

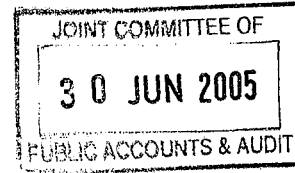
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Submission No: ...*29*.....

**Russell Chafer  
Committee Secretary  
Joint Committee of Public Accounts and Audit  
Parliament House  
CANBERRA ACT 2600**



Dear Russell,

**REVIEW OF AVIATION SECURITY IN AUSTRALIA**

I write in response to your letter dated 3 June 2005 in which you invite Adelaide Airport Limited (AAL) to make a submission to the above subject Review. Please find attached our submission for the consideration of the Committee.

By way of background information, AAL is a private company whose shareholders comprise some of the major superannuation investors in Australia. AAL was the successful bidder for both Adelaide and Parafield airports as a result of invitations from the Commonwealth to bid for the rights to operate Australia's major gateway airports for a term certain 50 years with an option for a further 49 years. AAL commenced this long term leasing and operation period on 28 May 1998.

It should be clearly stated and understood that it is our view that costs associated with the establishment of any enhanced and mandated security/policing requirements should be borne by the Commonwealth Government as part of their community service obligations to the wider Australian public. The concept that these new community policing initiatives, by Government, are part of doing business do not ring true and the air travelling public should not be discriminated against and expected to pay. They should be treated no differently to any other mode of transport and/or freight.

We would welcome the opportunity to attend and present to the committee in due course. In the meantime on behalf of Adelaide Airport Limited I thank you and the Committee for the opportunity to participate in this important review.

Yours sincerely

**John McArdle  
Manager Corporate Affairs  
Adelaide and Parafield Airports**

**SUBMISSION TO**  
**JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT**  
**REVIEW OF AVIATION SECURITY IN AUSTRALIA**  
**1 July 2005**

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

It is our opinion that the Department of Transport and Regional Services Office of Transport Security currently ensures compliance of aviation security measures in a satisfactory manner, much as they have been doing for many years past.

We acknowledge that, in this day and age, there are always going to be 'conflicting' aviation, governmental and marketplace interests that require attention. On most occasions the Department seems to do its level best to accommodate the various demands placed upon its time and resources, although this does seem to occasionally frustrate their important leadership role.

The Schappelle Corby case and the "camel head incident" by a baggage handler in Sydney have no doubt caused some rather interesting reactions by Government in respect of confusing aviation security and criminal/community policing.

While some enterprising radio talkback hosts may try to gain mileage from alleging "if you can get drugs on board and aircraft you can get a bomb on board" gives no credence to the past 20 years or so of initiatives introduced to deter and detect explosives and weapons – drug running is another issue and one which does not directly impact on the safe and secure operations of aircraft.

All areas of the Australian community expect a certain level of police activity to deter and respond to criminal acts – why should airports be different? Police have a clear community policing role at a range of public places, for example major shopping centres and railway stations. It would appear unusual to expect one sector of Australian industry to pay and be responsible for community policing simply because the role is delivered at an airport.

If Adelaide Airport with a community of approximately 8,000 and having 25 million visitors a year was a community in Regional or Rural Australia of the same size and visitor ratio there would be a permanent police presence paid for by the broader community.

Accordingly, we recommend that the current regulatory arrangements for aviation security remain the responsibility of the Department of Transport and Regional Services – However criminal and community policing, on the other hand, needs to be addressed quite separately.

b) Compliance with Commonwealth Security Requirements by Airport Operators at Major and Regional Airports

The recent application of the Aviation Transport Security Act 2004 and Regulations directs that airport operators develop a Security programme that is developed based on security risk assessment to the Australian Standard 4360/1.

The Commonwealth through the Department of Transport and Regional Services Office of Transport security ensures compliance to the remedies identified in the aviation security risk assessment at regulated airports.

The record will show that compliance to aviation security measures is at the high end of the scale – as mentioned before acts of criminality are another matter and in need of significant investigation, policing and payment by other agencies.

c) Compliance with Commonwealth Security Requirements by Airlines

Specific comment on this issue is best left to the airlines. However from our experience it is clear that all airlines share our commitment that when it comes to aviation safety and matters of aviation security, there can be no compromise. Again we believe that criminal activity in this area needs investigation, management and funding by other agencies and not the aviation industry.

d) The Impact of Overseas Security Requirements on Australian Aviation Security

This particular issue relates to the international airlines with services to and from Australia. In simple terms, this is quite possibly the highest level of risk exposure facing aviation and Australia's economy.

Overseas security requirements particularly at ports close to our northern and north western shores leave a lot to be desired. They are decades away from the advancements made at Australian ports.

In short anyone travelling within or out of Australia from an Australian port has a high level of confidence that there are no weapons or explosives on that aircraft – the same cannot be said of aircraft inbound to our country.

e) Cost Impacts of Security Upgrades, Particularly for Regional Airports

The costs to the Australian aviation industry of meeting the many and varied Government-mandated aviation security regulations and the new yet to be mandated requirements at Australia's major gateway airports, such as the upgraded fencing, vehicle and personal inspection points into and out of the airside, extended and broadened background checks, introduction of another police/security force is conservatively estimated to be in the hundreds of millions of dollars. This expenditure, in almost every instance, has not been factored into the industry's operating and infrastructure budgets.

In addition another initiative that Government is temporarily funding is the establishment of the Rapid Response Deployment Teams who are based on the east and west coast to turn out to regional ports if a threat exists or occurs. These teams are funded for four years only – in 2007/08 Regional Airports including Parafield will need to pick up this cost.

While we are unable to speak on behalf of Regional airports per se, we can speak for and on behalf of Parafield Airport, a new member of the Security Regulated environment, of which the Government has assisted with an initial security infrastructure set up cost. However, no consideration has been given to the ongoing maintenance and replacement costs into the future, an impost that will need to be passed on to an industry whose bottom line is already stretched very thin.

In this instance, measures were mandated by Government not specifically to counter any aviation security threat increase but purely to “instil confidence in the aviation industry”. No one asked the industry if they needed this confidence.

e) Privacy Implications of Greater Security Measures

We believe that the Government is acutely aware of its legal exposure in the recent recommendations for expanding the boundaries for background checks and the necessary legislative amendments that may be required. It must also be made clear that industry will not be prepared to wear the expense of unfair dismissals if this new “initiative” by Government causes the displacement of persons who have been suitable employees in the past.

f) Opportunities to Enhance Security Measures Presented by Current and Emerging Technologies, including measures to combat identity fraud

The Office of Transport Security and the industry have and continue to work very closely together on investigating evaluating and implementing the latest acceptable technologies.

Restrictions due to privacy concerns are but one limiting factor to a certain style of scanning equipment (Backscatter) however, the level of threat would deem this equipment unnecessary at this time.

g) Procedures for security of baggage handling by airlines and airports at International, Domestic and Regional airports

Baggage handling at airports is generally the domain of the airline that either conducts the business themselves or contracts it out.

Technology for the identification of explosives and weapons has been introduced through sound consultative practices between airport, airlines and the Office of Transport Security and a high level of confidence should exist in this country that aircraft are reasonably safe from those threats.

Criminal and Community policing issues such as drugs and pilfering are another matter to be investigated, policed and budgeted for by other relevant agencies as this is a community issue where airports are but a medium for transport at a point in time.

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