



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT

Reference: Further inquiry into aviation security in Australia

WEDNESDAY, 21 SEPTEMBER 2005

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**JOINT STATUTORY COMMITTEE OF
PUBLIC ACCOUNTS AND AUDIT
Wednesday, 21 September 2005**

Members: Mr Baldwin (*Chair*), Ms Grierson (*Deputy Chair*), Senators Hogg, Humphries, Moore, Murray, Nash and Watson and Mrs Bronwyn Bishop, Mr Broadbent, Ms Burke, Miss Jackie Kelly, Ms King, Mr Laming, Mr Tanner and Mr Ticehurst

Members in attendance: Senators Hogg and Moore and Mr Baldwin, Ms Grierson and Mr Laming

Terms of reference for the inquiry:

To inquire into and report on:

The Joint Committee of Public Accounts and Audit will inquire into and report on developments in aviation security since its June 2004 *Report 400: Review of Aviation Security in Australia*, with particular reference to:

- a) regulation of aviation security by the Commonwealth Department of Transport and Regional Services, and the Department's response to aviation security incidents since June 2004;
- b) compliance with Commonwealth security requirements by airport operators at major and regional airports;
- c) compliance with Commonwealth security requirements by airlines;
- d) the impact of overseas security requirements on Australian aviation security;
- e) cost imposts of security upgrades, particularly for regional airports;
- f) privacy implications of greater security measures;
- g) opportunities to enhance security measures presented by current and emerging technologies, including measures to combat identity fraud; and
- h) procedures for, and security of, baggage handling operations at international, domestic and regional airports, by both airlines and airports.

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Committee met at 1.39 pm

CHAIR (Mr Baldwin)—The Joint Committee of Public Accounts and Audit will now commence taking evidence, as provided for by the Public Accounts and Audit Committee Act 1951 for its inquiry into aviation security in Australia. I welcome everybody here this afternoon for the fourth public hearing of the committee's review of developments in aviation security since the tabling of its report No. 400, *Review of Aviation Security in Australia*. Today we will hear from representatives of the operator of Adelaide international and Parafield airports and the operator of Kingscote airport, located on Kangaroo Island. We are interested in hearing of any concerns that aviation industry participants have with regard to the upgrade of the regulatory regime, either in places where the regime is perceived to still have gaps or in places where it may impose an unnecessarily onerous burden upon participants.

Before I begin, I advise witnesses that the hearings today are legal proceedings of the parliament and warrant the same respect as proceedings of the House itself. The giving of false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. The evidence given today will be recorded by Hansard and will attract parliamentary privilege. Finally, I refer any members of the press who are present to a committee statement about the broadcasting of proceedings. In particular, I draw the media's attention to the need to report fairly and accurately the proceedings of the committee. Copies of this committee statement are available from the secretariat staff.

[1.40 pm]

BAKER, Mr Phil, Managing Director, Adelaide and Parafield Airports; Chair, Privatised Airports Group

McARDLE, Mr John, Manager, Corporate Affairs, Adelaide and Parafield Airports; Chairman, Australian Airports Association

SCANLON, Mr Vince, Manager, Infrastructure and Aviation Services, Adelaide and Parafield Airports

CHAIR—Do you have any comments to make on the capacity in which you appear?

Mr Baker—The Privatised Airports Group includes all capital city airports.

CHAIR—Would you like to make an opening statement?

Mr McArdle—It is our pleasure to be here and we thank you for the opportunity. We have looked at your terms of reference and submitted a formal response to them. In summary and to open up discussion, primarily Adelaide and Parafield airports feel that aviation security is being administered and regulated quite adequately by the Office of Transport Security of the Department of Transport and Regional Services. The recently promulgated Aviation Transport Security Act and its regulations, if allowed to be run as intended, are robust and dynamic. Possibly they are in need of some finetuning around the edges but they are a step forward in the direction of a dedicated regulatory regime for aviation security.

We feel there is a clouding of issues between aviation security and community policing, which needs to be clarified at the highest levels. Appropriate resources need to be put to the management of each of those issues. We are not aware of any incidents where the running of drugs or community policing has caused an aircraft to fall out of the sky, so that remains to be seen. We feel that, where it is a cost of doing business, our industry is more than happy to meet that cost. But, where the cost of aviation security—or community policing, for that matter—is in the community interest, that cost needs to be shared across the broader community and not left to the travelling public.

CHAIR—We appreciate having had the opportunity to inspect the airport today, in particular the new construction. We saw Mr Baker there in his hard hat getting his photo taken; he is very proud of his work and justifiably so. We have not had the opportunity to visit Parafield. Could you explain what sort of an airport it is?

Mr McArdle—Parafield is primarily what we call a general aviation airport which is principally used for flying training. We have one of the largest flying training schools at Parafield, which takes people from ab initio training and transfers them right through to jet flight. They do many circuits of the current area and a lot of night-time navigational flying out to nearby regional airports.

CHAIR—Having inspected other airports in Sydney, Brisbane, Cairns and Darwin, I noticed when visiting your airport this morning that in your current facilities there is a lack of X-ray screening of outgoing baggage. From what I could see in your new terminal, X-ray facilities are being implemented on outgoing baggage. To date, what have you achieved with your screening?

Mr Baker—In consultation with the airline industry and, indeed, the Department of Transport and Regional Services, we have developed a process that has been acceptable to all parties. We are going to level 3 instantly. In the X-ray process, the bag goes through an X-ray, as you are probably aware. If it triggers an alarm, it then goes to a manual inspection or a manual observation. If it still triggers an alarm, it goes to what we call an explosive trace detection whereby a swab is run over certain aspects of the bag and put through a reading device. If it triggers again, it is then reunited with the passenger. We have gone straight to that third level, until we move over to the new terminal.

CHAIR—Currently your procedures are purely swab.

Mr McArdle—Purely manual and purely swab and then manual inspection.

CHAIR—What percentage of bags currently are being swabbed?

Mr McArdle—We are doing 100 per cent across the line internationally and continuous random on—pardon my smiling, but it is difficult to get a firm definition of what ‘continuous random’ or ‘random continuous’ is.

CHAIR—It is an oxymoron.

Mr McArdle—Yes, but that is what we are doing in conjunction with the carriers in the domestic terminal.

CHAIR—At the new terminal it will be 100 per cent X-ray screened, checked—all bags, domestic and international?

Mr McArdle—It will be capable of that. The current standard is that internationally we have to meet 100 per cent and that will be achievable. We will have the capability of doing 100 per cent domestically as well.

Ms GRIERSON—I was watching all that work today. When you took over the lease—and you have a 50-year lease with an extension—was the new airport part of that negotiation?

Mr Baker—Yes, very much so. If you did not have a plan to build a new terminal within a given period of time, you did not have a compliant bid.

Ms GRIERSON—So you developed the design and everything right through.

Mr Baker—Yes.

Ms GRIERSON—Did you do so in a new aviation security environment? Did you take into account perhaps all of the things we have been looking at at airports?

Mr Baker—Yes, very much so. We second-guessed a number of things. I come from offshore in the first place anyway, so some of those ideas from overseas, the UK, came along. We planned to be able to fit it out as we have been going along—and we have had a few knock-backs along the way. The plan was to open the building some time ago. The rules have changed and we have been able to implement some of the rules as we have built, so it has been very positive.

Ms GRIERSON—How have you managed so many contractors and people on site doing this building work? Have you had to look at perimeter entry and security passes? Have they had access to airside?

Mr Baker—Most of the building has been built in a landside environment and not an airside environment. But the building has been right up against the airside-landside boundary; in fact, part of it has protruded into the airside operation. Vince might explain in further detail. He has had guards there all the time that we have had work going on.

Mr Scanlon—We have managed it in a number of ways. We have run an extremely tight visitor pass system, supervised by aviation security identification card holders. We have monitored with our existing CCTV system and have employed aviation security screening guards as well.

Ms GRIERSON—When we looked at the new baggage handling area, we were looking very much at the closed-circuit television coverage. Customs have their own cameras and you have your own cameras. Is it that never the twain shall meet, or what happens between those separate surveillance systems?

Mr Baker—We have a matrix there whereby you could probably access them together, but Customs want their own. We have another reason. The airlines also want some of ours and want to feed into them. There is specific reason that Customs want to have separation.

Ms GRIERSON—Do the airlines also have cameras in the baggage handling area?

Mr Baker—No. All the cameras are pretty much ours. They have some cameras that they wish to put, we believe, above their check-in area, in an area where we did not place them, but they again would feed through the general matrix, unless there are others there.

Mr Scanlon—We have a number of cameras in the baggage hall; some are for general observation and some are more discrete—belt operation cameras.

Ms GRIERSON—This morning Customs said that they are looking for different things than you are looking for.

Mr McArdle—They are.

Ms GRIERSON—What are you looking for with your positioning of cameras in baggage handling areas?

Mr Baker—I think it is easier to say what Customs are looking for. They are looking for contraband drugs et cetera. We are looking for illegal activity, I suppose, in its broadest form.

Mr McArdle—We also have a building management system with cameras that we use to assist us in ensuring that doors remain locked on areas that are not occupied. There is a security process through the cameras to ensure that no-one is in those areas when they are not occupied and to assist us in managing the building better in dimming lights and turning off airconditioning and so forth.

Mr Baker—General safety compliance issues and so forth.

Ms GRIERSON—You make some strong statements in your submission to us that the Schapelle Corby case and the camel suit debacle in Sydney airport had triggered a lot of interest and our response as well. You are saying that the link between criminal issues, or those sorts of issues, and terrorism issues are not as overt as perhaps it has been suggested. So people would say that, if crime can happen, terrorist activity can happen. You say that is not quite so. Could you elaborate on that for us?

Mr Baker—I will certainly try. Between us we probably have over 100 years experience in aviation. No matter what you try with tightening up the checks now, there are opportunistic villains in every society, every group and every workplace who will do things they should not do. Baggage theft has been going on since Pontius Pilate. That is an opportunist and a situation that just occurs. It is not a planned terrorist organisation where the thieving is not to steal or put drugs in a bag. I suppose you could argue about putting bombs in a bag. If somebody can put drugs in a bag, they can put bombs in a bag. But proxy bombing has not been a major issue for many years in aviation security arena. September 11 was the first time that you had the suicide bomb type arrangements using the aircraft as a missile. Prior to that it has been very much hijack and other issues. I think there have been some changes over time. But the two are very different. One is very much community bound, whereas terrorists normally do not target the airport and they are not really targeting the airline, they are actually targeting the state in many respects.

Ms GRIERSON—One would hope that security background checking of people doing activity on the airport, like baggage handlers, would have been strengthened now sufficiently to also influence criminal activity. You would have revisited all your security background checks. We have asked everyone who has presented whether many came up having to be reviewed or whether they were reviewed and found to be unsuitable. Did you have many people whom you had to recheck or found unsuitable?

Mr Scanlon—We have a small percentage of people who do have a criminal history. There was nothing in those criminal histories that caused us any concern. They were reported to the department of transport for their information only.

Ms GRIERSON—Policing, you also say, is a community responsibility. There are 8,000 people at your airport. That number in any town would dictate a certain police presence and that would happen anyway. Are you getting that sort of coverage at your airport, or are the police able to divert resources to you for those sorts of activities? What is the presence like?

Mr McArdle—I think the thrust of our submission was that, in the event there was a requirement to have a regular police presence on the airport, that should be paid for by the state or the Commonwealth. The relationship we have with the South Australian police is phenomenally good and their response times to any incident that we do have is exceptional.

They have a base less than two minutes away that accommodates the staff, so we are very fortunate with that. So our relationship with the state police and indeed the Federal Police is exceptional. In relation to community policing issues, they respond very quickly and they assist and take control when they need to. It was the payment of that service, if needed, that we would like reviewed.

Ms GRIERSON—This morning when we were at the airport Customs were saying that they have apprehension powers and they can stop people and do all sorts of things, but that is if it is in a Customs designated area. If they observe a behaviour that they think is a security risk and it is not within their boundaries, they then have to contact the Australian Federal Police. They have found some anomalies there and they would rather act than have to wait for someone else to come. Has that caused any difficulties or is that a real difficulty?

Mr Baker—It is hard for us to tell, not being directly involved. But I do not think it helps. I think some of the streamlining of the powers that the various forces have and who does what, where and how perhaps needs addressing. But I think I would reinforce what John said. Here in Adelaide we have some exceptional arrangements. I do not know how big a problem it has ever been for the various forces in the past. I know that it is an issue.

Senator HOGG—One part of your submission, I think, is terribly important, but we probably have not addressed it enough. It is at page 3, where you refer to the impact of overseas security requirements. You there refer to the fact that international airlines services to and from Australia pose:

... quite possibly the highest level of risk exposure facing aviation and Australia's economy.

In particular you state:

... ports close to our northern and north western shores leave a lot to be desired ...

in terms of their security arrangements. I am not asking you to name names, whether of ports or international airlines—I do not think that is the purpose of this inquiry—but you raise a very valid point. It is not much use if we have everything tied up tighter than tight on our own shores if there is exposure due to international flights coming into Australia. What weaknesses do you see in the overseas environment and how should we address them to ensure the protection of our environment? You might like to address the issue of what the federal government needs to do in terms of our relationship with our near neighbours in assisting them, because not all of them have the financial wherewithal to bring in the necessary regimes.

Mr McArdle—We are quite genuine about the point we raised and we feel that is probably one of the weakest links in the chain. With the introduction of the additional measures and the existing measures in aviation security in this country, anybody who gets on an aeroplane to fly within the country or to depart this country can be reasonably assured that every deterrence factor is in place and is worked to the maximum of its ability. Unfortunately, we cannot say the same about aircraft coming into the country. Because at our port the majority of flights come from the north-western sector, which has a high number of people who are of the same religious background to those who are causing a lot of the mischief in the world, we feel that is a high threat. I am aware that the Department of Transport and Regional Services are also cognisant of

that threat and are working with their colleagues in those countries to try to improve outbound security. I am not aware of how much government-to-government work is being done other than what the department is doing. Mr Baker may want to add to what I have said.

Mr Baker—This is an issue that we are aware of politically. Diplomatically, for the government, it is very hard to do anything about it. I spent many years of my career in Africa and I can assure you that you could have got anything on any aircraft that you wanted, even though there was full security at each of the airports at which I worked. It is just a culture that has not quite got through. There are arcane systems. They watch it and it should not happen. There are agreements. There are countries—I think some of them are on our northern borders—where it is just not as efficient as it may be. That means there is the propensity for passengers arriving to be screened to a far lower standard—some may not be screened at all—and to mix with people who are screened. With the way the system works, once you have gone through and you come in, you are deemed to be clean. They are segregated at least on arrival here in most airports.

Senator HOGG—Do you believe this issue needs to be addressed by our investment of funds in some of these overseas countries, or is it something that is best addressed, say, through international airline associations and bringing pressure through the airlines on their local governments to address the issue?

Mr Baker—I think the latter because, in my view, you would not have control of your expenditure at all, once it leaves our shores.

Senator HOGG—This also raises the compatibility of our regulations or our regulatory environment with what happens overseas. It has been put to us that our system is now too rigid and not flexible enough to deal with whatever threats might emerge; that the regulatory regime, whilst being good and protective, does not necessarily encourage us to think outside the box. That is where we need to think because, if there is to be a genuine terrorist threat, they will do it not within the regulations but outside of them. What is your response to that? How do we get regulators and those affected by the regulations to think outside the box rather than to be constrained by the paradigm of the regulations themselves?

Mr Baker—I am not sure I can give you every answer there. But, on the level of security, if you continue to try to enforce an absolutely peak high security level at all times for all people on all occasions, it inevitably waivers. I think you need to turn on and off the threat level, particularly for the screeners, because it is very difficult to pick every single nailfile and so on and people then concentrate on the wrong things. I know that is only one layer, but I think the threat level needs to be adjusted perhaps for the type of aircraft, even the time of day or the time of the week, and not maintain a 100 per cent high level through its entire enforcement.

As for thinking outside the box, there are many experts around in the world now doing that for us. It is very hard to look at what comes up and think, ‘We need that; we must do that; we have to do this,’ when the overall country threat level does not move over medium. But again that threat level is important for us. Other jurisdictions have other rules. That threat level I spoke about going up and down is certainly the way the UK works. I do not know about the US because it has changed since I was aware of it.

Mr McArdle—Following on from Phil, another point I would like to emphasise is that the recently promulgated act and regulations encourage airports to develop their own security measures based on risk assessments, given the current threat levels throughout the country. If airports and airlines, to that degree, were allowed to do their own risk assessments and introduce remedies at their respective airports based on the threat in that environment, it would be an outside-the-square approach to the management of aviation security.

We have a couple of difficulties. One is that we try to have a one size fits all across the country. For example, the likelihood of a risk at Adelaide is much less than at, say, Sydney. Sydney would be a higher target. The other is that—with all due respect to those on the other side of the table—we tend to have political knee-jerk reactions to an issue.

Senator HOGG—Do not apologise about that. I think that sort of comment is very helpful.

Mr McArdle—We have been running airports for quite some time and applying aviation security for quite some time; we have a vested interest in ensuring that that is robust. There is no way that our board and our shareholders would like us to be running it any less than that. But when an issue happens, be it in Spain, London or whenever, and aviation gets targeted as a broad-brush ‘do this’ when a proper risk assessment would probably suggest a different remedy, that causes a little angst and it pushes the level. As Phil was saying, if you are trying to maintain this 100 per cent efficiency level all the time without any exit strategies, that level becomes the base on which you go to the next level and you get confusion amongst the ranks.

Senator HOGG—Can I read into what you have just said that you feel there is the need for broader consultation than is currently available and for less dogmatism to come from the federal arena?

Mr McArdle—If I could be brutally frank—

Senator HOGG—You can be brutally frank. That is why we hold these inquiries.

Mr McArdle—I believe that the consultation that exists between the operators, airports and airlines, and the regulator, the Office of Transport Security, is fabulous; it would be difficult to improve on it. The issue I am referring to is that we have to learn, both as a regulator and as an operator, to manage political knee-jerk reactions. I personally feel that, had the Australian government, the department of transport or whoever had a well-rehearsed media management program when John Laws and Alan Jones were waxing eloquent about the vagaries of aviation security, we could have run this media program and all of us—airlines, airports and our political leaders—could have rebutted the argument quite vehemently and the issue may not have got as bad as it has. At our airport, for example, if there is an issue that threatens our viability, we have a media program that we drive—and we are driving it 100 per cent of the time. There are people in this room at the present time who know we do that and we have a good relationship with them. I think that is another area that we could probably work on in consultation with the government.

Mr LAMING—I want to set up two scenarios where live explosives could get onto aircraft, both incoming and outgoing. The first is incoming aircraft from low-security destinations where there is already live explosive either in the hold or perhaps under the seat that has been carried

on in hand luggage—something that you cannot have any impact upon. Adelaide is in some cases a transit point where the flight goes on to another destination. My point is that that makes Adelaide a high-security concern for the very reason that transit passengers can get off in Adelaide and leave the explosive on board. That is why a destination does not have to be Sydney to be high risk. Adelaide is more high risk because people can get off the plane. Is there any way that a transit passenger can get off their flight in Adelaide without being detected?

Mr Baker—If passengers are going onto another flight and are truly transit, they get screened again. They do not go straight through on every occasion, unless they have been screened already. If they have been screened already, they can go straight through, but if they have not been screened they cannot. With somebody going back on another aircraft, that aircraft would only be going to place where there was no screening in the first place. So it is hard to see how that would be a greater threat than it was on the way in, because it would be a small regional aeroplane or a charter, which does not get near the building and there is no threat to the building then.

Mr LAMING—What about the same aircraft going on to a subsequent destination?

Mr Baker—The larger aircraft get screened at all destinations coming in and going out and the smaller ones only go back to aircraft ports that do not have screening, so there is no crossover that I am aware of.

Mr LAMING—So do large arrivals into Adelaide ever continue on to another destination like Melbourne or Sydney?

Mr Baker—Yes.

Mr LAMING—That is my situation.

Mr Baker—They do, but you would not get on those aircraft unscreened in the first place. That is what I was saying.

Mr LAMING—You are already on the flight, though, internationally.

Mr Baker—No.

Mr LAMING—So you are internationally inbound.

Mr Baker—No, you get screened again. Are you referring to one of our northern neighbours potentially?

Mr LAMING—Correct, an international inbound. I have to set the scenario up. The live explosive that can be remotely detonated is on board now and the plane lands in Adelaide. Is there any way that the passenger can get off the plane there when they are, in fact, booked through to a second destination that is the final destination?

Mr Baker—The passenger would be screened again and the aircraft should be screened by the crew, so it should not happen.

Mr McArdle—In the event that that aircraft docks at Adelaide for on carriage to, say, Melbourne or Sydney—I cannot speak for all carriers, but I understand that some of our carriers such as Qantas do this—if there is a transit port, everyone gets off, they are rescreened before they get on and the aircraft is swept. The cleaners go through and the crew goes through to check the seatbelts and hopefully they would notice an unattended bag left on board. The other scenario that I think you have painted is that there is some baggage in the hold that does not get unloaded and that person does not reboard. You would have to talk to the airlines about that procedure, because I am not familiar with it.

Mr Baker—If it is not unloaded and it goes straight through on a transit flight, it does not get screened. That is not an uncommon procedure anyway. If it is going on another aircraft it would be screened before it goes back on; but if it has already flown with that one carrier it would be a loophole—but that has been a loophole forever.

Mr LAMING—I am not worried about the rescreening. My point is that, if you create this scenario and sweeping does not involve searching for material that is concealed under seats, you have the situation where you have a live device either in the hold or in the plane itself. My point is: what happens when a person does not choose to transit but exits in Adelaide? What can they do? They walk down a corridor—and you might describe to us what happens as they walk down and they are asked whether they are transiting or not.

Mr Baker—If they get off and they do not get back on, there is a connection with the crew and authorisation. They would know if there were a person missing and they would offload the bag. So that scenario does not work.

Mr LAMING—How do they know the person has not reboarded?

Mr Baker—By a physical check of who has boarded, who should have and the numbers. There is a head check by the crew, a name check after that and then a search for the bag and the label then the offloading of the bag.

Mr LAMING—The person who gets back on shows their boarding pass; it is not necessarily electronically processed. If someone is not there, how do you know that they are not there with their boarding pass? I am leading to the point that the person has got off—

Mr Baker—They would not have presented.

Mr LAMING—And walked through Customs. What have they presented to Customs to get off the flight?

Mr McArdle—Their passport.

Mr Baker—Their passport. Customs do not check that people actually did arrive on the plane and were destined to get off. They will process whatever turns up there.

Mr LAMING—What documents do they show to Customs?

Mr Baker—Their passport and their declaration. That is it.

Mr LAMING—So they could be booked through to Melbourne but get off in Adelaide.

Mr Baker—But when the aircraft leaves again it would be spotted that they were missing and that bag would be offloaded. That is always the system.

Mr LAMING—Where is the evidence that that is checked? That person has now left the airport.

Mr Baker—It is not our place to check on the airlines doing that, but they all follow up on that. I can assure you that no pilot will take any aircraft anywhere where a passenger is missing and a bag has been left. There is no chance of that whatsoever.

Mr LAMING—But there is no electronic way of knowing whether people who are meant to go through to a final destination have actually not got off in transit.

Mr Baker—There are the electronic links. They do count again as they go and they may have a swipe; it may be done electronically or it be a transit card. But they would definitely know if somebody were missing.

Mr LAMING—I have not seen any electronic checking of that. I have seen a person standing there with a clipboard. We just need to know what level of security there is. That person has already departed the airport, haven't they?

Mr Baker—Yes. This is more of an airline issue than an airport issue. I know the airlines do a physical check on the numbers to double-check.

Mr LAMING—We need to know the nature of the physical check and the nature of the sweep of the aircraft.

Mr Baker—There are rules for that. I do not know what they are anymore; I used to know in the past.

Mr McArdle—There is also technology now whereby the manifest of the inbound flight is passed through to immigration. If that person, when they boarded at KL, for example, was supposed to be going through to Melbourne, the border agencies would identify: 'What are you getting off here for? We have information that you are going on to Melbourne.' That is a possible point that could be picked up.

Mr LAMING—There is no evidence that that occurs, though.

Mr Baker—No. I think that could happen a lot more than it does now. I know that in the past certain freedom of information issues have got in the way of that.

Mr LAMING—So can we just highlight that there is no electronic way of identifying that people are getting off when they should actually remain in transit?

Mr Baker—There probably is on Qantas, but I am not sure.

Mr LAMING—There concern there is that you then have a person who is not on board but potentially has left something on board, either in the hold or the aircraft itself—and, with the greatest of respect, cleaners are checking the backs of the seats and seatbelts but not looking under seats, are they?

Mr Baker—If you want to know whether that is that one of the potential ways of having something on board, it is, but there are safeguards to stop that happening.

Mr LAMING—This question is more general in that it applies to all international airports. Can you explain what happens between category 1 and category 5 for departing passengers and outgoing baggage? Our understanding of the new air terminal is that there is still checking at levels 1 and 2 but that the first sweep X-ray is under an enormous amount of pressure to examine baggage and does not have the alternative of being able to send it to category 3, which is sending the bag to a separate room where it can be X-rayed in great detail before it becomes category 4 and it is shot down the chute and you have to call the passenger down. Is there any interim step, and what is the step, to take the pressure off category 1 so that they do not know that every time they press ‘I am not sure’ it becomes ‘get the passenger down from the departure lounge to check the bag’?

Mr Scanlon—Level 1 is the automatic X-ray process. The level 2 checking process happens with a number of operators to spread that pressure around. There is a time restraint on that process, obviously, to keep the bags flowing through the system. If there is a fail on that level 2 process or a reject bag at level 2, it goes to a level 3 operator, who has an unspecified time to make a decision on that bag. So there is a second person without time pressure. From there it will go to level 4 if the bag is rejected.

Mr LAMING—Is that the room that we were not able to enter today, located up on the same level?

Mr Scanlon—Correct.

Mr LAMING—Does that room have X-ray facilities?

Mr Scanlon—The bag does not have X-ray facilities, but the image of the X-ray is transferred to that room, where the trace is then done. If the bag then fails to clear, it becomes a state bomb squad police issue in association with the AFPPS after reconciliation with the passenger.

Mr LAMING—Once it goes to category 4, what are the arrangements? The bag potentially has a live explosive in it and the departing passenger is called down. He or she and their colleagues will then realise that the game is up: the bag has been identified. Potentially that is to be detonated in situ. Where is that bag sitting once it goes down the chute and who is close to the bag at that time?

Mr Scanlon—The bag will remain in the level 4 room until the passenger is reconciled with it. If the passenger fails to be reconciled with the bag, it automatically becomes a level 5 bag, as far as we are concerned.

Mr LAMING—What happens then?

Mr Scanlon—That then becomes an issue for the state police and the AFPPS to activate their bomb teams.

Mr McArdle—And we activate our emergency plan, which kicks in, to evacuate that part of the building.

Mr LAMING—What happens to the bag itself? It goes down that chute—

Mr Scanlon—The state government has a robot that would generally be sent in to move the bag onto the chute or the bag would be exploded in situ, depending on the contents of the bag—and that is really an issue for the state police.

Mr LAMING—In the set-up we saw, it did not look like that was terribly easy. The chute sits up a step that I do not think a robot would be able to get up. Does some person have to go down there and unload it and carry it somewhere? It did not look like something that you could back a trailer up to.

Mr Scanlon—Are you talking about at the ground level, at the bottom of the chute?

Mr LAMING—Yes.

Mr Scanlon—The chute comes down. The robot can climb stairs and there is a position there that the trailer can back into under the airside road to take to a remote detonation spot at the airport.

Mr McArdle—That facility was designed in consultation with the state police bomb squad. We worked with them on that.

Senator MOORE—I always ask questions about cost. I notice that in your submission you have been very diplomatic, but would you like to put something on the record about the extra cost for increased security expectations in the new environment? Would you like to comment on that?

Mr McArdle—Where do I start? The cost of security is not cheap, as we are quickly identifying. After all is said and done, we are in a position where the cost of providing security can get passed on to the airline, which in turn has the choice of absorbing it or passing it on to the passenger. In most cases, if not all, it is passed on to the passenger. The issue that we presented is that, if a significant item detonated or caused an aircraft to fall out of the sky, that event would have dramatic effects on the economy of not only that region but probably the country as a whole. Therefore, in our view, aviation security is an integral part of national security and the vibrancy of the national economy. We would be more than happy to work with government on trying to come to a more equitable process where the broader community contributes to aviation security in the national interest rather than to expect the passenger to pick up the burden.

Senator MOORE—I know that two of you are on national boards of the airport industry. Has that debate been occurring at that level?

Mr McArdle—Consistently and regularly. Dare I say that, with former minister for transport, John Anderson, the comment was always, ‘It’s a cost of doing business.’ I am not yet privy to the new minister’s view, but I cannot see that having changed.

Senator MOORE—Would you like to add anything, Mr Baker?

Mr Baker—No. I was going to say exactly the same words—that we do not get the debate moving very far, generally speaking, before there is a guillotine brought down and we are told ‘It’s your problem.’ It is not the only issue in aviation though. Quarantine inspection would be another one there to protect farmers and passengers pay the costs. So we have a general view that a number of the costs for different types of security for the country all seem to be imposed on tourists and travellers.

Senator MOORE—In your budget do you have an allocated cost for the security measures?

Mr McArdle—In those parts of protecting the company’s business there is a security component. IT security, the protection of our fiscal records and all those sorts of things are a cost of doing business. An element of our security patrolling is there to prevent vandalism and theft of aviation facilities or our facilities. We accept that is a cost of doing business, but we would like to see the line drawn where the cost is directly aimed at protecting the national interest.

Senator MOORE—Is the screening equipment and the screening of passengers coming in and out a cost to you or the airlines?

Mr McArdle—In the new terminal, it will be a cost that we need to absorb until we can start the recovery process through our airline colleagues.

Senator MOORE—The standard equipment is your asset.

Mr McArdle—Yes.

Senator MOORE—We saw this morning that some of that equipment being set up in the new terminal is new.

Mr McArdle—Yes, brand new.

Senator MOORE—That would all have come at a cost.

Mr McArdle—Yes.

Mr Baker—Yes. Also when regional traffic arrives at our terminal, we have to screen it before it can come back into our building and be picked up at the baggage collection area. So what is not happening at regional airports we take care of here as well.

Senator MOORE—As the major airport.

Mr Baker—That is right.

Senator MOORE—I also ask about standardisation. We touched on that a little in response to Senator Hogg's questions. One of the frustrations for a traveller is going in and out of different airports and having some things setting off alarms in some airports but not in others. Would you comment on whether it should be standardised? Should I have an expectation that, if a bangle is a security issue—which shows my issue—at one airport it should also be at another? I also want to mention the issue of taking personal computers in and out of bags at Australian airports when I understand that in other parts of the world you do not have to do that. With those kinds of things, should there be a standard that you have to meet everywhere, or is this a matter of each airport having individual flexibility? How does that work?

Mr Baker—Clearly, there is a standard and in most airports around the country the same company provides it. But, as long as we are only worrying about this watch, which I have had to take off only once in my life—and it has been on my wrist for about ten years—no matter where I have been in the world—

Senator MOORE—Was it at Adelaide that you had to take it off?

Mr Baker—No, it was not Adelaide. I have had to take it off only once at one airport in the world, yet I see other people taking off earrings, watches and all sorts of stuff. As long as we are looking at that sort of issue, I am quite happy and it is not a problem. If it was a submachine gun, it might be more of a worry. Again, I often go away for one night and carry only my shaving foam. Some airports want to inspect it and try to take the top off and other airports do not. That is a bit more of a concern, I have to say. I think there should be one rule and one rule only. But it is just one of those things. You cannot take the human factor out of the issue. The human factor is the interpretation of a picture on the screen and the experience of the person to know what that issue or thing may be and whether it is a threat or not. I am reasonably relaxed about the level going up and down. I wish that not so much fuss was made of it publicly when it does happen, because it is not a threat.

Mr McArdle—Prior to September 11, we were required to search for metal objects and so forth on passengers going through our terminals. September 11 came and we screwed those down a bit further—nose hair clippers, bangles and so on—but at the same time introduced higher levels of in-flight training for flight crews and lockable doors to cockpits. We saw that passengers, in Australia at least, are not going to go down without a fight a la the Launceston incident. So we have introduced all these other measures as well as measures where aircraft are not to be left unattended and so forth. So the finding of these small 'sharps' or small metallic objects pales into insignificance once you have introduced these other measures.

Senator MOORE—The whole smorgasbord of stuff.

Mr McArdle—This is what I was getting at before: we need to have an exit strategy. If you have introduced another measure that will make it extremely difficult to take over the aeroplane with your bangle, why do we need to find your bangle?

Senator MOORE—Culpable.

Mr McArdle—That is what we are saying. Let us look at how to move the deck chairs according to the size of the iceberg, so to speak.

Senator MOORE—Do you think that will come with experience?

Mr McArdle—We are ready.

CHAIR—I have a question that relates to the ASIC cards. It was one of the things that in part triggered the reopening of this inquiry. The airport issues the ASIC cards.

Mr McArdle—Yes.

CHAIR—How many agencies at the airport also issue ASIC cards?

Mr McArdle—Have the ability to?

CHAIR—Yes.

Mr McArdle—The airlines—Virgin, Qantas, National Jet Systems—and I think Customs now.

Mr Scanlon—Customs, yes.

CHAIR—I understand that about 188 databases throughout Australia issue ASICs. In the recent review of all holders of ASIC cards, how many at your airport were recommended not for reissuing of an ASIC card?

Mr Scanlon—It would be in the single digits.

CHAIR—How many?

Mr Scanlon—There would be probably five that we have rejected over the last two years.

CHAIR—For what reasons were they rejected?

Mr Scanlon—For acts that were considered to be a threat to aviation or for a repetitive criminal history, we have rejected them and asked for supporting documentation. Some of those people do not reapply after they have been asked to provide supporting documentation. In other cases, we referred them to the department of transport.

CHAIR—When the review of the holders of ASIC cards was undertaken, how many original cardholders were refused reissue?

Mr Scanlon—In Adelaide Airport Ltd's database, zero.

CHAIR—What training do you provide for those to whom you issue ASIC cards?

Mr Scanlon—First, as an education process, people have to watch a CD-ROM about their conduct while operating airside, the conditions that the ASIC is issued under and the recovery and ownership of that card.

CHAIR—Do you charge a deposit bond for your ASIC?

Mr Scanlon—Absolutely.

CHAIR—How much does that deposit bond cost?

Mr Scanlon—\$50.

CHAIR—How many people fail to return their ASICs?

Mr Scanlon—I was going to tell you that before you asked the question, actually. We have a 100 per cent return rate since we have introduced the deposit. That deposit became applicable under the new ASIC issuing regime.

CHAIR—Do you make the individual pay for the deposit?

Mr Scanlon—Correct.

CHAIR—Do you make them pay for the issuing of the ASIC card?

Mr Scanlon—Yes. The employer in most cases picks up the issue cost. We bill the company, but the individual pays the deposit.

Senator HOGG—What about with labour hire companies that are external to airport employers themselves? They might have relief baggage handlers and so on that come in. How do you handle ASICs there?

Mr Scanlon—If they are contractors of the airlines, the airlines will issue the ASIC under the new regulations. If they come to us to issue the ASIC as a third-party contractor, we will generally ask a company to sponsor them for the issue of the card and the payment of the card, but the deposit will rest with the individual.

CHAIR—In the same way it happens at your airport. But one thing was put to me by a pilot yesterday as I was travelling here. He has to go through screening continually, as he comes and goes in and out of the airport. Yet a courier delivering a parcel to a general aviation plane and therefore gaining access to airside does not have to have an ASIC card and does not have to go through any screening. How do you control that at your airport?

Mr Scanlon—We run one point of entry to our airside in principle. All people who come through that either are escorted by an ASIC holder or hold an ASIC themselves.

Mr McArdle—And the pilot of that courier aircraft would have had a background check and be an ASIC holder.

CHAIR—Much has been made of the need for security fencing around airports. In speaking to terrorist experts, they said that the best defence security fencing will give is to delay people coming through by three to four minutes.

Mr Baker—That is generous.

CHAIR—At best, three to four minutes. It was put that it would be better to have constant electronic surveillance, whether sensors or close circuit television cameras. Given the large size of your airport's landmass and its proximity to the city, what measures do you undertake for airside security?

Mr Baker—Fence and patrols.

Mr Scanlon—We currently have a fence in place. We and the APS conduct a number of patrols on a random basis. We also have CCTV coverage of a large proportion of our airside.

Mr McArdle—With aviation security, our prime focus is to protect the aircraft and the people who get on it. If you likened our airport to an onion sliced through, we have these rings. We have an outer perimeter, which is our fence, which delineates the boundary. We then have wide-open space, which has patrols, observation and CCTV surveillance. We then have a closer-in security restricted area where, if you do not have the right identity or a right of access to that area by displaying your card, you stand out and there are more regular and consistent patrols within that inner circle. From the other side, you have people being screened through metal detectors and so forth before they get into that area. We feel that, through a structured process of defence in depth, we are as an aviation industry providing the best protection of the asset that we can.

CHAIR—My colleague Senator Hogg raised the issue of day-visitor passes. Is there perhaps a more stringent approach to airport security than the use of day-visitor passes?

Mr McArdle—If a day-visitor pass is used as it is meant to be used—with the person under escort by someone who has had a security background check—it will work; otherwise your business will grind to a halt.

CHAIR—What monitoring process do you have in place to make sure that those issued with day-visitor passes are under the constant observation of a person holding an ASIC?

Mr McArdle—Random CCTV surveillance, random patrols and general observation by others in the vicinity.

CHAIR—How many occurrences would you find of people who are in contravention of the act in relation to ASICs?

Mr McArdle—If they are contractors to us, nil.

CHAIR—Is that said with all confidence?

Mr Scanlon—Yes.

Mr McArdle—Yes.

Mr Baker—Yes.

Mr Scanlon—We ask all of our contractors to report through our main airlock gate and they are collected and escorted from that point.

CHAIR—I also want to cover the issue surrounding security personnel. Do you consider the training provided to security personnel and, indeed, the background checks on those providing the security detailed enough?

Mr McArdle—Yes. When you say ‘security personnel’, are you talking about the contractors that run the screening point?

CHAIR—Yes.

Mr McArdle—They are required to go through a security process themselves and then they are audited against that process. They are contracted by either the airlines or us. We believe that the background processing is robust enough to ensure that they are putting in place people who are kosher to be there.

CHAIR—It concerns me that there seems to be no clear identifiable common training standard for airport security staff throughout Australia.

Mr McArdle—Certificate II security guarding is based on national competencies and there is an airport competency that adds on to that. So here in South Australia they do the Tertiary and Further Education Certificate II Security (Guarding Airports). That should have—and we are assured that it does have—national competencies.

CHAIR—What audits do you do on those who provide contract services to your airport to make sure that their security people are adequately trained?

Mr McArdle—A condition of winning the contract would be that the contractor show an audit trail of currency of training and legitimacy of training. In addition, our colleagues from DOTARS do an audit.

CHAIR—That is their audit.

Mr McArdle—Yes.

CHAIR—What audits do you as airport managers undertake?

Mr Scanlon—The company we engage has a designated training officer and we undertake an audit of both their on the job and their off-the-job training records.

Senator HOGG—I want to return to perimeter security, which the chairman was asking about before. Have there been any breaches of perimeter security at the Adelaide airport?

Mr McArdle—Yes.

Mr Baker—Yes, there have been.

Senator HOGG—How many, when and what was their degree of severity?

Mr Baker—A few. They are generally kids on mopeds and motorbikes cutting holes in the fence and screaming around the inside for a few minutes until discovered. One or two fairly inebriated people make mistakes by crashing through gates and getting airside as well, but they have been picked up in no time at all.

Mr McArdle—Our regular patrols become aware very quickly of breaches of the perimeter. Air traffic control observe things. They are able to see movement on the airfield that should not be there and then the APS and our own security persons—

Mr Baker—Some of our neighbours are very good at calling up our ops office too if they see anything going on in the vicinity of the fence—as in the public.

Mr McArdle—These are acts of vandalism, basically.

Senator HOGG—They are criminal acts.

Mr McArdle—Yes.

Senator HOGG—My point is that they are not terrorist acts.

Mr McArdle—No.

Senator HOGG—That raises the issue of there being no discrimination between terrorist acts and criminal acts in many of the ways that people think about these things.

Mr Baker—Not through the access; it is the intent beyond that. They are hugely different. The police believe that they know who was responsible for some of the earlier behaviour. They have not been able to prove it but have had a word with one or two of them and nothing has happened for two years.

Senator MOORE—Do the media cover those things?

Mr McArdle—The media were not aware of it until now.

Senator HOGG—I did not know. I was not trying to embarrass you or raise anything like that.

Mr Baker—No. It is a fact.

Senator HOGG—That raises another issue, which is security outside of the perimeter itself, which in some people's minds poses a greater threat to airline security than the actual perimeter itself. I am talking now about people going ballistic and trying to shoot aircraft down and so on. What sort of risk factor do you believe there is in the area outside of the physical confines of the airport itself?

Mr McArdle—That issue has been addressed. We would be irresponsible if we had not addressed that. One of the remedies we have in place is that we have an airport security committee meeting every two months. Part of that security committee is a requirement of different agencies, including the state police, to report on issues that they are aware of that are likely to cause or develop into an issue that could be a security matter for the airport. We have on-airport agencies and off-airport agencies reporting to us regularly. We take the information that they provide and put that through our risk assessment process. To date, we do not see the threat of off-airport attacks on aircraft as being anything other than very low.

Mr Baker—The fact is that we would have to rely on intelligence to find out about those issues for us, because there is no physical way to stop it.

Senator HOGG—The issue that you then raise is the intelligence itself. How good do you believe the intelligence is that our intelligence services are able to glean? Is that an area that needs to be addressed and that resources need to be put into, whether by way of people, technology or whatever? I do not want to dig down into the minutiae.

Mr Baker—It is very hard for us to comment. We get feed back of information when there is information around of certain issues going on. But we have no idea what ASIO and the like would know about what is going on in the country when there is no need to tell us. We just do not know.

Mr McArdle—We are also members of the high-level security groups that the government runs. We are represented on those groups, so we gather that information as well as the information we gather from our own local colleagues and police forces. We just throw all of that into the pool to assess what security risk exists for our airport. Our colleagues are doing the same at their airports.

Mr LAMING—My question continues from your comments regarding the audit of skills for those who are X-raying baggage. When you implement outgoing X-ray of all baggage, how do you know that that is working and how do you know that you are finding suspicious packages? Are you doing any audit of how effective those who are watching X-rays are?

Mr Scanlon—Part of that training and part of that audit process is what is called ‘threat image projection’. We run threat image projection on all of our X-ray units. The technology and the equipment are so recent that we can run it on all of our X-ray machines. We audit the results of those training sessions and we do tips on line. So effectively, as part of online training, they are placing images into the line. There is also offline training where we audit those results.

Mr McArdle—In addition, we have a good working relationship with our national carrier, which does its own checks. We share that information.

Mr LAMING—What about organisations like Air Express that load baggage on in other locations?

Mr McArdle—Air Express, we are pleased to say, has X-ray for parcels and freight that they load. They are ahead of the game here in South Australia. It is their responsibility and they will do their own audits, but we are aware that they are conducting their own X-rays.

Mr LAMING—Is there any evidence that they are also using that audit process where they are testing the sensitivity of their own X-rays by randomly superimposing high-risk images? After all, their baggage and their cargo end up on flights out of Adelaide.

Mr McArdle—At present that is up to them.

Mr Scanlon—They are also subject to meeting the requirements of the independent audit of DOTARS.

Ms GRIERSON—It is a bit unfair to ask this question of you, but the Wheeler report has come down with recommendations. I would ask for feedback from you on some of those that will impact on airports. Obviously the government will not necessarily implement all of the recommendations. There are some simple ones that we have been coming to the same viewpoint on. There is the centralised issuing of ASICs with the same process. One of the recommendations is that the Attorney-General's Department should do that so that there is standardisation. How do you feel about that?

Mr Baker—I do not know how that would work. We would need to talk a lot more about that one, because that is a huge thing to try to bite off. Just getting a police record check takes a long time.

Ms GRIERSON—It says that there are something like 180 different issuers of ASIC cards.

Mr Baker—I think there is an argument for reducing the number, certainly. But it is a bit unwieldily to try to get one single nationwide issuing body.

CHAIR—Part of the argument is that very few of the 188 databases are interlinked. Is yours interlinked with anyone else's?

Mr Scanlon—Not that I am aware of, no.

Mr McArdle—No, I am not aware of that. There is also the intent. If my meeting with Sir John was the way I interpreted it, over the years the ASIC card has been confused with identifying that you have had a background check and with giving you access control. If you separate the two, there is a probably a way forward for looking at having somebody coordinating all the background checking. But, if you are going to use that card then as access control, that needs to be controlled locally or to be localised. So the background checking of people can rest perhaps with a central body. But then, if you are going to tie access control to that card, it has to be localised.

Ms GRIERSON—That is interesting, but it also suggests that the ongoing checking is a major issue. It lasts for two years, but there is no ongoing checking of a person's criminal activity in the next two years. It is something that we will probably all come back to and I welcome your views at another time. The report also refers to what we were talking about before: integrating the closed-circuit television systems, with Customs having the lead role. We looked today at the infrastructure you are putting in with your set of cameras and control room, and at Customs the set of cameras and control room, and we have seen that you have two different roles. How do you feel about that?

Mr Baker—Customs simply are not interested in the things that we are interested in. To give them the lead role seems almost obtuse to me. They are looking for a specific threat to the borders and not a general policing issue of the airport. I think it is not broken, so it does not need fixing. If we both have our own matrices and we can feed off each other at the margins, they would always have the control of certain cameras. I need to understand why that would be an issue.

Ms GRIERSON—I suppose, to be fair, one of the earlier statements in the Wheeler report is that there is still some problem with public agencies and private owners working together very well in a coordinated way.

Mr Baker—Perhaps I could make a comment. Sir John comes from a country where, as soon as you are in the air and you turn five minutes in any direction you are in an international environment. This is a very big domestic operation. We are a 92 per cent domestic port. Customs just do not have the same need to be as strict with security. That perhaps is part of the problem. That is why I have said that it needs a lot more detailed discussion.

Ms GRIERSON—I am being unfair to you. Another recommendation is that the aviation security committee for each airport be more strategic in its focus and make-up. It is suggested that there be an inner core or a core group that is really about all those lead agencies, with the CEO of the airport being its chairman and a new airport police commander being on it and then having a subsidiary committee of the aviation security committee that is a broader stakeholders meeting. How is your aviation security committee acting at the moment?

Mr Baker—It meets regularly. It is very active. John chairs it and I attend, and we go through all the issues with all the parties present.

Ms GRIERSON—Does it have a wide membership?

Mr Baker—Yes, it is very wide.

Mr McArdle—The membership comprises those who have a vested interest in aviation security at the highest level. We have the airport managers of the airlines. Perhaps Mr Scanlon can continue.

Mr Scanlon—It is a broad cross-section of Customs border agencies, state police and Federal Police.

Ms GRIERSON—Because it is so broad, sometimes do you not want to share some information? Is there any risk in that way of it being too broad?

Mr Baker—No, I do not think so. I think issues get dragged up and aired about specific operators. There is no hiding of information because it is embarrassing. It gets aired and discussed at that committee meeting; it gets hot under the collar from time to time.

Ms GRIERSON—I will not be unfair to you. I will let you have time tonight to look at the report.

Mr McArdle—The structure of our committee is such that any change that is mooted by Sir John will not be difficult.

Ms GRIERSON—There is some strong common ground but, if these recommendations are taken up, there will probably be some difficulties in terms of integrating state, federal and those sorts of areas.

Mr Baker—I think we have all those now. Having two committees? We have one now and I am not sure that is a step forward. That is all I am saying.

Senator MOORE—And they come all the time?

Mr Baker—Yes.

CHAIR—I have a final question that alludes to one asked earlier I think by the deputy chair in relation to the infrastructure you are putting in now. Given that it is suggest in the Wheeler report, which I accept that you have not read yet, is that we need to look at more advanced technologies, in particular in areas such as face recognition software and so on, have you allowed for infrastructure capability in the design of your new airport?

Mr Baker—It can be retrofitted. It is being fitted in the customs area from day one.

CHAIR—Thank you very much again for allowing us access to the airport this morning. I wish you well with the conversion. It is bound to be a headache one way or the other. Thank you for providing evidence to the hearing today. If we have any further questions of you about your operations, we will submit them to you in writing and ask you to respond in due course. To give you some idea, it is not anticipated that the report of this committee will be handed down before the early part of next year, as there is still a lot more work to be done.

Proceedings suspended from 2.50 pm to 3.11 pm

BERDEN, Mrs Jayne, Manager, Kingscote Airport

RICHARDS, Mr Bill William Henry, Councillor, Kangaroo Island Council; Chairman, Kingscote Airport Committee

CHAIR—Welcome. Do you have any comments to make on the capacity in which you appear?

Mrs Berden—I am here giving evidence representing the Kangaroo Island Council.

CHAIR—This is the fourth public hearing of the committee's review of developments in aviation security since the tabling of its *Report 400: review of aviation security in Australia*. We are interested in hearing any concerns that aviation industry participants have with respect to the upgraded regulatory regime, either in places where the regime is perceived to still have gaps or in cases where it may impose an unnecessarily onerous burden on participants. The hearings today are legal proceedings of the parliament and warrant the same respect as proceedings in the chambers. The giving of false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. Evidence given today will be recorded by Hansard and will attract parliamentary privilege. Do you wish to make an opening statement?

Mrs Berden—The submission that I have presented is very brief, I am sure you will all agree. I will make an opening statement to address that and the context in which the submission was given. The main reason for making a submission was to flag our concern over the potential for ongoing costs because of the legislation that is in place now and, given the number of inquiries going on in the industry at the moment, any potential additions to that legislation that may impact on our airport budget in the future. For example, there is wandung and training. Now that the Commonwealth is providing money for that at this stage, it is a six-day training course and it does not cover the wages of people who will be undertaking that training. We have five employees at the airport who will need to undergo such a training course and their wages have to be covered. Not all of them work for the organisation all of the time, so we cannot expect them to give up their normal day job to take up a training course on our behalf and not refund them. It is things like that. The Commonwealth is putting up money for that training now and over the next four years, but who will cover these costs when that runs out in the future? There has been no indication that that will continue. In addition, as new entrants into the realm of aviation security, I have to admit that we have absolutely no idea how much it will cost us to run an ASIC program; we have no experience in that at all. We figure that, when we have been running these security measures for 12 months, obviously we will realise what the full impact on our budget will be.

While we appreciate the fact that the Commonwealth is putting up the money for capital expenditure, there will be an ongoing maintenance impost on our small budgets. We have tried to keep ours simple to reduce the ongoing costs. Four years from now, who will be paying for the rapid deployment team? Will that be a cost on regional airports? That is a concern our organisation has. Once again, obviously we have no idea of what that will run into and what our share of that cost will add up to.

The context in which all of this is given is that our particular airport, being on an island, is obviously very important to our community. Our passenger numbers in 1999 of 90,000 have fallen in the last financial year to 30 June 2005 to just over 60,000. This is also due to the fact that the Kangaroo Island SeaLink ferry has upgraded its facilities to the extent that it is obviously much more cost-efficient for families to travel on that than it is to fly. However, that is not to say that the costs of running our airport have gone down at the same rate as our passenger numbers and our ability to raise funding. The airport is a self-funding part of the council. We do not use any ratepayer funds. Any money that we raise at the airport is used at the airport, so it goes the other way around. The council does not take any of our money and we do not use any of theirs. However, with the reduced passenger numbers and the costs of running an airport, whether we have 90,000 passengers or 40,000 going through our airport, we still have to keep the infrastructure and the facility to the same standard, so obviously we have to raise those funds from somewhere.

If we are going to have a further impost on our budget with security measures, obviously we will have to pass that on to airlines, who will then pass that on to their passengers. The fear that we as a council have is that this may end up having an impact on not just our tourist industry, which is one of our major industries, but also the community as a whole. It will force airfares up to the stage where not only will it stop tourists from coming to the island and making it expensive, which it already is, but as a community and the fact that we live on an island, we only have a boat or an aircraft to get away. So it will be an ongoing impost on the actual community itself.

We only have 4,500 people living on Kangaroo Island and a third of our island is national parks, where the council does not collect any rate revenue, so as an organisation the Kangaroo Island Council struggles to keep its infrastructure upgraded to a reasonable level anyway, without having to support the airport. That is why we do not collect any of the rates for that purpose. The reason for putting in my brief submission was just to flag to the people who will be the decision makers on our behalf that a regional airport in our position will not be able to afford increased costs for security, if that is where it ends up going.

ACTING CHAIR (Ms Grierson)—Thank you very much. We appreciate your submission because yours is a unique situation. With passengers travelling in and out, where do they come from and where do they go to?

Mrs Berden—Our RPT service only runs Adelaide to Kingscote.

ACTING CHAIR—Do have any concerns about quarantine issues?

Mrs Berden—We do not have any.

ACTING CHAIR—With your dependence on produce, you do not have any worry with things coming in?

Mrs Berden—Nothing has been set at the airport for us to monitor anything like that.

ACTING CHAIR—Have you had moneys from DOTARS at all for infrastructure improvements?

Mrs Berden—Only for the basic security measures as part of this new legislation.

ACTING CHAIR—What would they be?

Mrs Berden—We have some new security fencing, which is being erected between our airside-landside barrier and some upgraded CCTV cameras out onto the apron; they have paid for that. In addition, we have a new locking system for airside access. It has not all been implemented as yet, but we are in the process of it now.

Senator HOGG—As part of another committee, I visited Kangaroo Island a couple of months ago. I have a minor familiarity with the place, even though it was only through one visit. Is the SeaLink in any way subsidised by the state government?

Mr Richards—No.

Senator HOGG—I was curious about whether that was responsible for the fall in your trade.

Mr Richards—No. As our manager has said on many occasions to the Kingscote Airport Committee, our fall in trade has been created by a mother, father and two children being able to fly Adelaide Kingscote return for a cost of just under \$1,000; on the ferry, it is just over \$400 and you can take a car with you. That is our competitor and that is how we see it.

Senator HOGG—You have the difficulty of being relatively close to Adelaide in terms of the distance by ferry, and for the planes to travel it is six of one and half a dozen of the other, isn't it?

Mr Richards—The plane is in the air for only 20 minutes. It takes the ferry about an hour and a half to travel from Adelaide to Cape Jervis, which is the mainland port, 45 minutes to cross the sea leg and then another 40 minutes to get to our main town of Kingscote; but the advantage is that you have a vehicle. Interestingly enough, incidental evidence is that from time to time there have been three companies fly out of Kingscote, but invariably one of those companies does not make it because there are just not the passenger numbers. So we start with three and it goes back to two. We live in fear that two could drop out just because of the passenger numbers. The ferry is becoming more and more competitive compared to flying.

Senator HOGG—The two companies that operate only operate propeller aircraft; is that correct?

Mrs Berden—Yes.

Senator HOGG—How many services are there daily?

Mrs Berden—From November to April or the beginning of May, Airnorth Regional link, Emu Airways and Airlines of South Australia—that little group—have six flight times a day and Regional Express Airlines have two.

Senator HOGG—That changes according to the season.

Mrs Berden—Yes.

Senator HOGG—How many international people use the aircraft as a means of getting to the island to holiday, or is it mainly local South Australians who visit the island as tourists?

Mrs Berden—A lot of internationals visit the island. I honestly would not be able to give you a break-up of our passenger numbers.

Mr Richards—John may be able to. Perhaps we could get that for you.

Senator HOGG—Please take that on notice. I am trying to get a flavour. Your argument, if I understand it, is that your airport is different from other regional airports. You do not ask to be exempt from the provisions, but you do not want the cost impost forced upon your organisation because you have no flexibility in terms of recovery of cost. Is that a fair way to sum it up?

Mrs Berden—That is what we are fearful of at this stage. If we do not speak up now, you will think it does not matter to us if in the future the legislation increases what it is now even further.

Ms GRIERSON—In four years time.

Mrs Berden—Yes, that is right. It might not be such a huge impost now but, when the Commonwealth money runs out in four years time, will we be able to afford all this? That is what we need to express as a concern at this stage. Our passenger numbers for the last three years have actually been exactly the same almost. They have actually fallen but by less than one per cent. We have had the same passenger numbers for three years in a row, so it looks as though that is where we will sit for a little while—and the costs will keep going up and the numbers will not. If we have to keep putting that impost on the airlines, they will always have to pass that on to the passengers and there will just be a vicious cycle.

Senator HOGG—Are your landing charges based on heads per flight, or are they based on the weight of the aircraft?

Mrs Berden—On our regular passenger transport service, our landing charges are based on the passenger movement. For all other aircraft, like general aviation and freight, it is based on maximum take-off weight—so much per 1,000 kilos.

Senator HOGG—So any additional application of security needed at your airport you would have to off-load on to the passengers.

Mrs Berden—We would, yes.

Senator HOGG—From what you have said, not all your employees seem to be full time, as I understand it.

Mrs Berden—No.

Senator HOGG—Some of them obviously have part-time jobs with your organisation. I presume therefore that they have other jobs as well, from what you have said. Is that correct?

Mrs Berden—That is correct. We have two full-time employees—myself and one other—at the airport and we have four other people who, because our airport is open for seven days a week 52 weeks of the year, have to be rostered on for the weekends so that full-time employees do not have to work seven days a week.

Senator HOGG—You say that the part-time employees are subject to the same training courses as full-time employees. Is that correct?

Mrs Berden—I am talking about training only in wanding and metal detection—Certificate II (Security Guarding). We have been encouraged to train them all because, if they are going to be there and be called on to do this, they will have to do the training. Generally, neither full-time staff members are there on weekends; the other staff members cover those times.

Senator HOGG—So at this stage you have to pay for all the training of these other people?

Mrs Berden—No, not at this stage; not for this round of training, because the Commonwealth is funding it. The money that the Commonwealth is putting up is for the next four years, but after that we will.

Senator HOGG—So your worry is about beyond that time.

Mrs Berden—Yes. Our worry is what is going to happen after this. Everything seems to be, ‘We’ll fund that for the next four years.’ But in four years time we can see the potential for some fairly extensive costs perhaps to land in our laps if the Commonwealth decides that it will not continue on with this kind of funding. That is what we are a bit fearful of.

CHAIR—I have never been to Kangaroo Island. Can you describe the island, its population, its airport and tell us where you fly to and from from the island?

Mrs Berden—Our RPT service is only between Adelaide and Kingscote. The population of Kangaroo Island itself is approximately 4,500. How many of those would live in Kingscote?

Mr Richards—I can give you statistical data from council. A total of 6,671 assessments are carried out on Kangaroo Island. Of the 6,671 assessments, 40 per cent relate to those who do not live on the island. Interestingly enough, of those 6,671 assessments, 1,000 were posted around the world to people who own vacant land. That is somewhat interesting because we believe—and it is anecdotal evidence—that international tourists are attracted by their visits and then tend to buy land. So we think that, the more tourists we get, the more people will want a little piece of land on the island. The island is about 156 kilometres long by 60 kilometres wide. I think Jayne mentioned—and this is very important—that something like 30 per cent of our island comes under national parks. That is a struggle in itself because they do not pay any rates at all. Incidentally, one of the imposts we have had this year was, out of a budget of \$10 million, \$1.7 million being spent just on waste management, which was forced upon us by the EPA. So, as a small council, we will have some major issues to confront in the next two or three years.

CHAIR—Having a population of 4,000 and 90,000 passenger movements obviously means that the island is a very popular tourist location. I apologise for being absent when this evidence

was given but, for my own information, what is the cost of flying from Adelaide to Kangaroo Island?

Mrs Berden—There are a variety of air fares at the moment, depending on whether you book over the net, ring the company or whatever.

CHAIR—Just give me a ballpark median figure.

Mrs Berden—Some people can pay up to \$300 return for a seat on an aircraft.

CHAIR—How far off shore is it?

Mr Richards—The closest to Cape Jervis is approximately 10 kilometres. From Adelaide, it is about 90 kilometres.

CHAIR—Where does the boat service run from?

Mrs Berden—Cape Jervis to Penneshaw.

CHAIR—So it is only a quick hop across.

Mr Richards—Through Backstairs Passage.

Mrs Berden—Forty minutes.

CHAIR—I just want a little background.

Mr Richards—For a return for a family of two, it costs about \$140 for the car, and one passenger return is \$35, so it is about \$180.

CHAIR—So your airline is not in the ballpark when it comes to getting across.

Mr Richards—Correct.

CHAIR—I understand the problems you have raised in relation to ASICs and airport management and security. I cannot see where an argument can be mounted for reduced security, but I can understand your argument for increased and ongoing financial support; I have noted that. How many employees do you have at the airport?

Mrs Berden—Two full time and four others who do weekend work to cover for the full-timers.

CHAIR—It is owned by the council.

Mrs Berden—That is correct.

CHAIR—All of these people are employees of the airport; they are not subcontracted?

Mrs Berden—They are all employees of the Kangaroo Island Council, but some of them have other jobs as well.

CHAIR—But you do not firms like Chubb doing security.

Mrs Berden—No, we do not.

CHAIR—In relation to processes for getting on board, I assume that these are turboprop type planes?

Mrs Berden—That is correct.

CHAIR—What sort of planes are they?

Mrs Berden—Emu Airways mostly run a Bandeirante and Regional Express run a Saab or a Metroliner.

CHAIR—Do they require check bag screening?

Mrs Berden—No. We do not have any screening.

CHAIR—What security measures of yours do you find onerous?

Mrs Berden—There is no screening or wand— we are not allowed to call it screening; we have to be careful about what we say.

CHAIR—Swabbing?

Mrs Berden—We only do that if required to by the department of transport. They or the secretary will notify us and say, ‘We want you to wand’—not screen but wand—‘every flight this week,’ or ‘all the REX flights this week.’ So our staff must undergo this training, which is a six-day training course. The Commonwealth will issue us with the equipment and then it will sit on a shelf until we get a request that it be used. We are allowed to bring it out and use it as a training exercise to keep up skills.

CHAIR—I assume that you have security fencing around your perimeter.

Mrs Berden—Around the perimeter of the airport we only have a six-foot animal-proof fence and the airside-landside barrier—it is all airside-landside around the perimeter fence. But where the customers walk—

CHAIR—In the immediate zone.

Mrs Berden—Yes—around the terminal is security fenced.

CHAIR—You have as one item ‘ongoing upkeep of locks to access gates’.

Mrs Berden—We are upgrading our access to having coded locks.

CHAIR—How many gates at your airport give vehicles airside access?

Mrs Berden—We have eight.

CHAIR—Why do you need eight gates if you only have seven planes a day coming out?

Mrs Berden—This is around the whole perimeter.

CHAIR—Why do you need eight gates?

Mrs Berden—We have one on each fence line around the—

CHAIR—Looking at the whole of the Sydney airport—you might correct me if I am wrong—they are narrowing that down to three access gates. Brisbane airport has been narrowed down to two gates.

Mrs Berden—We have an access gate for our ambulances to use to meet an RFDS plane. We have emergency services. This is on the airside-landside perimeter.

CHAIR—Why do they need all these separate accesses?

Mrs Berden—Because the SA Ambulance Service requires access straight out onto the apron, whereas our emergency services gate does not go straight out onto our apron.

Senator HOGG—I am not being nasty, but it would be best described as a rural airport, wouldn't it?

Mrs Berden—Yes, it is.

Senator HOGG—It is surrounded by bush—

Mrs Berden—Farmland.

Senator HOGG—And farmland. To get to Kingscote itself, you have to get in a car and travel some distance. Suburbia is not close by.

Mrs Berden—No.

Mr LAMING—I ask the same question: why do you need so many gates?

Mrs Berden—I do not know why we need so many gates. They are the ones that are there. We have a gate for the RFDS and a gate for emergency services. There is one other gate that goes straight out onto the apron. Each fence line around the perimeter has an access gate on it. If we have an emergency, an accident, a plane crash or something anywhere out on the field, we

may need to gain access from some other avenue than over the apron and up through the runways. That was the criterion behind it, I believe.

CHAIR—You have talked about surveillance systems. Obviously, you have perimeter drive-bys.

Mrs Berden—We do that as part of our serviceability check each morning.

CHAIR—Do you have much in the way of closed circuit television?

Mrs Berden—At this stage we have two cameras focused on the apron. We are getting more, but that is not part of the security upgrade. In the past, we have had a lot of vandalism in our car park at night. Up to 50 cars can be parked there overnight and, because we are in a remote area where people can just drive in and no-one would even know they were there, there is the opportunity for vehicles to be vandalised.

CHAIR—I take on board what you have said. It is disappointing that your passenger numbers have dropped by 30 per cent because the amortisation of costs is extreme. Coming from Newcastle, an area that has just grown its airport, which basically was serviced by a couple of very small planes and now has Jetstar and Virgin running, I understand and can sympathise with exactly what you have to go through. Unfortunately, I cannot see Kangaroo Island becoming a hub airport for other locations; it is a single-point destination.

Senator MOORE—How many individuals' planes come in and out? How many people on Kangaroo Island have their own plane and how many people would visit using their own aircraft. Do you have a significant business for that kind of activity?

Mrs Berden—We do not have a lot of itinerant aircraft that come in and park. We have a GA grass apron and it does not get used a lot, I am afraid. Two or three farmers on the island have their own aircraft. They use landing strips on their own properties and they do not come in and out of our airport. One gentleman owned an aircraft in a hangar out there, but he has since sold that. We have our RPT operation and we charter for tours, as a tourist activity. Separate to RPT, we have charter operators and the flying doctor.

Senator MOORE—The flying doctor is required.

Mrs Berden—That is right. The flying doctor visits us at least 11 times a month.

Senator HOGG—Do you know of any other airports in the area, whether close by or in South Australia, that are having similar difficulties to those that you foresee in the future?

Mrs Berden—Over the last two days, the South Australian division of the Australian Airports Association met in Kingscote. At that meeting, I think a general concern was expressed by all the regional ports over the same issues: who will be paying for these things when the four years of Commonwealth funding runs out?

Senator MOORE—Most organisations now have a body that they can share their concerns with, but the regional airports group is raising these issues with DOTARS.

Mrs Berden—Yes. In addition, DOTARS has set up regional industry consultative meetings such as with that group. I have attended both meetings so far and the same concerns are raised in that arena as well.

Senator HOGG—Have you raised your concerns with DOTARS; if so, what has been its response?

Mrs Berden—There has been a lot of talk about wandering. The response is that it is probably here to stay and just something we will have to do. Obviously they cannot answer the question about whether funding will continue. Their answer to that is that obviously they do not know either. They cannot say whether there will be continued funding for these things in four years time. The staff members who come to the meetings cannot comment on those decisions.

Senator HOGG—I can understand employees of the department not being in a position to make a comment on policy. But do you have any access to the minister? Have you raised this issue with the minister or his office?

Mrs Berden—No, I have not raised the issue with the minister.

Senator HOGG—It seems to me that that may well be an avenue you might consider pursuing, because the minister's office might be able to give you some indication as to what is happening there.

Mr Richards—Perhaps I could make an observation. We have spoken about security at Kingscote airport but, as we understand it, there is no security on the ferry side. It could be that increased security at our airport would encourage more people to think about going by ferry. I suggest that there has been talk in our community: 'Blow it, we are a local rural community and we're not going to bother ourselves by having to go through this; we will just jump in the car.' It could inhibit even more people from choosing to fly. I just raise that as an issue.

CHAIR—Thank you very much. We appreciate your taking the time and effort to provide evidence to the committee today. We will send you a copy of the report when it is concluded.

Mrs Berden—I feel insignificant.

CHAIR—Do not feel insignificant. There are quite a few members here from regional and rural areas.

Senator HOGG—That is where the concerns are. Unless people raise their voices, we do not know.

Mrs Berden—That is right. Thank you very much.

Evidence was then taken in camera—

Committee adjourned at 4.43 pm