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JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT

Reference: Further inquiry into aviation security in Australia

TUESDAY, 7 MARCH 2006

CARNARVON

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JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT

Tuesday, 7 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 Ms 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

DUANE, Mrs Natasha, Manager, Airport Manager, Shire of Exmouth 1
HAYWOOD, Mr Neil, Executive Officer/Manager of Corporate Services, Shire of Exmouth 1
SMITH, Mr Edward Charles, Shire Councillor/Aerodrome Supervisor, Shire of Carnarvon 1
WILKS, Mr Graham Stanley, Chief Executive Officer, Carnarvon Shire Council..... 1

Committee met at 4.00 pm**DUANE, Mrs Natasha, Manager, Airport Manager, Shire of Exmouth****HAYWOOD, Mr Neil, Executive Officer/Manager of Corporate Services, Shire of Exmouth****SMITH, Mr Edward Charles, Shire Councillor/Aerodrome Supervisor, Shire of Carnarvon****WILKS, Mr Graham Stanley, Chief Executive Officer, Carnarvon Shire Council**

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 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*. This afternoon we will hear from representatives of the operators of Carnarvon and Learmonth airports and the shire councils of Carnarvon and Exmouth.

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. Finally, I refer any members of the press who may be present to a committee statement about the broadcasting of proceedings, particularly with respect to fair and accurate reporting. Do the witnesses have any comments they wish to make on the capacity in which they are appearing?

Mr Haywood—I am responsible for the overall management of Learmonth Airport.

Mr Wilks—I have overall administrative responsibility for the conduct of the affairs of local government within Carnarvon.

CHAIR—We normally ask for brief opening statements. Would the host shire like to commence by making a brief statement of one or two minutes about what has been done at the airport, giving any preliminary views on progress to date and the program in general. The other witnesses can then do the same.

Mr Wilks—Welcome to Carnarvon and welcome to the Exmouth people. This is a wonderful opportunity for everybody to get together. I am not sure that we have had a parliamentary inquiry of this level before, so thank you very much.

I have a couple of quick comments in relation to Carnarvon. I think the level of airport security in terms of the funding that has been arranged is commensurate with the size and responsibility of Carnarvon in terms of being a regional airport. I do not think anybody can argue that that has not satisfactorily been addressed in terms of the level of funding. What is the concern of Carnarvon is that we tend to find that we are having difficulty attracting the quality of tradespeople and otherwise to be able to deliver in a timely fashion and, therefore, correctly

address the requirements of the relevant legislation. We are endeavouring to overcome that in a number of ways. So, while we are pleased with the general level of security, we are having some difficulty in terms of delivering.

I have some particular concerns as an individual that the level of response generally of regional airports is probably not necessarily correct. I think it is probably aimed more at passenger and RPT and regular and larger passenger jets. Maybe we need to look at other levels of general aviation security and other aspects. I think there are some issues in trying to retrofit in particular or trying to address security concerns with older and aging infrastructure and the capacity of being able to fit that within that level of infrastructure. For example, as you witnessed when you arrived, our terminal building is an aged facility. We will find it difficult to try to incorporate some of the changes and in many respects I am not sure that we have therefore adequately addressed the matters that we should be addressing.

I think there are some issues of ongoing maintenance and the ability to retain and train staff. To ensure that we have that sort of personnel response, I think some of the ongoing longer term costs need to be looked at—some of the costs of people like Councillor Smith and others that we need to devote to security. Generally, I think it is a good first thrust from the government in seeking to come out this far—and I am being honest about that—to look at regional and rural airports, of which there must be many in Australia. I think we are well on the way, but I am not sure whether it will give the level of preparedness that I think one would like to expect in terms of security for the passengers and the general public. I think it might be inadequate and I think we need to look at other measures. Generally, again, welcome. Carnarvon will do its best. We will be up there with it, but I think we really need to a lot more as a government.

Mr Haywood—We believe that Learmonth Airport has pretty good infrastructure in which a new terminal building was built in 1999. That was built for the purposes of trying to allow the airline services into Exmouth and Learmonth to expand. I guess a new terminal building was seen as the No. 1 thing that was required to allow that to happen.

At the moment we have a major problem, particularly with the National Jet flight, of which we handle two to three per week. It is a jet flight that does a refuelling stop on its way to Christmas and Cocos islands. It is the requirement we have now to set up a screening point for any flights that occur within the operational period of that flight that causes us great concern. We can have times when all that will be screened is potentially eight people on a Bristows helicopter that are on an oil rig crew changeover; otherwise those screening staff are not required because no screening of the National Jet passengers needs to occur.

CHAIR—Because the jets are not—

Mr Haywood—The jet is there just to refuel. The passengers are held in a sterile area and they are not allowed to enter or leave that area.

Ms GRIERSON—So they have been screened somewhere else?

Mr Haywood—They have been screened in Perth; that is correct. That is an issue that we have great concerns with. Potentially we will have screening staff at Learmonth on those days where, if National Jet are a bit early or a bit late, no screening of anyone will occur, and yet you

have this requirement to have five screening staff set up there, establishing a sterile area that you do not require at the end of the day.

There are other issues that we would like to discuss further today. One is screening staff. We see that as an issue for us. We seem to be having a problem in training and retaining staff. There is a constant turnover at the moment because we cannot offer them regular hours. At the moment it is only six hours a week and during the tourist season we will need screening staff for 15 hours a week.

There are the ASICs and also the ongoing problem with ASICs down the track where staff do leave the airport and, where we have to get new staff in, we then have to go through the process of applying for the ASIC. At the moment the time frame it is taking to get ASICs issued is a concern, because we get into the ongoing need for ASICs to be issued pretty quickly because airports do not know when staff will leave. Once they appoint someone, they need to be able to get an ASIC issued pretty quickly, if they can.

There is an issue we have had with DOTARS about the sterile area; that area had to be changed about three times. We would like to talk about that, if that is within this committee's scope.

CHAIR—They are the sorts of things we want to hear about. Graham, specifically on the contractor issue—I raise this generally because it is not the first time that we have heard about it—from your expertise here on the ground at a regional centre like this, is there anything more that DOTARS could be doing in terms of flexibility and providing you with additional resources to recognise that need, using some contractors of its own? I am just raising ideas. You raised the issue on our inspection earlier—the difficulty with the CCTV.

Mr Wilks—The preference for Carnarvon is, where possible, to obviously use well credentialed, professional and appropriately qualified contractors for the type of job that we need done. The problem is, as indicated when you first arrived, that the resources boom has tended to sop up a lot of that. What we are finding is two-fold. One is that contractors are not necessarily available when we want them or, in fact, the price has changed or altered because of factors perhaps beyond their control—the availability of materials in the marketplace or the price having gone up.

I think we need to do two things. One would be, to have some flexibility, regional airports and controlling authorities need to go back and ask for more money. Provided that they can back that up, that would be a wonderful thing. Perhaps the other thing is the application process in terms of establishing a separate and distinct pool of funds for airports such as Carnarvon and Learmonth, instead of going through a full-blown application process and trying to speak to people who do not understand where Carnarvon is or what the factors are that are impinging on us.

I will speak for Exmouth, if I may. We are isolated and it is difficult in terms of staffing and contractors. So it would be good to be able to say, 'There is a pool of money for these airports and there is a different process or a different way of getting money to you people, because we recognise some of the difficulties with material, delay, contractors, transport et cetera.' That is

sometimes not necessarily evident at the time we apply and go through a process and get the money. That is what I would say.

Ms GRIERSON—The longer the delay, I suppose, the more the price blows out or the more difficult it is to get that process starting again with the contractor.

Mr Wilks—Exactly. The legislation is fairly new and there has been a bit of a push Australia-wide. Certainly in regional Western Australia there are obviously a number of airports that are upgrading at the same time. While one would think there would be some synergies there and we could feed off each other, it is not necessarily the case. We have a lot of difficulty getting people to travel as far as Geraldton or to the Pilbara because of the dollars involved.

CHAIR—That was to be my next question. It is a good point that the Deputy Chair raises, because obviously you would have had to get a consultant in to go through the process there. There can be a bit of carrot and stick sometimes with federal contracts. If departments think flexibly enough, where it might be uneconomic for a contractor to come to Carnarvon, you could make it conditional. If work is to be done at regional airports—hypothetically Geraldton, Kalbarri and the others—you could say, ‘If you are going to do those, you will also do Carnarvon and do it at a reasonable price.’ They are the sorts of things that could be contemplated.

Mr Wilks—Some thought going into that would be appropriate.

Ms GRIERSON—But if you have those skills in the people in your own town, you would try to use them, because you would want to keep those skills in your town.

CHAIR—Absolutely. It would be a situation where, if they have a bit of market failure—

Ms GRIERSON—Yes, a job lot would be good.

CHAIR—That is right. That would always be the preference.

Ms GRIERSON—I am concerned for Carnarvon. Am I correct in saying that you are going to do improvements to a terminal that will have a short life, or do you hope that that terminal will suffice for some time?

Mr Wilks—The relatively short-term plan, subject to funding, is that we would like to get a new terminal building and be able to fit all of this in it. That will not be possible.

Ms GRIERSON—On your own rate base?

Mr Wilks—Either on our own rate base or certainly to incorporate some of those items that are necessary to aid aviation security. So the expectation is that we will have an old terminal retrofitted.

Ms GRIERSON—Great fencing?

Mr Wilks—Yes.

Ms GRIERSON—With the new terminal will the fence be in the right place, or should you be thinking differently?

Mr Smith—That is not an issue.

Ms GRIERSON—So that is the sort of thing that you can move, if you have to, pretty simply. That is good. Are there other measures that you are putting in?

Mr Smith—Much of the structure of the CCTV, other than the hard wiring, would be reused. Some of the wiring probably would not be reused, so the cost there would not be that great. It is much the same with the lighting; some of that infrastructure could be reused. If we give a lot of careful thought to where we are going to put it, a lot of it would stay where it is. If we put in a new terminal, it would be behind the old terminal. Then, once the new terminal is ready to go, the old terminal will be removed.

Ms GRIERSON—So you might have preferred to have a bit of a partnership with the government to look at your needs and try to assist you to get to the stage where—

Mr Smith—The ongoing plan is that we would build a terminal that in the future would be able to handle a jet service. So we are going to have to look at luggage screening and passenger screening, which we do not currently do, and incorporate that in the new terminal.

Ms GRIERSON—To do that, you will have to get approval from DOTARS anyway, won't you, when you do your early incident expansion plans?

Mr Smith—Yes. But, if we are to get a jet service back in here, which we would like to do, we will have to go through those improvements.

Ms GRIERSON—We did ask this at Kalbarri: have DOTARS been to Carnarvon Airport since the security requirements?

Mr Smith—Yes, we have had two visits by the Perth group. Both have been very informative; they were good visits. In fact, that is one of the things I want to pass on. The people that I have contact with in DOTARS, here and in Canberra, have been excellent.

Ms GRIERSON—Kalbarri, being so much more remote, had some significant communications problems. At this stage they do not have broadband, so that is a problem for them. That was a problem at another airport as well. Do you have broadband here?

Mr Smith—Yes.

Ms GRIERSON—So you have good communications at this airport?

Mr Wilks—Yes.

Ms GRIERSON—What about Exmouth?

Mrs Duane—No.

Mr Haywood—It goes past the building, but it is not available.

Ms GRIERSON—The wrong person is taking it past the building.

Mr Haywood—Yes.

Ms GRIERSON—You put in a new terminal some time ago. Who paid for that—the shire or someone else?

Mr Haywood—It was the Exmouth Development Trust Fund. It was funds that were made available to the town when the Americans pulled out—when they pulled their personnel out of Exmouth in 1992. Basically, they still required the technology of the towers, but the base went from a staff of 600 down to 130. They sold all their housing and gifted 80 per cent of those funds to the state government; the state government, in turn, formed the Exmouth Development Trust Fund. The two major infrastructure projects that that money was spent on were the marina and the airport. They were seen as the two things that would be a catalyst to see the town grow.

Ms GRIERSON—Because you have jet flights, you have had to put in certain security provisions. Has that all been done? Did you get an allocation for that?

Mr Haywood—We have only had jet flights for two years and only for two days per week. We lost our jet flights with Ansett 10 years ago. When they pulled out of Exmouth, they handed over to Skywest and we have been on the turbo prop service since. But it is obviously a desire, like a lot of the shires in the north-west that get beyond the distance from Perth, that we return to jet services.

Ms GRIERSON—So why are you holding five screening staff; when do you need the five screening staff that you said you have to hold?

Mr Haywood—Basically you have to have screening staff when you conflict with the operational period of a flight. The National Jet flight to Christmas and Cocos islands is a jet flight.

Ms GRIERSON—How frequent is that flight?

Mrs Duane—Two or sometimes three times a week.

CHAIR—So it is on those days.

Mr Haywood—Yes.

CHAIR—That is the number of staff you need for those flights?

Mrs Duane—Yes.

Ms GRIERSON—The cost of training and retraining them and of advertising for more staff is borne by the shire?

Mrs Duane—Yes.

Ms GRIERSON—I know that Senator Murray has some suggestions about that. ASICs are taking much too long. What is too long at the moment?

Mr Haywood—It is not a case of too long. We probably applied for our ASICs in the required time of September last year. They went through the government process pretty quickly—two months, I am led to believe—but we are yet to have our ASICs printed. So there is a huge delay with the printing of them.

CHAIR—Who does that printing?

Mr Haywood—We are working through the Perth Airport to have ours printed.

Ms GRIERSON—Would you work through the Perth Airport too for ASICs?

Mrs Duane—Yes.

Ms GRIERSON—So they are probably doing all of Western Australia, basically.

CHAIR—I heard there were some delays at various parts of the process because of the Commonwealth Games and things.

Mr Haywood—I think we got in pretty early.

CHAIR—But it is stuck at the printing in Perth.

Ms GRIERSON—You have also said that on at least three occasions DOTARS have required changes to the sterile area you are required to have; is that right?

Mr Haywood—Yes. First of all, I would probably reiterate what Carnarvon has said about the assistance we have received from DOTARS. The assistance that we have received from Perth has been tremendous and also, whenever we have had to go to Canberra, the level of information and support we have received has been great. But there was one issue with how we established our sterile area in the first place where we were unsure whether we had done it right and we wanted to change it. Instead of changing it, we decided to wait until a representative from DOTARS came to Learmonth. We would take their advice then on what our idea was to make sure that we were doing the right thing.

CHAIR—Were they were coming anyway, or did you get them to come?

Mr Haywood—It was just a scheduled normal visit and we just waited for that to occur. They saw that what we wanted to do would be feasible but, once it was implemented, it ended up creating a nightmare of problems. The sterile area had a kiosk in it and we operated two flights a week as jet flights and five times a week we did not have a jet flight. To maintain the integrity of the kiosk in a sterile area is extremely difficult under those circumstances, but we should have found that out previously.

Ms GRIERSON—Was that person not able to give you better advice, or did they not go through it very clearly? What happened?

Mr Haywood—I do not think they realised that it would create the problem that it did until down the track.

CHAIR—You both did not realise it.

Mr Haywood—We did not know, so that is why we were seeking advice.

Ms GRIERSON—You are not supposed to know. So that has cost a bit extra.

Mr Haywood—It is more than inconvenience, but certainly we made changes to the airport to cater for the new sterile area and then we had to change it back. We made improvements and then we had to take them away, yes.

Ms GRIERSON—Mr Wilks, with Carnarvon, you were saying that you find that the requirement for there to be a jet plane service a little arbitrary, because you could have lots of traffic and volume through and not have jet planes and there is not a lot of parity there. Would you like to elaborate on that, or am I misrepresenting what you are thinking?

Mr Wilks—The comment I initially made is that Carnarvon seems to be fairly busy; there is a lot of traffic coming in. Currently we have a service every day in and out of Perth with Skywest with one their Fokker F50s. We have all the landing infrastructure in place to run a jet service and we would like to see one. However, a jet service will impose upon us some very particular security requirements, which we will find difficult to meet within the existing infrastructure—ergo the terminal.

CHAIR—But it is not just that; it is the fact that your airport is old and—

Mr Wilks—Absolutely.

CHAIR—Could we stick with that for a moment? I know that Senator Murray has some questions just to flesh out some of the funding issues.

Senator MURRAY—Before I come to Carnarvon, I just want to check with Learmonth. My memory of Learmonth is that it was also an Air Force runway—a staging and occasional use Air Force base. Is that correct?

Mr Haywood—That is correct, yes.

Senator MURRAY—Did the Air Force contribute at all to the perimeter security, the lighting and all that sort of thing?

Mr Haywood—The perimeter fencing around the airfield has been carried out by Defence. At the moment we currently have fencing issues with the area of the civil terminal plus our lease area there and we need to sort those issues out.

Senator MURRAY—But you have a different situation to, say, Geraldton, because the entire perimeter is their responsibility and you only have a limited area of civil responsibility. Is that right?

Mr Haywood—We are very lucky with the fencing that exists around the existing airfield; that is correct.

Senator MURRAY—Looking at Carnarvon as an airport, what sort of people are flying in? Are they tourists or mining people? What kind of traffic is coming into Carnarvon?

Mr Smith—Government employees, medical type people and general government services. There is a small amount of mining staff, but my feeling is that that will increase quite a bit. The gas pipeline will have a huge impact in the way of an increase. We are already reflecting that in industry type flights. There are a lot of transit flights with regional aircraft that stop in because of the weather. Tourism flights would comprise three or four per cent.

Senator MURRAY—Do they use Carnarvon as a staging airport, flying here and then taking a smaller charter or a chopper out from here?

Mr Smith—No, not yet, but that is on its way.

Senator MURRAY—Do people fly into Carnarvon and then drive down to Monkey Mia?

Mr Smith—Very rarely.

Senator MURRAY—So what is the prospect for increasing traffic at Carnarvon Airport?

Mr Smith—At the moment there is a general increase in people in the town with the seasonal increase in traffic. The effect of some of our government services being centralised to Perth increases our air travel—medical services et cetera. There is a lot more flying going on there. Some of the industries in town have shifted their management base down to places like Karratha, so they are doing a lot more flying backwards and forwards. I have had a few companies approach me about doing a fly-in fly-out for a mine.

Senator MURRAY—I ask you this question because frankly I have been surprised that major infrastructure like airports are the responsibility of local government; it seems odd to me. I just wonder whether, say, the ministry of health or the department of industry or the department of tourism—state ministries—should not be coming to the party to assist—

Mr Smith—I will be quite blunt. Approximately 17 years ago the Shire of Carnarvon took over the airport from the federal government and at about the same time a lot of towns like Carnarvon took over their airports. My personal gut feeling about that whole thing was that the federal government at the time looked at all these smaller airports and said, ‘We have infrastructure here that is 40 or 50 years old and it is getting close to its use-by date, but it is making money; let’s pass it off.’

CHAIR—It was in about 1990 or so, wasn’t it?

Mr Smith—Yes, 1989 or 1990 I think. In those days you had Ansett lobbying in here as well. So on paper it looked attractive because there was a fair amount of income, but within three years—and we had just taken over the fuel and we thought, ‘We’re laughing here’—the whole lot went phut.

Senator MURRAY—But as a practical man it would seem to me that maintaining an airport is within your capability as a local government?

Mr Smith—It is.

Senator MURRAY—But, as for actually putting in the infrastructure, you do not have the means to raise that sort of finance, because there is no return of that nature, is there?

Mr Smith—No, and that is our biggest struggle.

CHAIR—Does the state put any in, or have are there been any plans of that sort?

Mr Smith—I do not know.

Senator MURRAY—Learmonth are really lucky.

Mr Smith—Yes, Learmonth are really lucky.

Senator MURRAY—The availability of that trust with that sort of funding, as far as I am aware, is not replicated anywhere else. Kalbarri is fortunate in that a large sum of money was contributed by a developer who wanted a better airstrip. Unless you are fortunate with that sort of circumstance, it seems to me that you are in some difficulty. The obvious next question is—and I would not be the only person that this has occurred to: has the shire made application at all to the state or federal government for assistance and, if so, what has been the reaction?

Mr Smith—We have applied for funding before, haven’t we? Yes, we have, through Drew Gaynor in the Department for Planning and Infrastructure.

CHAIR—That is state?

Mr Smith—Yes. There is state money available.

Senator MURRAY—On what basis?

Mr Wilks—You certainly cannot put a label on it, but we are doing some pavement improvements at the moment in terms of taxiways and we are doing pilot activated lighting. Whether you could get money for terminals, I am not exactly sure. But it is not necessarily a lot of money in the scheme of things. It is literally in the hundreds of thousands, if you are lucky, unless you have a significantly large project that the state finds favourable. Currently, for example, at Carnarvon, as well as its ageing terminal facility, we have taken over a lot of the old DCA infrastructure. With the powerhouse, for example, there is emergency lighting there for some power. There is generation there that is many years old. That needs to be brought up to spec. That will now be borne by the local government authority. We need to get in and do a

reseal of our runway. We have some underlying surface issues. Either way, looking at that, in the next two to three years we will have to spend something in the order of \$3 million or up to that amount to repair that sort of thing. That is out of the capacity of both the local government authority and of the state—that is what they tell us.

Senator MURRAY—Do DOTARS talk to the state department and does the state department talk to you? Is there a triangular kind of process, or is it completely independent?

Mr Wilks—I would think it would be independent at our level. Whether at an officer level it is a bit different, I do not know. The encouraging thing however, I think—and not being unkind—is that, when you talk to the state in the order of that sort of money, the first question they ask is, ‘Have you gone to the federal government?’ because they are these sorts of funds.

CHAIR—Yes, but the corollary of that is that the federal government does not own airports. All state governments say that they are the best tourism destination in Australia. I am a Victorian and I tend to think Western Australia is more right in that than most of the other states. After seeing what we have seen today, I would have thought it would be in the interests of a state department of tourism. Earlier on you mentioned the resources boom, quite rightly. From an infrastructure sense, we have done some security things now for a range of reasons. If some money needs to be spent, I would have thought there at least would be some matching funds coming from all state governments; perhaps that would be in their own interests with infrastructure issues, if you are trying to get tourists up into the region.

Mr Smith—We need a new terminal and, being mindful of security requirements, we are in the position at the moment that, without getting federal help to meet those requirements, we probably cannot do it. As a supervisor and running the airport, you need those things in place to make the whole thing gel and work.

Mr TICEHURST—What is the advantage to the shire of the passengers, say, coming through the airport?

Mr Smith—I could not tell you that.

Mr TICEHURST—From your point of view, as a business proposition, if you are required to put money into the airport, there has to be something in it for you locally. These federal requirements really act as an impost on your operations.

Mr Wilks—Yes. The difficulty is that, if you do not have a quality airport in terms of infrastructure and landing, it is very easy for the airline or air operator of the day to decide that they are no longer going to offer their service. It is akin to the local government having a swimming pool: if only a percentage of people use it, it costs a hell of a lot of money to construct and to run but, at the end of the day, if you do not have one, you will be in trouble.

Senator MURRAY—I was going to Mr Smith’s point in answer to a question. A good terminal is an integral part of security because you cannot screen, process, isolate and secure goods and passengers unless you have a terminal that is capable of being isolated from the airside and which has the capacity to check what is coming in or going out. It would seem to me, looking at Carnarvon, that you have a volume of traffic where people might think you are a

security risk. I would think it is a low risk from a terror point of view because there does not seem much purpose in that, but it might be a reasonably high risk from a criminal point of view and that sort of security side. I wonder whether, in your discussions with DOTARS or with the state funding body or with anybody from the state side of things, they have shown that they are alert to the importance of a terminal from a security point of view, not just from a good passenger handling perspective.

Mr Smith—We have not really gone down that track yet. But another point along those lines is that I can foresee Carnarvon struggling to maintain its air service, because we will be flying the Fokker F60s into here, picking up passengers who have not been screened and whose luggage has not been screened, landing in Perth and there will be so many people who will want to transit on to other flights immediately. They will end up with luggage—‘Where has it come from?’

CHAIR—It gets screened in Perth though. You cannot get into a sterile area in a major—

Mr Smith—If you are going to have luggage landing there in the future, it will lob into a sterile area prior to being screened. That is what I am getting at. They are going to say, ‘Hang on a minute, what’s going on here?’ I am just looking ahead.

CHAIR—But it is still screened in the same place it would be screened if someone were coming into Perth at the same time in the same venue.

Mr TICEHURST—Check baggage screening is five times as expensive. You will always end up in the situation where baggage from regional airports will have to be screened.

Mr Smith—We have Skywest coming in at the moment and we have to come up to their standard in order to try and do anything.

CHAIR—For a jet, that is right; you need screening.

Mr TICEHURST—Will they accept trace detection?

CHAIR—We heard evidence earlier on that there was a level—I think this was in Geraldton—of screening to the extent of some wands and things. Do you recall that, Andrew?

Senator MURRAY—They had hand checking.

Mr Smith—That is another issue. For this town, currently we have five people who are trained with wands. They have to be prepared and ready to go in case someone presses a button and says—

CHAIR—‘We have a problem.’

Mr Smith—Yes, heightened security. Down the track, how do we maintain those people financially? We have nothing in place to pay for that. These people need to maintain jobs too. They have to exist and survive. Down the line there has been absolutely nothing. How do we keep it going? How do we pay for it?

CHAIR—What do those people do at the moment?

Mr Smith—There are a range of them. One of them is one of our local rangers with the shire.

CHAIR—This is a very good point. It perhaps raises the need for some lateral thinking among us as we consider some issues for our report. In that situation they are almost like volunteer firefighters.

Mr Smith—Exactly.

CHAIR—They need to be able to say, ‘Here’s what I am doing,’ wherever they happen to work.

Ms GRIERSON—They have to be able to drop it and go.

CHAIR—Yes. They hang off some pretty good acts of parliament at the state level, I have to say. They are a bit like the reservists.

Mr Smith—They might leave and then we have to train someone else up and put them through the whole process. How do you keep them?

Mr TICEHURST—It is all related to the risk. You have the risk factor, the volume factor and the staff factor. If you have low volumes, it is are pretty hard to force all these—

Mr Smith—Yes, but the volumes here are increasing. That is a problem.

Mr TICEHURST—What are they now?

Mr Smith—On the RPT they are averaging 37 per flight in and out.

CHAIR—How many are there a week?

Mr Smith—There are eight flights a week. We are starting to get back to Ansett numbers.

CHAIR—What is Exmouth like?

Mr Haywood—We are at 25,000 at the moment. In the first seven months of this financial year, there has been a 26 per cent growth in those figures.

CHAIR—Do you think all this hangs off the economic activity that is happening up here?

Mr Haywood—It is a lot of things. Obviously, it is the development that is occurring as well as the oil industry doing crew changeovers and using the RPT flights to do them. How many passengers a week are they generating, Natasha? Would it be 70?

Mrs Duane—Yes, sometimes.

Mr Haywood—That has obviously helped our numbers.

CHAIR—How long do they work for before they change?

Mr Haywood—Sometimes it would be for a month or so.

Mrs Duane—With some it is for a few days and others might do four to six weeks.

Mr Wilks—I think the answer with the training component would be to continue to be flexible. If those trained to do the manual security—the wandering and the searches—in Carnarvon’s case, if were activated for whatever reason and we were to lose numbers, we would look to DOTARS being flexible enough to be able to train up a team relatively quickly. I think we can find the unskilled people but, when numbers drop off, there can be a regular and an irregular program of training where people can come in and be skilled up relatively quickly, just to keep that nucleus or that core.

Mr Smith—I have just had an idea: the Federal Police based at Perth, the response group, could be the ideal people to come and do the training. They could pay a visit plus be seen on the ground. It is a suggestion.

CHAIR—We will take that in.

Mr Smith—They would be the ideal blokes.

Mr Wilks—I am also not sure of the national security issues in terms of the broader integrity issues. We have customs, fisheries and a lot of maritime sea rescue. Quite often there is that sort of traffic—not big in volume but, in terms of necessity, part of the integrity of our borders. I think that would be increasing—one would hope or expect, given the isolated nature of the coast. I suppose that would go, with great respect, for Learmonth and other places too.

Senator MURRAY—Did you say that Learmonth is the principal airport for Christmas and Cocos islands?

Mr Haywood—They use Learmonth as a refuelling stop on their way north. If they get out to Cocos and Christmas islands and need to divert back to the mainland, they need enough fuel.

Senator MURRAY—Is that the National Jet service?

Mr Haywood—Yes.

Senator MURRAY—Where do other aircraft get into Christmas Island from?

Mr Haywood—From Indonesia.

Senator MURRAY—Is Learmonth a principal Western Australia airport?

Mr Haywood—It is the only one that National Jet uses for their refuelling stop. As far as their flight path is concerned, Learmonth is certainly the place where they should refuel. If it were Karratha, it would add a little more to their trip.

Senator MURRAY—Where do the Defence craft, the Orions, refuel?

Mr Haywood—At Learmonth, but on the Defence side.

Senator MURRAY—Do they come in through Carnarvon?

Mr Smith—Occasionally.

CHAIR—Can people come from Indonesia?

Mrs Duane—Yes, but they pre-arrange for Customs clearances.

Ms GRIERSON—Where do they come from? Do they come from here?

Mrs Duane—Generally they come from Carnarvon. Sometimes the police in Exmouth will handle it.

Ms GRIERSON—It is a bit fragmented, isn't it, really?

Mrs Duane—We are always told whether the passengers can come off the aircraft. Sometimes it is purely a fuel stop.

Senator MURRAY—I would be interested in the costs. On the facility for passengers and crew, have you had some preliminary costing done for the terminal?

Mr Smith—We have a drawing up there.

Senator MURRAY—What would a regional terminal that would suit Carnarvon cost?

Mr Smith—In real terms, I would like to say \$2½ million but it would probably be more like \$4 million. I do not know. There are some differing opinions on what we could actually do and what we want to do.

Ms GRIERSON—You would be looking at three-way funding, wouldn't you—yourself, federal and state?

Mr Smith—Yes.

Senator MURRAY—Realistically, what could the Shire of Carnarvon afford? Let me be direct with you. We people often think about shared funding; let everyone come to the party—state, federal and so on. But, when you start that way of thinking, you have to start with what people can reasonably afford.

Mr Smith—At the moment we cannot afford anything, because we need to concentrate all our funds on the runway upgrade.

CHAIR—So that is part of it as well, really.

Mr Smith—If we do not upgrade our runway, we will be in trouble.

Ms GRIERSON—That is a safety issue.

Mr Smith—That is right.

CHAIR—You need about a \$6 million spend.

Mr Smith—If you were to give us \$6 million, we would be more than happy.

Mr Wilks—But that is not unrealistic.

CHAIR—What is the time frame you are talking about? The runway is obviously—

Mr Smith—We have three years maximum.

Ms GRIERSON—So DOTARS have told you that you have to do that as well, have they?

Mr Smith—No. We had a consultant in to look at it.

Ms GRIERSON—And CASA would only tell you that if there were an incident?

Mr Smith—Yes.

CHAIR—How old is the runway?

Mr Smith—Pretty old. I would be guessing, but basically the last major rework was recent and then—

Ms GRIERSON—It is a very old airport really.

Mr Smith—It is.

Mr Wilks—It is a 1940s terminal. We are aware of the structural condition of the strip and its surface; we have some concerns about what is underneath. Before we embark on a \$2 million to \$3 million reseal spend—

Ms GRIERSON—You will have to carry out some investigations.

Mr Wilks—And geotech. We are currently into the state for some of that money just to do the consultant's bit and we have to take some core samples. We will then know or be in a better

position to know exactly what we are up for and, as has been identified, the priority will be the safety and the passenger safety. On top of all of that, we need to look at the land side literally.

Mr Smith—With the terminal, what we are doing is absolutely critical. If you put your security fencing in and you put your terminal in, that becomes the hub. At the moment we are having difficulty in convincing people of the requirements of the security act. With other operators, even down to the RFDS and the ambulances, because we do not have special areas for them like Geraldton does, it is difficult to get them to do basic security.

Ms GRIERSON—To take security seriously just for facility and for convenience.

Mr Smith—Yes. But, if you have infrastructure with your secure areas et cetera, it is much easier to do the job on the ground.

Ms GRIERSON—It is a catch-22.

Mr TICEHURST—Is freight significant at either airport?

Mr Smith—It was in Carnarvon when we had the jet service because we had a lot of produce being flown out. There was a fair bit of freight going out there then. If we get the jet service back, I think that will start up again.

Senator MURRAY—What sort of freight?

Mr Smith—Fruit and vegetables and high-value seafoods.

Mrs Duane—I would say that we have quite a reasonable amount of freight coming through. Australian air Express security personnel have had a look at our situation and they were not completely happy. There is room for improvement there.

Mr TICEHURST—And jet aircraft or turbo props?

Mrs Duane—At the moment we are getting a jet service only one day a week; so yes, it is both.

CHAIR— On behalf of the committee, I thank you all for your evidence today. You have left us with some important issues and good ideas to consider. We will go on a tour with you now. Thank you for your time and your hospitality.

Resolved (on motion by **Ms Grierson**):

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 4.55 pm