages the passenger and baggage screening contracts in the International and South Terminal. Both Virgin Blue and Regional Express airlines operate from the South Terminal. Group 4 Securitas is the current provider of screening services under contract to APAM.

Qantas is responsible for the provision of security, including screening services, within its own leased areas, which include their Domestic Terminal. This does however exclude the provision of CTFR which remains APAM's responsibility throughout the airport.

3. MELBOURNE AIRPORT RESPONSE TO THE TERMS OF REFERENCE

3.1. REGULATION OF AVIATION SECURITY BY THE COMMONWEALTH DEPARTMENT OF TRANSPORT AND REGIONAL SERVICES

The Department brings to its regulatory role wide ranging expertise and knowledge in relation to air transport policy, airport operations and businesses. It is the 'expert'. To use an analogy, 'you would not use an accountant to fix a car', hence the Department, which is knowledgeable about air transport, should regulate aviation and airport security. DOTARS is that Department.

It is appropriate for DOTARS to be responsible for developing security regulations, setting standards, disseminating threat information and determining approaches in reaching effective security outcomes. This is achieved through consultation with airports and airlines, to gain a nationally consistent approach to regulation and management of aviation security. It is equally appropriate for airport operators to have overall accountability for the management and control of airport security centred around risk assessment pertinent to each particular airport business.

DOTARS has access to information relating to aviation security from similar agencies around the world and is therefore in the best position to facilitate a constructive exchange of information between Government, airlines and airports in respect of security issues, threat levels, technology, overseas standards and "best practice" in relation to the management of aviation security.

Airports do not have the same access to relevant security information and intelligence due to limitations on airports in the management of security risks, although the provision of improved intelligence and threat information from DOTARS is supported.

APAM has a constructive partnership with DOTARS through which APAM actively supports DOTARS' role in setting aviation security standards through participation in a vigorous consultative process.

The consultative process should involve the exchange of relevant intelligence and expertise in aviation security as well as airport business issues, to achieve an agreed approach to the management of aviation security in accordance with standards and requirements set by DOTARS which then because of 'buy in' can be implemented.

To enhance the consultative process APAM recommends that the role of Airport Security Committees be strengthened. This can be easily achieved through an empowered membership at appropriate levels which would result in the ability of the Committee to make decisions, develop and enforce policy.

APAM also supports a high level of co-operation between DOTARS, and other agencies such as the Civil Aviation Safety Authority, Australian Customs Service, Department of Immigration and relevant State Government bodies, including the State Police.

In APAM's view the best approach to aviation security is the development of appropriate aviation security standards by DOTARS based upon assessment of risks relating to airports, rather than implementation of prescriptive or minimum standards.

APAM considers it imperative that Government and industry do not react inappropriately to isolated incidents which can lead to unrealistic standards and poor security outcomes.

APAM acknowledges that this approach represents a significant process for both DOTARS and airport operators involving the collection from airports of detailed information in respect of security management practices, risk identification and the development of performance targets. The appropriate resourcing of the DOTARS Aviation Security Branch is therefore strongly supported by APAM.

The overall result would be a comprehensive system of compliance monitoring and systems review for all airports. This system would involve comprehensive exchange between DOTARS and industry of information on (but not limited to) risk and threat assessment.

A systems based approach is consistent with other regulatory approaches. This approach delivers flexibility in systems and procedures based on assessment of risk between airports, while ensuring consistent standards overall.

3.2. COMPLIANCE WITH COMMONWEALTH SECURITY REQUIREMENTS BY AIRPORT OPERATORS AND AIRLINES

APAM recognises that a number of the recommendations tabled in the Australian National Audit Office report of January 2003, "Aviation Security in Australia" are being addressed through the development of new regulations.

Accountability and compliance with regulatory requirements are matters of concern to airport operators. Airport operators have clearly demonstrated their acceptance of responsibility for management and overall control of airport security and have demonstrated leadership over a long period in ensuring security compliance by a wide range of airport tenants.

In addition, the Australia Pacific Airports Corporation (APAC) Board has always taken a strong oversight and monitoring role of security and safety compliance for both its airports. Each month it receives a report on all

incidents of note and reviews the trend statistics. It also receives a detailed report of all audits of security and reviews the follow up actions.

However APAM also strongly believes that other airport tenants must be held accountable for compliance with the security requirements set out in their security programs. In addition, these programs should comply with the general provisions of Airport Security Programs.

Where non–compliance with security programs is identified during audits or through other processes, DOTARS must actively support airport operators in enforcing compliance by providing appropriate mechanisms for enforcement. This should extend to agencies which are more likely to see themselves as operating at a more independent level such as the Australian Protective Service.

The Australian Protective Service ("**APS**"), now a division of the Australian Federal Police ("**AFP**"), is responsible for the provision of counter-terrorist "first response" services at a number of Australian airports. In this role APS is **contracted to** the airport operator on a commercial basis. The airport operator manages the contract on behalf of the airlines which (ultimately) pay for the service.

There is an inherent conflict of interest between the APS's relationship with the AFP and the exercise of statutory powers by the AFP, and the provision of services to airports on a commercial basis.

It is essential that airport operators have effective control over all operational aspects of their security contractors, including the APS, if they are to efficiently manage and coordinate airport security programs. This is particularly important when the airport operator has overall accountability for airport security.

APAM agrees with the ANAO report that audit process and programs should be more strategic, addressing broader security issues and exchange of relevant security information.

As part of a systems-based approach to management of aviation security, APAM supports the introduction of risk-based audit programs for airports along with nationally consistent audit standards.

APAM again stresses the need for the DOTARS Aviation Security Branch to be appropriately resourced to achieve the above outcomes.

3.3. THE IMPACT OF OVERSEAS REQUIREMENTS ON AUSTRALIAN AVIATION SECURITY

Regulatory requirements and security standards differ between Australian and overseas airports as a result of different "risk environments". Differences in regulatory requirements and standards gives rise to commercial and operational challenges for airports and airlines.

Apart from operational and commercial challenges, APAM is concerned that this can create a perception that aviation security standards may be less rigorous in Australia compared to other countries.

DOTARS should take a lead role in consulting with national authorities to manage public and media perceptions in relation to security arrangements at Australian airports.

3.4. COST IMPACTS

As the issue of aviation security costs is a complex one, it is important to take a 'real world' approach to it.

It is therefore essential to achieve a realistic balance between effective security outcomes and the impact of cost and passenger inconvenience on the aviation business.

Achieving the appropriate balance is only possible through sound consultative arrangements between DOTARS and the Industry.

3.5. PRIVACY

Privacy is a sensitive issue which must be handled carefully.

Recent reports in the media by certain groups in the Australian community indicating strong opposition to, for example, 'pat down searches' at airport screening points suggests how contentious the issue could become.

Nevertheless, privacy issues must be balanced against the security of air travellers. Tipping the scale too much toward privacy issues could result in inappropriate aviation security outcomes and a subsequent negative impact on both the aviation business and tourism.

As such there needs to be a willingness to take risks on this issue if this results in the proper protection of passengers.

3.6. OPPORTUNITIES TO ENHANCE SECURITY MEASURES PRESENTED BY CURRENT AND EMERGING TECHNOLOGIES

APAM is concerned that the current rate of change in relation to emerging technologies can lead to differing standards between airport operators in respect of selection of security equipment, particularly security screening equipment.

The purchase of security equipment requires significant capital expenditure and performance claims by manufacturers can be very difficult to substantiate. In addition there are very long lead times in the development of equipment to full operational levels, ie. levels where the equipment operates robustly and copes with capacity and demand. Equipment investment for the longer term can therefore be difficult to achieve.

Given the slow process, airports need sufficient time spans to incorporate new technologies into their planning processes, hence clear national standards are needed. APAM supports DOTARS taking a strong role in the establishment of such standards.

It is also important to note that a focus on evolving technology is only worthwhile if it is combined with a human factors approach. APAM believes it is essential to develop an individual assessment or profiling type framework so that there is not total reliance on technology. Implied from this is a focus also on the importance of rigorous training standards for all those involved in security to support this approach.

Therefore while APAM agrees that there are opportunities in the medium to longer term presented by emerging technologies, there should be a sustained emphasis on both human factors, and training of security staff.

4.   CONCLUSION

In summary APAM holds the view that DOTARS must continue setting standards for aviation security in Australia while the airport operator's role in managing and controlling airport security should be strengthened through the measures described in this submission.   These measures include a clear definition of accountabilities under the various user security programs, strengthening of compliance and enforcement mechanisms, enhancement of already good consultative arrangements, but on a broader scale, and a strategic approach through risk based security management systems.

APAM also strongly supports an effective resourcing strategy for DOTARS which will enable it to exercise a leadership role to industry and relevant agencies in meeting the challenges posed by aviation security in the current and future environment.

APAM thanks the Joint Committee for the opportunity to offer comment on the key aviation security issues facing airport operators.

5. LAUNCESTON AIRPORT - AIRPORT BACKGROUND

5.1. SERVICES

Australian Pacific Airports (Launceston) operates the airport and provides infrastructure to the following aviation activities:

Jet RPT services; 8/day with B717 and B737 aircraft operated by Qantas and Virgin Blue respectively. The number of flights can vary on seasonally and occasional carters of B737/A300.

Freight services: 2-3 flights occur per day with B727 and turboprop aircraft. The prime freight operator is Australia air Express.

Other RPT services: 5-6 services primarily Flinders Island. Operated by Airlines of Tasmania and Island Airlines.

Other operators include RFDS, Aero Club, commercial GA, and private GA operators.

Total aircraft movements are some 22,000 per annum and pax for the financial year 2002-2003 was 567,000.

Launceston Airport has a security classification at **level 3** based on the number of passengers carried in a year, an arbitrary assessment regime.

5.2 SECURITY FUNCTIONS

Australian Pacific Airports (Launceston) provides the airport security programme in conjunction with the airline security programmes. Australian Pacific Airports (Launceston) chairs the Airport Security Committee, which meets at least quarterly.

DOTARS audits, monitors and liaises with Launceston Airport.

There is no Commonwealth security presence at Launceston Airport, viz, Federal Police, APS, ASIO or DOTARS (Security).

Tasmanian Police provides the CTFR function and responds to incidents, threats and bomb alerts as well as general emergency and policing situations.

Qantas are the designated screening authority of the common screening point at Launceston Airport.

5.3 CRITICAL AREAS

Airside:

This is regarded as that area fenced for aircraft and navaids operational activities. It is identified by notices, which make unauthorised access an offence. Access to airside is by gates or through buildings – there are also crash gates that are designed to collapse when hit by an emergency vehicle.

Fencing of the airside area at Launceston is in two forms:

a) Adjacent to public area there is a 2.4m security fence.

b) Adjacent to private property (farmland) there is a 1.2m stock fence.

The airside area is patrolled by designated staff at various times on a 24 hours basis.

SRA (Security Restricted Area):

The SRA is defined by instrument through DOTARS and at Launceston it is the main RPT apron (six parking positions). This is sign-posted and access is limited to ASIC holders. Visitors must have a Visitor Pass displayed and be accompanied by an ASIC holder.

Freight:

The freight operators are primarily Qantas, Virgin Blue and AaE. There is a CASA and DOTARS regulated regime for freight handling. In addition, at Launceston there are particular arrangements for despatches of gold and drugs.

Terminal Area:

There is one major RPT terminal at Launceston that services Qantas and Virgin Blue at this time. Within this terminal is the sterile area that provides isolation and holding for passengers and friends that have been screened (access for non-passengers is under review). The screening point is operated by Qantas and is audited regularly by DOTARS. Access from the sterile area to the main apron is controlled by the airlines.

Fuel:

At Launceston there is a remote fuel farm (300,000 Litres) within airside; and fuel trucks are used to the RPT and GA aircraft. In addition, there is a

GA re-fuelling (30,000 Litres) point. Both bulk facilities are located airside, while there are several minor fuel installations landside.

6. RESPONSE TO THE TERMS OF REFERENCE

6.1. REGULATION OF AVIATION SECURITY BY THE COMMONWEALTH DEPARTMENT OF TRANSPORT AND REGIONAL SERVICES

Act and Regulation Review in 2003 is on-going across a wide range of issues. This includes possible changes to definitions, process and monitoring with defined plans and outcomes that could incur the application of severe fines and penalties on industry.

At this point in time there is concern locally that the range of changes are better suited for application to the major ports and would create operational and significant infrastructure costs at the lower category airports. This is particularly important when the impacts have commercial implications with the competitiveness of local airports, particularly in Tasmania with four airports (two at level 3 and two at level 4) competing for market share.

It is important that 'real security' and 'political security' are sensibly addressed. The threat level is likely to be low at regional airports and the security requirements should be correspondently low. This means the costs will be kept to a reasonable level. Any significant additional security requirements, such as installing security fencing right round Launceston, has a significant cost. When this cost is passed on to passengers (because of the relatively low passenger numbers) this will be high. This will disadvantage country Australia.