



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT

**Reference: Further inquiry into aviation security in Australia**

WEDNESDAY, 8 MARCH 2006

NEWMAN

BY AUTHORITY OF THE PARLIAMENT



## **INTERNET**

The Proof and Official Hansard transcripts of Senate committee hearings, some House of Representatives committee hearings and some joint committee hearings are available on the Internet. Some House of Representatives committees and some joint committees make available only Official Hansard transcripts.

The Internet address is: **<http://www.aph.gov.au/hansard>**

To search the parliamentary database, go to:  
**<http://parlinfoweb.aph.gov.au>**

## JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT

Wednesday, 8 March 2006

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

**Senators and members in attendance:** Senator Murray and Mrs Grierson, Mr Tony Smith and Mr Ticehurst

### **Terms of reference for the inquiry:**

To inquire into and report on:

- (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.

**WITNESSES**

**COOPER, Mr Allen Ronald, Chief Executive Officer, Shire of East Pilbara ..... 1**  
**DOUGLAS, Mr Alexander Brechin, Director, Technical Services, Shire of East Pilbara ..... 1**  
**THOARS, Mr Neil Andrew, Manager, Paraburdoo Airport..... 1**  
**VOROS, Mr Peter Michael, Director, Corporate Services, Shire of East Pilbara ..... 1**



**Committee met at 11.00 am****COOPER, Mr Allen Ronald, Chief Executive Officer, Shire of East Pilbara****DOUGLAS, Mr Alexander Brechin, Director, Technical Services, Shire of East Pilbara****THOARS, Mr Neil Andrew, Manager, Paraburdoo Airport****VOROS, Mr Peter Michael, Director, Corporate Services, Shire of East Pilbara**

**CHAIR**—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 ongoing inquiry into aviation security in Australia. I welcome everyone here to today's public hearing for the committee's review of developments in aviation security since the tabling of its Report 400: *Review of aviation security in Australia*. Today we will hear from a number of representatives of airports at Newman and in surrounding regions.

I advise the witnesses that the hearings today are legal proceedings of the parliament and warrant the same respect as proceedings in the House or the Senate. 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 and be published as part of the parliamentary record.

Without further ado, I welcome representatives from the local shires who are here today. Normally in our proceedings we invite you to make an opening statement. If you would like to do that, we will then move to questions and discussion. I will hand over to you, Allen.

**Mr Cooper**—Thank you. If you do not mind, I will read a three-page statement. Questions can then start from there.

**CHAIR**—That would be helpful.

**Mr Cooper**—We can provide a copy of this statement later. We have talked about most of it previously at the airport. The statement reads:

Statement to the Joint Committee of Public Accounts and Audit public hearing to be held in Newman, WA on Wednesday 8 March 2006.

The Shire of East Pilbara submits the following information and comments to the inquiry into developments in aviation security since its June 2004 *Report 400: Review of Aviation Security in Australia*.

The aspect of the Terms of Reference to which the Shire of East Pilbara seeks to address is e) *cost imposes of security upgrades, particularly for regional airports*.

The Shire of East Pilbara is the owner/operator of the airport which has been classified as Category 4 for the purposes of security implementation/upgrades as required under the Aviation Transport Security Act 2004 and the Aviation Transport Security Legislation 2005.

The requirement to implement security measures at Newman Airport were raised in early 2003 with a nominated completion date of July 2003. These initial measures were to erect security fencing and gates to the airside area adjoining the airport terminal, together with the provision of passenger screening and associated sterile area for departing passengers.

Although un-budgeted the work was undertaken at a cost of approximately \$130,000 and completed within the nominated timeframe. Actual passenger screening by Qantaslink did not commence until November 2003 due to equipment delays and contracted arrangements for the staffing of the equipment.

To meet the timeframes an additional space was added to the terminal building on the airside with a capacity to match the existing BAE 146 aircraft operated by Qantaslink. The sterile area has a maximum capacity of 70 persons. The check-in area has a nominal capacity of 30 people (mainly standing room only).

A further \$22,500 has been identified in a recent (January 2005) risk assessment report for expenditure on items such as terminal building security alarms and signage.

An aspect which has not yet been fully evaluated is the requirement to monitor the airside restricted zone. An estimate obtained in mid-2005 indicated the cost could be up to \$190,000 to provide CCTV cameras and recording equipment on a 24 hr basis.

In addition, the cost of implementing ASIC and VIC authorisations could easily be overlooked, but the cost to the Shire of East Pilbara is around \$5,000.

The net result of implemented work and commitments to date total around \$325,000 none of which is eligible for funding assistance from the state or federal governments.

The requirement to provide airside separation of Regular Passenger Transport (RPT) and General Aviation (GA) passengers during the operational period that extends from 30 minutes prior to the arrival of a RPT service to 30 minutes after the departure of a RPT service has the potential to impose further costs on the Shire of East Pilbara.

When required to nominate the airside restricted zone in 2003, the decision was taken to include the whole of the apron area. As a result, any GA passengers departing during the operational period are required to be screened. It will now be necessary to go through the process of a security risk assessment (SRA) in addition to those routinely required in order to modify the nominated restricted zone. In the absence of a quantifiable response from DoTARS as to what would be compliant there is a risk that the apron extension option currently being pursued is not going to be acceptable.

Newman Airport has been experiencing significant growth in passenger numbers and associated aircraft movements caused by the recent and hopefully long term upsurge in iron ore exports. Predominantly the increase is due to the use of fly-in-fly-out (FIFO) contractors and mining company employees. Monthly RPT passenger numbers are increasing to around 10,000 per month and do not include other charter or GA flights.

Ironically, were these people to arrive or depart from one of several satellite mine operations within 200 kilometres of Newman there would be no consideration of screening, even though the same type of aircraft are utilised and all are going into or out of the Perth Domestic Airport.

The increasing plane numbers has led to the need to provide an extension to the existing apron. This is to accommodate multiple aircraft parking spaces and refuelling points. Options to deal with this were to extend the existing apron together with a new taxiway or to construct a new taxiway and separate apron.



The decision facing the Shire was the best means to address the airside security issues, being passenger separation. Constructing an extension to the existing apron has inherent benefits by way of reducing costs and providing flexibility for aircraft operators outside of the RPT scheduled times.

Due to the need to progress a number of airside works, the decision has been taken to extend the apron, with a painted line providing the means of deliniation of the passenger types. Although DoTARS would most likely argue that the apron works are necessary due to expanding aircraft and passenger numbers, the cost of monitoring the airside restricted zone remains as a likely \$190,000 expenditure.

The Shire has committed to undertake significant works involving the:—

1. widening of the sealed runway shoulders by a maximum of 6 metres to accommodate the Boeing 717 aircraft—a temporary exemption from CASA is in place and was recently renewed up to December 2006,
2. extend the apron and construct a new (second) taxiway, and.
3. extension of the runway by 400 metres to improve the take-off capacity of the Boeing 717 aircraft in the plus 35 degree Celsius ambient temperatures.

Tenders are due to be invited however the anticipated cost is up to \$5,000,000.

When Qantaslink announced their intention to use Boeing 717 aircraft in lieu of the BAE 146, the issue of increasing the sterile area room size to accommodate the maximum 117 passengers was considered. The previous extension is not practicable to duplicate because of structural and safety issues. For example the jet blast zone of the Boeing 717 precludes the edge of the terminal building being moved forward. The terminal is a transportable building and extensions and alterations are not as easy as may be apparent to casual observation.

The conclusion is that a new building is required to accommodate the increasing numbers as well as the current and possible future security measures. In the present resources expansion climate being experienced by the Pilbara region, attempting to predict the airport requirements is extremely difficult. This leads to making assumptions that can involve hundreds of thousands of dollars in costs between options.

At present the rule of thumb for civil works in Newman is allow a 60 per cent loading on top of Perth based works. Experience is suggesting that the loading should be at least 80 per cent. When considering building projects such as the airport terminal, increasing floor space to accommodate perceived requirements can easily double the cost of a new building.

When designs were evaluated to accommodate security measures based on the BAE 146 aircraft with up to 65 passengers, the terminal building was estimated at around \$3 million. With larger RTP aircraft and the possibility of multiple flights combined with baggage screening, the potential is for the building to be at least four times the size of the existing building. The present per square metre rate estimated for public building type construction in the Pilbara is estimated between \$3,200-\$3,600 [per square metre].

The added cost of known and possible further security measures could conservatively add \$1 million to the cost of the new building. This is a significant impost on a local government with no effective means to seek funding assistance from the federal government, and which has already had to expend funds on temporary works simply to meet the imposed deadlines.

In summary, the cost *imposts of security upgrades, particularly for regional airports* remains an unknown quantity for the Shire of East Pilbara. To date, what some may consider being a relatively small amount of \$135,000 has been expended directly on security measures. Within the next 6-12 months, this expenditure will most likely increase by a further \$190,000.

Planning for a new building to accommodate passenger and baggage screening could incur up to \$1 million in added building costs based on current best guess scenarios for passenger and flight movements.

The region is in the early stages of significant growth in the resources industry. It should not be assumed that the increased activity implies increased income and benefits to the Shire of East Pilbara.

The ageing infrastructure at the Newman Airport requires significant expenditure to deal with maintaining the existing infrastructure.

Expanding the facilities and services at the Airport is accepted as a consequence of increased activity, however the burden of addressing security measures over and above these routine asset management requirements is a financial impost not sought by, but imposed upon the Shire of East Pilbara.

**CHAIR**—Thank you. We will move to questions.

**Senator MURRAY**—There are three issues of concern that were raised earlier which I think we need to put on the record. Firstly, there is the uncertainty with which you have been faced—uncertainty about what the law and the regulations require and how to ensure that you abide by the requirements of the law but on a flexible basis. I would like to discuss that. The second issue is how these matters should be funded and the strains that they put on the shires and the potential conflicts that arise. The third issue is whether there needs to be far better coordination of funding and implementation between local government, state government and federal government and how that could occur, based on your practical experience. Perhaps you could just respond to those three areas.

**Mr Cooper**—Certainly. I will take the first point, the uncertainty of the law. When you talk about the law, there are certain things that you have to do. It starts off with passenger screening and by the end of next year we could be looking at baggage screening—and there is everything else in the middle. It has not just been, ‘This is how you do it.’ We have spoken of the categories. It would be easier to pick up a document and say, ‘Category 4 and category 5 airports, you will comply with this’—because you cannot get a definitive answer from the departments, who are your guiding lights. If you go to them with a query and ask them a question, they will say, ‘Well, you do the risk assessment, you put it in place and then we will tell you whether we think it is suitable.’

We cannot function like that. We do not have the funds to function like that. We need it to be clear-cut and precise, not, ‘You will hopefully do this; you may do this; you could consider this.’ As we have said, the building costs could conservatively be 60 to 80 per cent; it is shown that at times it can be over 100 per cent higher than the capital city. So, if we go and build something today that we think will meet our requirements, what do we do if in six months time the rules change again? It is too hard to function. We need some clarity and continuity that this will be in place. We can deal with minor changes, but a small airport like this one just cannot handle significant changes which impose million-dollar expenses at any given time.

So the uncertainty is still there. Sure, the world, the aviation industry, the ports and everything else are in a time of fluctuation. Terrorism is a concern to everyone. But if you are going to impose these things here, what about the mine site airstrips 100 kilometres away or the one next door who use us to go through and then go to the domestic airport? There is more access to explosives on an isolated mine site with the same type of facilities than with a normal passenger walking on to a domestic flight at the Newman Airport.

**CHAIR**—You articulated that point on our inspection and Senator Murray raises a good question. But the other part of your submission relates to some of the costs that you have as the owner of the airport. Without wishing to be provocative, let me just play devil's advocate for a moment, because we have seen a few airports. As the owner of an airport, obviously you need to be able to manage those costs. Some airports have had an increased cost burden and they have the classic problem of being 50 or 60 years of age, so they have an infrastructure challenge; that challenge is burdensome, but they are aware of it. On top that, there are additional costs to do with security issues. The one difference, from the very limited tour I have had and from hearing about this town, is that you are in a booming part of the world and it seems that costs are being passed on to you. You would be a good example of a place where costs are being passed on to you in terms of contractors and the like and where your population has doubled and all the rest of it, but it does not seem that are you passing costs back.

**Mr Cooper**—I disagree with you there. If we look at our head taxes, they have increased over time; they do increase. When we had a decrease in the number of flights coming to Newman, we imposed a flat rate on the plane to supplement the loss of passengers. Through the boom and bust mentality or the cyclical nature of the mining industry, we have had to be fairly flexible. The shire took over the airport in 1996 and there was a normalisation agreement with BHP. Under that normalisation agreement, we can only increase the head tax to a maximum of 10 per cent per year, unless we go back to the company and then define what we are going to use that money for.

**CHAIR**—Let us just be clear on that. That is an important point that we touched on briefly during the inspection. Ten per cent in any given year: how long does that arrangement last?

**Mr Cooper**—I think that is currently in place for another—

**Mr Voros**—No. The normalisation deed on the airport does not have a sunset clause.

**CHAIR**—So it is everlasting?

**Mr Cooper**—It is reviewable.

**Ms GRIERSON**—Can you go back and re-negotiate it whenever you want to?

**Mr Cooper**—Yes, we can. They understand the situation that we are in and we certainly have approached them. They will support changes that are needed to reflect the need of the airport. They understand that whatever happens at the airport could ultimately affect their business. If the airport closes for any time, it will affect their operations within the immediate vicinity. It will not affect their operations where they fly there directly, but it certainly will affect those here. Yes, we can change that. But we also have to remember that back somewhere between 1990 and 1994 the

federal government gave away significant airports to local governments. To ‘offload’ those airports, for want of a better word, they also gave moneys away to ensure that certain works and requirements were met over a period of time. Newman Airport was never a federal government run airport; it was a mining based airport.

**CHAIR**—With your knowledge and experience, could you take us through that? We have had a bit of conflicting evidence on that in other areas. So it was between 1990 and 1994?

**Mr Cooper**—That is when the Marble Bar and Nullagine airports were given back to the Shire of East Pilbara.

**CHAIR**—So basically the federal government at the time gifted them back and said, ‘And here’s a lump of money that is designed for forward improvements and, beyond that, you’re on your own.’

**Mr Cooper**—It was not really for forward improvements. In certain agreements they picked certain things that needed to be fixed up at that time, whether it was the airstrip markers or the wind sockets.

**CHAIR**—So they were fixed up at that time?

**Mr Cooper**—Yes. Some money was given to do some ongoing works but not improvements. We use the interest from the money given us to back in those days—still—to do basic grading and some maintenance of that area.

**CHAIR**—What happened in this case? BHP owned it.

**Mr Cooper**—It was a closed town up until 1981.

**CHAIR**—So they built it; they built everything?

**Mr Cooper**—Built it, ran it, the same as the town.

**CHAIR**—Did they approach you or did you approach them?

**Mr Cooper**—Part of the original normalisation agreement going back to 1981—when a number of mining companies in this area were trying to divest themselves of town operations and to concentrate on mining—was that those companies would look at their infrastructure and give it to either local government or state government. Those we have taken on here are obviously the town operations, but we also run a sewage treatment plant. We do not do the reticulation in the town, but we run a sewage treatment plant. We run an airport, which is not normal for a lot of places. We still get power bills from BHP, but the power station is owned by AlintaGas. So it is still a mixture of things.

**CHAIR**—But you run it as a separate enterprise?

**Mr Cooper**—We do, because it is a business enterprise—the same as the sewage treatment plant. It is fully functional within itself. We get a return on our asset which I think is based on 11 or 12 per cent. It is not a great deal of money coming back for all the effort we put into it.

**CHAIR**—It is up there with good investments though, isn't it?

**Mr Cooper**—It is. We do have money in the reserve for failures that are outside of our normal operating budget.

**CHAIR**—I imagine when you took it over, it was a different situation to that which applied between 1990 and 1994 when the federal government offloaded. That would be a bit before your day, but you would have an appreciation of what the asset was and what would need doing in the future. You probably could not have, in fairness, predicted the scope and size of the boom.

**Mr Cooper**—No. We looked at the passenger numbers when we took over and we were advised it was 28,000 people, pax, per annum. At the moment we are looking at 120,000 pax per annum. That is going from 1996 to 2006. We talk about the town having doubled in the last three years.

**CHAIR**—Has that been a gradual increase or does that reflect a massive escalation in the last 18 months?

**Mr Cooper**—A massive escalation in the last two years, because we have gone through a cycle since 1996. We had some redundancies in 1998 and 1999 and the town population dropped down to about 3,000. That is when we implemented the per plane fee, because the passenger numbers were that low that we could not even operate. It is very difficult to operate.

**Ms GRIERSON**—Do you have a feeling of how much you could push the head tax?

**Mr Cooper**—Qantas still has to go to the Prices Justification Tribunal.

**Mr Thoars**—The PJT.

**Mr Cooper**—They have to justify their increases. So, whatever we implement in our budget, we advise Qantas and still take six months to go through the process to get it through the Prices Justification Tribunal. Then we have to justify it to Qantas and they have to justify it to the government.

**Ms GRIERSON**—By the time it comes into effect, you could be on the downside.

**Mr Cooper**—Yes. We are always six months to 12 months behind in trying to increase it.

**Ms GRIERSON**—And you cannot put it up?

**Mr Cooper**—We can put it up, but it just takes a long time.

**Ms GRIERSON**—What I am saying is that, if there is a downturn, as you have said, your backup plan is that tax.

**Mr Cooper**—It does create some awkwardness, but that is another sphere we deal with. But the head tax we can move.

**Ms GRIERSON**—So it is not as easy for you to shift things—

**Mr Cooper**—Not rapidly. We have talked about a major failure in the runway at this stage. But, if we have to seal it, not to mention do some other works, we are looking at over \$1 million, and there goes our reserve money.

**CHAIR**—Just so that we are clear before we move on: despite the difficulties and the challenges, the purchase of the airport or the taking over of the ownership of the airport by the council has been of benefit in as much as it is a positive—

**Mr Cooper**—Yes, certainly for the community.

**CHAIR**—It delivers a return to you each year?

**Mr Cooper**—Yes.

**CHAIR**—And you have established a reserve.

**Mr Cooper**—It delivers a headache at times as well.

**CHAIR**—Headaches of course are relative. We have visited a lot of airports that make a loss each year and are projected to continue doing so for a considerable period of time.

**Mr Cooper**—Certainly from a business point of view, it does make a return. There is money in the reserve. That sometimes has a detrimental effect. The first time we applied for RADS funding through the state, we were knocked back because we had reserve funding.

**CHAIR**—So you were penalised for your success.

**Mr Thoars**—In contrast, Paraburdoo Airport is still owned and operated by Rio Tinto, the mining company. We do not have a business plan. They do not charge head taxes. They do not charge landing fees. I have tried to get them to do that over the years, but their scenario is, ‘We are the majority user of that airport, so why would we want to tax ourselves? Why would we put a cost on our own business?’

**Ms GRIERSON**—Will they also match it if there is an infrastructure need?

**Mr Thoars**—They have still got to go through and try and get capital expense. That has to go up through the hierarchy.

**Ms GRIERSON**—We have gone to many airports now and looked at the different problems there are out here. When we have gone to urban areas around the country we have seen a very different picture. Would it have been better to have had a regional approach here rather than an individual approach? Could there be any assistance given to each other in that way, or would you still like to try to do your own thing?

**Mr Cooper**—We do discuss things with each other, although certainly not on a regular basis. But, because the ownership is not with one body, it makes it very difficult.

**Ms GRIERSON**—What about expertise? Would you gain expertise? Geraldton had a lot of expertise and experience and then, going on to others, you think, ‘What a pity they did not go out and help them on these before they made expenditure decisions.’

**Mr Cooper**—When we took it over in 1996, our first airport manager was quite experienced. At the moment, there very few airport managers around. For technical expertise, as in the pavement strength and structure, we have utilised the shire of Roeburn at times and we have spoken to Neil. But since Alex, a qualified engineer, has been with us, it has made it a bit easier. Our engineering person is not always a qualified engineer; they might be a works supervisor, someone who has gained some experience over time. It is just having the capacity in-house to deal with it as well.

**Ms GRIERSON**—How is getting skilled labour and decent quotes for doing things managed?

**Mr Cooper**—It is very difficult to get skilled labour. We have had a temporary airport manager since July last year. You have met Kate. Kate is not the first one; she was in tandem with another one. We had Penny for a long period of time and Kate was Penny’s friend. But Penny was getting worn out, so we really had to call some backup in because of all this as well. There is a lot of pressure. It is not just a reporting officer’s job; there is security and an increase in planes. We advertised recently and, while we had some applications, found that there is no-one who is qualified really. You might get a basic reporting officer person.

**Ms GRIERSON**—Do you have to advertise in the written media or can you do it on SEEK and those sorts of places? I suppose that you do it wherever you can.

**Mr Cooper**—Previously we advertised in the Northern Territory because there are more airports there. Predominantly we get a lot of people from RAAF who apply, but they are not necessarily businesspeople.

**Ms GRIERSON**—Yes, it would be having those combined skills.

**Mr Cooper**—Yes, you are trying to get those combined skills. A reporting officer is fairly easy but, when it is a one- or two-man operation—ours used to be a one-man operation—you do everything from running the business down to—

**Ms GRIERSON**—Yes, driving the fuel truck and everything else.

**Mr Cooper**—Mowing the lawn and pulling the weeds.

**Senator MURRAY**—Staying with the regional coordination question, because that is what it is about, have you given any thought to a sense of your airport being a hub?

**Mr Cooper**—Yes.

**Senator MURRAY**—You did mention to us that there are three or four airfields within a radius of 150 kilometres and there is a lot of taxi-hopping between them. It would seem to me that one is then capable of being the hub and, therefore, it would be wise to have the greatest security facility at the hub rather than to try to have it at all four.

**Mr Cooper**—That is something that would be governed by legislation with regard to having security at one point.

**Ms GRIERSON**—Would you screen here and then send them on to Paraboradoo?

**Mr Cooper**—We cannot, because then they go back to the capital city and they need to be screened.

**CHAIR**—They would have to come back through.

**Mr Thoars**—With the satellite mines though, the mining companies are putting those facilities in there. They do not care about the Newman Airport or the Paraboradoo Airport. They just want to get their fly-in fly-out workforce direct to work and direct out again. They only come here basically if there are a few extras or—

**Mr Cooper**—Or the temperature is out or something like that. But, as a hub, we have the mail planes based here going out to do short hops.

**Ms GRIERSON**—Emergency services have to go to all of them, don't they, basically?

**Mr Cooper**—Yes.

**Ms GRIERSON**—Was your new terminal built and managed locally?

**Mr Cooper**—The extension? Yes, it was managed in-house, but we have a contract for building services with one of the local companies. That relationship with that local company was the reason that it was able to be completed in a fairly short period of time.

**CHAIR**—What did the passenger screening gear and its components cost?

**Mr Cooper**—That was through Qantas and it was about \$300,000, I understand.

**CHAIR**—Do you have a breakdown of that? Senator Murray and I are interested in it.

**Mr Thoars**—For the actual screening equipment, the X-ray machines and the walk-through, there is no actual breakdown but it cost approximately \$300,000.

**CHAIR**—So that is a package really.

**Mr Thoars**—Yes, basically they gave the contract to L3 Communications.

**CHAIR**—So you have the bag X-ray.



**Mr Thoars**—Qantas own all that.

**CHAIR**—But I imagine that would be the bulk of the cost; would that be right?

**Mr Thoars**—And the staffing. You have to have security staff—a minimum of five, I think.

**CHAIR**—Let us just stick with the equipment.

**Mr Thoars**—With the equipment, that is it for now, but we do not know what will happen with check bag screening in the future.

**CHAIR**—Let us just stick with how much it costs. I am trying to get this question answered and you seem to be quite knowledgeable about all these issues. I have been trying to get an answer to this since yesterday.

**Mr Cooper**—The local airport staff are under Neil's employment—Paraburdoo and here.

**CHAIR**—I am not trying to put you on the spot; you could even provide us with this afterwards by way of a supplementary answer: we are particularly interested in what the capital cost—

**Ms GRIERSON**—It is probably on the record, I would have thought, gleaned from Qantas and all those submissions. I am sure it would be.

**Mr Thoars**—It would be there because basically it is standard equipment used in all the airports. You can walk through Perth Airport and one half of that screening is exactly what we have up here.

**Mr TICEHURST**—There is about two grams of everything anywhere.

**Mr Thoars**—Yes, and then there is the ongoing cost of staffing it and then trying to retain staff.

**Ms GRIERSON**—Do the two staff who came out today do other work? Do they have other jobs?

**Mr Thoars**—No, I do not think they have; some do. You will find that the staff who work at the airport are partners of people who work for the mining companies. They are only here doing the work for something to do and to get out of the house. That is where you get a high rate of turnover of staff.

**Ms GRIERSON**—Who are they trained by?

**Mr Thoars**—Chubb.

**CHAIR**—How many hours would those people work a week?

**Mr Thoars**—We have 12 flights a week of QantasLink and there is one flight a week of Skywest.

**Ms GRIERSON**—Are there any night flights?

**Mr Thoars**—Yes, morning and evening. Our busiest times are first thing in the morning and last thing in the evening.

**Mr Cooper**—Apart from Saturday. We have Saturday morning and Sunday night, but we now have a Saturday afternoon flight.

**Mr Thoars**—And they are going to have a second flight on Sunday night.

**CHAIR**—That is 12 flights. How many staff would there be here?

**Mr Thoars**—I have 17 casual staff and one full time and that is just for the ground handling side of things. Usually five Chubb staff are on plus people that—

**CHAIR**—That is at your airport?

**Mr Thoars**—No, that is at both airports.

**Mr Cooper**—That is both.

**Mr Thoars**—Both airports, Paraburdoo and Newman, are very similar in infrastructure, except that the size of our screening area is about the size of this table. We can fit 15 people in ours.

**Mr TICEHURST**—So you have a screening area at Paraburdoo?

**Mr Thoars**—Yes.

**Mr TICEHURST**—So it is the same deal?

**Mr Cooper**—No. Their screening area is about the size of this table or it could be smaller.

**Mr Thoars**—Physically, our waiting-room would be the size of this table.

**Ms GRIERSON**—What is the biggest plane that comes in?

**Mr Thoars**—It is the same—the 717. We have 80,000 people go through.

**Ms GRIERSON**—So you get 120 people coming in and they have to go through—

**Mr Cooper**—They get a line-up.

**Mr Thoars**—We have 15 people inside; the rest stand outside and wait. As we are boarding the aircraft, they walk straight through.

**CHAIR**—For the Hansard record, it would be helpful to reflect the size of the table.

**Mr Thoars**—I can email through some photos if you would like me to.

**Ms GRIERSON**—That would be good. We were discussing costs previously. Your revenue costs have gone up because of increased usage et cetera. At the moment, your operations are offsetting your costs and you are making some profit; is that right?

**Mr Cooper**—We have a return into our reserves, yes.

**Ms GRIERSON**—But, from that, you are probably just not able to make capital investments?

**Mr Cooper**—No.

**Ms GRIERSON**—So your revenue is offsetting your operational costs, but it is not enough to accumulate major capital improvement costs.

**Mr Cooper**—We did mention that we probably have \$1.5 million in there at the moment.

**Ms GRIERSON**—But that is not going to do your runway.

**Mr Cooper**—We are going to take a \$5 million loan for the current works.

**Ms GRIERSON**—How do you feel about taking a \$5 million loan? Are your projections such that you will be able to cover it in-house?

**Mr Cooper**—Based on the current figures—however, it depends on what China does with the iron ore prices today—we will cover those costs. But remember there is a cyclical nature here. Today we can cover those costs; tomorrow may be a different story. But, based on today's predictions, we can cover those costs.

**Ms GRIERSON**—They are risky decisions to make.

**Mr Cooper**—Any business has risky decisions.

**Ms GRIERSON**—But I am almost amazed that you think it is not a state or federal responsibility, yet I would have thought state and regional development is always a state responsibility and I would have thought industry development and regional services are always a federal responsibility.

**Mr Cooper**—Under the RADS funding for the whole of the state, there is only \$1.2 million. That would not have even built our car park.

**Ms GRIERSON**—I am just saying that from all around Australia governments will not find capital as much any more and it is a big infrastructure problem for the whole country. The self-assessment one I think is really important. I do wonder how you would suggest that we deal with DOTARS. There is a problem. You are not the only one who has said, ‘We do the self-assessment and then it is wrong,’ or ‘You waste so much time trying to get the self-assessment right and you can make financial commitments and then have to repeat it.’ Do you have any advice on that?

**Mr Cooper**—Yes. Probably in some ways they need an auditor, a couple of people whose dedicated role is to guide airports—‘This is how you will do it’—whether it be category 4 or category 3 auditors. We do have auditors coming around to do audits on our security plan and our operational plans. But why not have them come to look at the airport and say to them, ‘We have to pay for a risk assessor, but we need the basics to start off with.’ There should be someone you can go to who knows the legislation, knows a bit of the industry and can give you a response.

**Ms GRIERSON**—You suggested, when we were speaking earlier, having a category 3 airport—

**Mr Cooper**—Yes, like a guide book.

**Ms GRIERSON**—A standard for it that is a real guide and not just guesswork.

**Mr Cooper**—Yes, ‘This is the minimum.’

**Ms GRIERSON**—I think that is a good point too.

**Mr TICEHURST**—Because you have to establish the real risk.

**Mr Cooper**—Yes.

**CHAIR**—Let us stick with that, because that is what Andrew started with at the commencement.

**Mr Cooper**—Yes, Andrew asked three questions and we have addressed one.

**CHAIR**—In terms of a bureaucratic response, you think that is the answer?

**Mr Cooper**—The difficulty at the moment is that the department has increased exponentially with the risk or supposed risk. Those people, as Peter mentioned at the airport, have been seconded from other departments. They are good at reading the legislation, but they are not necessarily good at interpreting it and providing information to us. We just need someone who knows the legislation, who knows the category and who knows, ‘This is what you need; this is the minimum requirement. You do that and we will be happy,’ not ‘You do this—oh, we are not really happy and you have to do this, this and this.’

**Ms GRIERSON**—You would like someone who stays here for long enough to develop some local knowledge, wouldn’t you?

**Mr Cooper**—If there were someone based locally, whether it be in the Pilbara community or—

**Ms GRIERSON**—What about with local Western Australian knowledge?

**Mr Cooper**—What happens in the regions such as in the Pilbara or the Kimberley can be different to what happens in the centre.

**Mr Thoars**—In contrast, if you go to CASA when developing an airport, they tell you exactly where to put that line, exactly where to put that marker and exactly how much distance should be in between them. They are very specific about it. If they come out and measure it and it is wrong, they will tell you. However, if you go to DOTARS, like we say, ‘It is up to you. We will tell you what the regulation says, but we will not tell you how to implement it.’

**Ms GRIERSON**—They are good at writing the legislation and the regulations.

**Mr TICEHURST**—If you look at all this implementation of security, you really need to go back to the fundamental risk. What is the risk at the Newman Airport, which is stuck right in the middle of the country?

**Mr Cooper**—Yes.

**Ms GRIERSON**—What is your threat assessment and what is your airport’s risk grading?

**Mr Voros**—We have had a risk assessment. I read it last night.

**Ms GRIERSON**—But what do they classify this airport as?

**Mr Cooper**—A category 4 risk assessment.

**Mr Douglas**—It is taken as a category 4 airport. As for the level of perceived risk here of a passenger with ill-intent getting on to an aircraft, there is a limited range of reasons only and typically it is for mining. It tends not to be an open airport type thing. We have some tourists coming through and those sorts of things. But it would be a damn sight cheaper to board an aircraft at another airport than it would be here. If you were keen to be a terrorist, you would have to pay a fair amount for your airfare first. Having got on to the aircraft, it is a question of: what would they do from here? Allen made the comment previously that it is a reasonable thing to say that access to the wherewithal to make a suitably sized bomb to get an aircraft to crash or whatever is far more readily available at the mining sites than it is in an airport.

One of the concerns that perhaps some of the DOTARS staff have is the question of culpability or liability if something goes wrong. I think that tends to cause this reluctance to interpret the act in some way. So perhaps there could be that definition of guidelines. Certainly to be able to quantify the actual terrorist risk generating from Newman Airport would be extremely difficult, but one would have to say it is low.

**Ms GRIERSON**—Have you had a rapid response team come here?

**Mr Voros**—They were meant to come last month, but they cancelled quite late in the piece.

**Ms GRIERSON**—So, when they come, that will be their first visit?

**Mr Voros**—Yes.

**Ms GRIERSON**—When they come, do they ask you to have anything ready for them?

**Mr Voros**—They have never been here.

**Ms GRIERSON**—So you do not know what the procedure is yet?

**Mr Voros**—No.

**CHAIR**—They have been to two of the others at least.

**Mr Thoars**—They were supposed to do Paraburdoo and Newman in the one trip, but I think Cyclone Clare—

**CHAIR**—Was that this week?

**Mr Voros**—Yes. The cyclone came in and that was the end it.

**Mr TICEHURST**—Is there anything in this regulation that will assist your business?

**Mr Voros**—No. It has actually been a cost to us. We have a small operator that gets passengers off the RPTs and then takes them through the mine sites. It used to do a lot of business out of Newman, but lately we have not seen that operator all that much. When I was speaking to him about a month ago, I asked him why. It is to do with the separation between the RPT and the GA. At Karratha he can get passengers off an RPT, walk them across the tarmac and get them on to his light plane and then fly them to the mine sites, with that transfer taking only 10 minutes. To do it at Newman he has to go through security. Because he is dealing with mining executives and highly paid consultants to whom time is money, it works out better for them to spend more time in the air getting to Karratha and flying back to, say, West Angeles, which is 60 kilometres by air from here, than to come to Newman and go through the process. As well as the time factor, there is the hassle factor. People just do not like doing it.

**Mr TICEHURST**—Are you obligated to put in CCTV?

**Mr Voros**—I do not think we are obligated to do that yet.

**Mr TICEHURST**—Would that be of benefit to you?

**Mr Thoars**—They are still doing trials on the CCTV at, I think, two airports over in the east. That is still in its trial stages.

**Mr Cooper**—We are still going to have to monitor it, so you have to have your monitoring equipment. You have to tape it and, if something occurs, you still have to review the tapes. It is still another person.

**Mr TICEHURST**—Geraldton had an interesting application with CCTV, but whether it is necessary and will assist your operation or compliance with regulations is another thing.

**Ms GRIERSON**—It was being monitored from Canberra, wasn't it, though?

**Mr TICEHURST**—It can be monitored locally or from Canberra or Perth. Once you are on it, I think you can monitor it from anywhere. Do you see value in installing that sort of equipment?

**Mr Cooper**—History would show no, but you cannot predict the future.

**Ms GRIERSON**—And most of its use is for after the event, isn't it?

**Mr Thoars**—Yes. If someone wants to do something, CCTV is not going to stop them.

**Mr Cooper**—No. You might get a picture of them after the event.

**Ms GRIERSON**—Have you had any safety, security or criminal incidents in the northern airports?

**Mr Voros**—Yes, just recently, but it was to do more with the limitation of the infrastructure and possibly the slowness of the processing of the passengers. Recently we had passengers that were passed for boarding but then told that they could not board. This is to do with our hot and high circumstances. I think only a week ago somebody got a bit distressed and kicked in one of the doors.

**Ms GRIERSON**—So it was when you had to reduce the number of people on a plane.

**Mr Cooper**—The only security issue is the mixture of passengers between RPT and the GA, when first implemented. Some pilots are still a bit cagey when they have to go through security. At times they can take luggage out without having to go through screening but, as soon as they become a pilot who does not have to handle the baggage, they have to take the passengers and themselves through the screening area.

**Ms GRIERSON**—Are they all going to get their ASICs, do you think?

**Mr Thoars**—Yes, they all have to have them by the end of the month—but they will not be ready.

**Mr Cooper**—We might get people like the grey nomads flying in. They will come, prop open the gates, sit at a table and have their lunch. We get pilots who do the same thing—just prop open the gates.

**Ms GRIERSON**—To change their behaviour will be very difficult.

**Mr Cooper**—That is right. But you cannot stop other people. How do you do that?

**Mr Thoars**—They are supposed to monitor that. My airport is not manned 12 hours a day. We are there first thing in the morning and last thing in the afternoon.

**CHAIR**—Taking that example, how does someone land? What do they have to do? Do they have to notify the airport?

**Mr Thoars**—No, they can just come in. They can just come and go.

**Ms GRIERSON**—Do you have an honesty box in which to put your fees, or are there no fees?

**Mr Thoars**—No, we do not have landing fees.

**Mr Cooper**—We have a voice recorder.

**Mr Thoars**—Even so, they will call up and get the security gate code, which we are obliged to give them, and they will just go in and out. As I have said, they can leave the gate open and we will not know.

**Mr Cooper**—Ursula used to have the codes for the gates, but you can ring up the manager or some other person and get the codes. You do not know who you are talking to. They could give a code for a plane and say, 'I am inbound, on my way,' or 'I am here tomorrow; can I have the code for your gate?' You do not know who they are.

**Senator MURRAY**—Perhaps I should ask Neil and Alex this question: I was surprised when Neil said that mines get established and they just lay down a field because that is what they need. Who authorises it? What is the planning process? Does the shire or CASA manage it?

**Mr Douglas**—It would have to satisfy the requirements of CASA.

**Senator MURRAY**—And they determine the nature of the hard stand and the thickness of the runway?

**Mr Douglas**—The runway geometry, its pavement strength and the like, is a function of the type of aircraft they want to come in. The mining company will negotiate with an aviation operator, who might be QantasLink or Skywest or whoever, and say, 'Right, we have X number of bodies we need to move in and out each week.' From that point of view, they will say, 'Right, this is the size of aircraft you will be looking at.' From there, you start to develop the required pavement strength and the length of the runway. Orientation is a topographic thing, so you have to align it to miss hills and whatever. So you have various take-off gradients and landing approach gradients. But all of those things essentially are overseen and approved by CASA.

**Senator MURRAY**—Is it quite a rapid process? It sounds like a professional process. Do you judge it to be a professional process?



**Mr Douglas**—I haven't gone through that process. Continuing with CASA, they oversee the authorisation of those airports. Having not gone through the process personally, I am not sure specifically of the time frames, but I would assume that, with the number of airports that have been built now, it would be a fairly straightforward exercise and it might take six to 12 months.

**Senator MURRAY**—So we have the professional basis on which the strip itself is established, the hard stand, as I call it; the pavement and the parking areas done, the signage is done, the markings are done and the lighting is done. Wouldn't you think it would make sense for CASA to take over the specifications also for perimeter fencing for access from airside to the other side for the terminal facilities? It seems to me from the discussion that we have had that you have relatively inexperienced bureaucrats in a new scene who are not attuned properly to the requirements of an airfield, whereas CASA, in the way that you, Neil and Alex, have described, seem very professional.

**Mr Cooper**—Certainly they have longstanding guidelines and requirements with jet blasts and the things they do. Again, you could have minimum standards and, no matter who enforced them, you could still work to them.

**Senator MURRAY**—It is always easier if you have a one-stop shop. As soon as you try to go between CASA, DOTARS, the state body and the government and so on, you start to get confused messages. You get uncertainty, you get a lack of decisiveness and you get an unwillingness to take responsibility. That is apparent, isn't it, from discussions we have had?

**Mr Cooper**—Yes. Certainly one port of call would make it easier.

**Mr Thoars**—CASA do have their requirements for perimeter fencing, but they differ from what DOTARS would like. They do have requirements for airside access and who can go through that airside access, but that is also different from the security regulations.

**Senator MURRAY**—Do you know if they are trying to resolve that difference?

**Mr Thoars**—No. CASA and DOTARS do not want to know each other.

**Senator MURRAY**—If you were sitting on our side of the table, would you suggest to us that one of our recommendations should be that—

**Mr Cooper**—To come under the umbrella of one organisation.

**Senator MURRAY**—You get consistency between the two or you get it as a one-stop shop?

**Mr Cooper**—Yes.

**Senator MURRAY**—Does that make sense to you? You strike me as practical people with on-the-ground experience just being frustrated by the process.

**Mr Thoars**—If you could get rulings on what they call 'the blue line on the ground', which is the separation between GA and RPT so that you could say, 'How far does that have to be from

an aircraft or from the threat point of view?' CASA would probably turn around and tell you, if it were part of their role. It is not part of their role, so they do not care about it.

**Senator MURRAY**—Are they flexibly minded enough? It is one thing to say, 'Look, it is this way,' in which case you know exactly where you stand. But, of course, the needs of Kalbarri or Newman are entirely different.

**Mr Voros**—CASA is quite inflexible, in our experience.

**Ms GRIERSON**—And there are penalties often too with CASA, except for accidents.

**Mr Thoars**—Yes. They have their 58-page checklist that they will go through and they will check everything. They will go through your manuals and check your spelling.

**Mr Cooper**—But you know what you have to do.

**Mr Thoars**—Absolutely. They tell you exactly what has to be done.

**Mr Cooper**—And they are so precise.

**Mr Thoars**—The whole thing, I suppose, with their audits is that they do tell you where you are falling down, and it might be something that you do need to improve on. It works fine in that case.

**Mr Voros**—They have a good system of follow-up and check-up and so on.

**Mr Cooper**—They will issue noncompliance and, if worst comes to worst, they will take away your aerodrome licence. But that is the worst case scenario.

**Senator MURRAY**—It seems to me that CASA's main purpose, the reason it came into being, is security.

**CHAIR**—Safety, really.

**Ms GRIERSON**—Safety is their job.

**Senator MURRAY**—Yes, but that is the security of individuals so that you do not get injured or hurt. Let us call it safety, if you wish. Here we are talking about the same issues. Whether it is a criminal threat or a terrorist threat, it is about the safety, both economic and personal, of individuals. It seems to me that the culture or the mentality would be right within CASA. My question is: from your experience, would you think that they would be better at doing this than your experience has been in interacting with the state people?

**Mr Cooper**—Knowing the people in Western Australia who are there at the current time, yes. However, one is due to retire are shortly.

**Mr Thoars**—Both are really in the next two years.

**Mr Cooper**—Yes, they are getting on. They have been in the industry for a long time. You certainly know where you are with them. With them it is cut and dried and that is it.

**Mr Thoars**—Yes. They know their regulations and stick to them in what they say, whereas DOTARS regulations are open to interpretation.

**Mr Voros**—But that is not to say that the DOTARS people will not go with the industry in the way that the CASA people have. CASA people—talking about the locals here—I think go back to what was DCA before the handover of the airports to local government.

**Senator MURRAY**—In the meantime it is causing you cost and uncertainty and it strikes me that your forward planning is affected.

**Mr Douglas**—Very much so.

**Senator MURRAY**—You might be spending half a million dollars and then find in a year or two's time you have to spend another quarter of a million dollars because you did not get it right the first time out.

**Mr Voros**—We are faced with that at the moment as to the separation between the GA and the RPT. But, with the apron, do we extend the apron we have or do we build another one with a 50-metre separation between them? That is the question that is facing us at the moment and we need to act on that quite soon too. It is the one question we have not got answered in black and white.

**Mr Cooper**—And we have been trying to get it answered for a number of years.

**Mr Thoars**—And it is only small regional airports like ours that do have small apron areas. The regulations that are put in place are fine for larger airports but, when you come down to the smaller airports, they do not work.

**Mr Voros**—As evidenced by the firm that takes their charters out of Karratha now as opposed to out of Newman. The impact of that is that we do not get the landing fees.

**Mr Thoars**—Or the rental on the room.

**Ms GRIERSON**—What about Wiluna? Whose is that?

**Mr Cooper**—It belongs to the Shire of Wiluna.

**Ms GRIERSON**—We have not had a witness for Wiluna. How far away is it?

**Mr Voros**—It would be roughly 400 to 500 kilometres away.

**Ms GRIERSON**—Do they transition through here?

**Mr Cooper**—No. They are closer to Perth.

**Mr Voros**—Wiluna is probably 500 to 600 kilometres away. It is quite a way from here and it is quite remote.

**Mr TICEHURST**—I have a question on communications. I noticed when we went through the Telstra exchange that they seem to have a fair bit of microwave antenna around the place. Do you have good broadband communications out to either of these two airports?

**Mr Douglas**—For Newman, we have a wireless network link for our requirements.

**Mr Cooper**—The shires put that in.

**Mr Douglas**—If there were consideration of remotely monitored CCTV, for instance, I think what is the 5 meg link would be sufficient for that. As I have indicated to others, it is at the very limit of it, but it is capable. We had broadband access via Telstra network.

**Mr Cooper**—Back through the office.

**Mr Thoars**—Basically, with my operation out there as the ground handler I have no broadband access at either airport.

**Mr TICEHURST**—No ADSL or ISDN?

**Mr Thoars**—No.

**Mr Voros**—But one of the car hire companies has a satellite dish; they have satellite link. That is how they get their communication.

**Mr TICEHURST**—If you had to have, say, CCTV cameras at Paraburdoo, you would not be able to monitor them here without upgrading the link?

**Mr Cooper**—No, except with the appropriate equipment maybe.

**Mr TICEHURST**—You need to put in that link.

**Mr Douglas**—Even satellite broadband would probably be struggling to handle it.

**Senator MURRAY**—Do you get heavy freight aircraft flying out of your mining strips?

**Mr Thoars**—No, we get very little freight.

**Mr Cooper**—The mining strips or our strips here?

**Senator MURRAY**—Because you are here for Paraburdoo and also for Newman.

**Mr Cooper**—A few years ago we did have considerable freight. They were coming in at midnight just about every night for some time.

**Mr Thoars**—Most is transported by road now. It is the same with us: we get very little freight—100 or 200 kilos a flight. We get newspapers.

**Senator MURRAY**—You do not get large bulk heavy freight?

**Mr Cooper**—No.

**Mr Voros**—We do not know what goes on with the mining companies, I would have to say.

**Mr Douglas**—We would not have the capacity to take them. At the moment the maximum take-off weight for a 717 is around 54 tonne. The runway is not rated too much higher than that. If we had larger aircraft, such as 737s or the A300s, we would be talking increased pavement strength and length.

**Senator MURRAY**—The mining companies have never said there is a need for such a thing?

**Mr Douglas**—Not to us as an airport.

**Mr Thoars**—Road transport is there every day for them. They can order something one day and it will be here the next day or in 12 hours time.

**Senator MURRAY**—Sometimes on a mine your equipment is manufactured in Germany, for instance, and you assume that flying it straight into Australia from Germany and down into an airfield would make more sense than dropping it off in Perth and transporting it by road.

**CHAIR**—I suppose Neil's answer would be that they do drop it off in Perth and then it is here 12 hours later.

**Mr Thoars**—Yes.

**Senator MURRAY**—So there is no need for it.

**Mr Cooper**—Or there has not been a need for it. They have not raised it with us.

**Mr Thoars**—We have had no issues with it.

**Ms GRIERSON**—Have you had any vandalism or wilful damage out at your airports?

**Mr Cooper**—We were talking about that before. It is minor, not major.

**Mr Voros**—Usually it is just disgruntled passengers or sometimes flights are delayed and a bit of drinking goes on in the car park and a few signs might get bent.

**Mr Thoars**—Yes. It is the same at Paraburdoo; we get very little.

**CHAIR**— On behalf of the committee, once again I thank all of you for this the opportunity and for welcoming us here and for your evidence today; it has been most helpful.

Resolved (on motion by **Mr Smith**):

That this committee authorises publication, including publication on the parliamentary database, of the transcript of the evidence given before it at public hearing this day.

**Committee adjourned at 12.15 pm**