



Committee Secretary
Senate Rural and Regional Affairs and Transport References Committee
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Sir,

Response to Senate Rural and Regional Affairs and Transport References Committee - Airport and Aviation Security Inquiry

Regional Express Holdings Limited welcomes the opportunity to submit to the Committee's inquiry into Airport and Aviation Security and offers the following comments.

Regional Express Holdings Limited (Rex) comprises Regional Express Pty Ltd, an RPT operator flying to 52 airports across 5 states; Pel-Air Aviation, a Charter and Defence contract operator; Air-Link Pty Ltd conducting RPT operations within NSW as well as charter operations and the Australian Airline Pilot Academy. The Rex group operates RPT operations in Security Category 1, 3 and 6 airports while Pel-Air and Air-Link conduct operations to both security controlled airports and non-security controlled airports. Pel-Air also conducts operations at Department of Defence air bases.

Annex 17 of the Chicago Convention on International Civil Aviation requires the protection of aircraft against unlawful interference. As Australia is a signatory of the Convention, Australian aviation security legislation is designed to meet the requirements of this Annex. Annex 17 Section 2.5.3 states "Each Contracting State should employ security equipment, where appropriate, to the extent operationally, technically and financially practicable, to achieve civil aviation security objectives." The International Civil Aviation Organisation recognises financial practicality and appropriateness as requirements for the introduction of equipment.

Aviation is the most highly regulated industry in Australia with very high associated regulatory costs. Margins are low and many aircraft operators provide a community service for remote communities at a loss, subsidised by either other more profitable routes or by State Government subsidies through the regulated route system.

The continual rising costs to the industry has resulted in reduced passenger numbers on some routes due to the subsequent rise in ticket prices, which in turn has resulted in the demise of approximately 16 regional airlines in the last 10 years with 2 operators ceasing operations in the last 12 months. There has been a discontinuation of regular air services to approximately 122 Communities in the period 1984 to 2010 (BITRE statistics), some of whom relied on air services for business and medical reasons. Figures are not readily available for the period 2010 to the present.

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Aviation security operates in a dynamic environment. As such, aviation security measures require flexibility to allow emerging threats to be countered.

Recommendations from ICAO and world best practice indicate that aviation security measures should be intelligence lead, risk assessed and outcomes based. Proscriptive legislation has in the past created a one size fits all approach which has not only prevented rapid and flexible changes in response to the ever changing threat environment but also required some expensive processes and equipment to be introduced into airports and for aircraft operators where the threat does not warrant. This has resulted in a waist of limited resources for no additional security outcome thus creating undue burden on Aviation Industry Participants (AIP).

Current aviation security regulation in Australia administered by the Office of Transport Security is evolving to meet current and perceived threats. The process involves regular consultation with industry and relevant Government departments to ensure that current and future threats are mitigated commensurate with the threat against each individual AIP. If a threat applies to a particular AIP, then that AIP must mitigate that threat by allocating sufficient resources to counter the threat. Limited resources must not be wasted on threats that do not exist against that particular AIP.

Examples of this are the regulations relating to airport passenger and baggage screening. Screening has been reviewed a number of times in the last 10 years and will be reviewed again in the near future in a process involving all relevant parties. Due to the high cost of screening, about \$1 million in annual operating costs, a significant amount of work has been undertaken to ensure that screening is operated in airports where the threat assessment warrants such a process. Regional Express is a strong supporter of the current screening regulations and will continue to support future reviews of screening to ensure that actual or perceived threats are mitigated. Regional Express strongly supports regulation that will ensure that screening is not introduced into airports where the threat assessment does not justify the introduction and where the cost will be prohibitive to the continued provision of essential regional air services. In small regional and rural airports with low passenger numbers served by small aircraft, the screening cost would certainly mean that the community would lose its air services.

The recent event at the Lindt cafe in Sydney demonstrates that no amount of security measures will be able to completely eliminate all risks of security incidents. More devastation could be achieved with a bomb in a crowded train than on a regional aircraft. It would be self defeating to implement security measures that are so cost prohibitive at regional airports as to actually kill off essential regional air services when the potential terrorist would just as easily achieve the desired outcome by targeting soft targets like a grocery store, a cafe or an office. Therefore all security measures should be a careful balance of the cost of such measures against the threat levels derived from intelligence sources.

Yours Sincerely,

Derek Trafford
Group Security Manager

