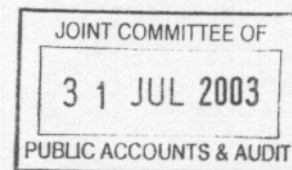


Submission No. 20



Premier of New South Wales
Australia



TCO/04821

Mr Bob Charles MP
Chair
Joint Committee of Public Accounts and Audit
Parliament House
Canberra ACT 2600

31 JUL 2003

Dear Mr Charles

Thank you for your invitation for the NSW government to make a submission to your inquiry reviewing Aviation Security in Australia. New South Wales strongly supports the need to review Australia's aviation security and I believe your inquiry is timely and important.

The events of 11 September 2001 stand as a reminder of the importance of ensuring the security of our aviation systems. The potential weaknesses in the Australian aviation security system have been recently highlighted by the attempted highjacking of a flight from Melbourne to Launceston, and repeated security alerts at Sydney airport.

Aviation is a vital industry in Australia. This is a vast country, and aeroplanes are often the only practical and convenient way of travelling the distances involved. In addition, tourism is a significant industry that relies on aviation. It is vital, therefore, that Australian aviation is both efficient and safe, and that the travelling public can be assured of this.

Background

In NSW there are 72 airports, 32 of which have regular passenger services. Of the 32 passenger airports, only 4 are currently given a security rating by the Commonwealth Department of Transport and Regional Services. These are Sydney (Kingsford Smith), Newcastle (Williamstown), Coffs Harbour and Ballina.

I am advised that one of these airports, Ballina, has asked to be downgraded to an unrated airport because its traffic volume is now below the threshold for rating.

I am advised that the Commonwealth Department of Transport and Regional Services (DOTARS) allocates security categories primarily on the basis of volume

of traffic. I am further advised that 95 percent of passenger movements in NSW are undertaken through security categorised airports.

Nonetheless, unrated airports include significant local airports, and some quite close to potential terrorist targets in Sydney and other urban areas, for instance Bankstown airport. At such airports there is no DOTARS oversight at all. I remain concerned about the risk from and to these airports.

I am also concerned about failure of procedures at our largest airports as in the case of the Melbourne hijacking.

The Commonwealth position

The Commonwealth maintains the position that it is, through the Department of Transport and Regional Services, responsible only for regulating airports and auditing those that are security rated. Airport and airline operators are responsible for implementing security measures. They must bear the costs of all required measures.

New South Wales' concerns

Based on this position, I am concerned to ensure that all security risks in Australian aviation are identified and properly dealt with. The DOTARS security rating system is not comprehensive, since it ignores airports such as Bankstown. The rating system should be reassessed to take into account the terrorist threat – including from light aircraft.

I believe Australians require more assurance in this area.

I am also concerned about the Commonwealth's insistence that security is the sole responsibility of owners and operators.

While security is a necessary cost of aviation, I am advised that the financial position of many regional area airports is difficult. Passenger numbers and revenue are static or falling. Costs are increasing for councils to maintain runways and facilities at the standards set down by the Civil Aviation Safety Authority. As a result, some airports are running at a loss and require ratepayer subsidy.

Upgrading security, however necessary, is likely to pose a significant operational challenge for many local councils. The cost may be prohibitive and important regional airlinks may be put in jeopardy.

I do not consider the Commonwealth can responsibly maintain a hands-off attitude. The Commonwealth is responsible for the safe and reliable operation of aviation in Australia. It must be willing to provide financial assistance when this is necessary.

New South Wales' suggested way forward

In the Premier's recent letter to the Prime Minister of 27 May 2003, the Premier proposed that a strategic risk assessment be undertaken by the Commonwealth of aviation security.

The Prime Minister in his reply indicated that the National Counter Terrorism Committee (NCTC) has this issue as a standing item on its agenda, and will report to the Council of Australian Governments at its next meeting in August 2003. This is undoubtedly helpful - NCTC oversight of aviation security is vital.

However, it is not enough. New South Wales considers that the Commonwealth Government must thoroughly reconsider its approach to aviation security. In particular, it should:

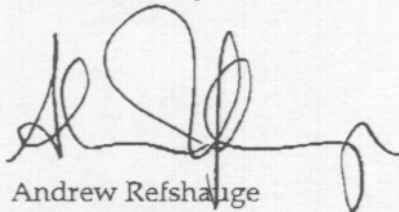
- Extend the security rating system to ensure that all risks in relation to large and small metropolitan, regional and rural airports are considered, and an appropriately tiered approach is taken;
- Consider extending the responsibility of DOTARS for oversight of security at a broader range of airports;
- Provide contingency planning for actual incidents or in situations where there is intelligence of a credible threat;
- Quantify the possible cost of implementing risk mitigation measures, especially at small airports, and
- Give real consideration to providing Commonwealth assistance where that is required.

Such a reconsideration would be timely, and would provide necessary assurance to the Australian people.

Undoubtedly, the Committee's report on this inquiry, based on the submissions received, will be of enormous assistance to the Government in undertaking this work.

I trust this information will be of assistance to the Committee in its consideration of this important issue. I look forward to the Committee's report.

Yours sincerely



Andrew Refshauge
Acting Premier