

Cost imposts and funding of security upgrades

- 6.1 The impact of the cost of security upgrades, particularly upon regional airports, has already been considered in relation to ASIC programs and requirements for screening and security personnel at Chapters Three and Five.
- 6.2 The following chapter examines the cost imposts of security upgrades focusing particularly on the capital expenditure required to establish security related infrastructure for both major and regional aviation industry participants.
- 6.3 The chapter also considers the adequacy of funding arrangements designed to support smaller aviation participants in meeting the new requirements.

Major aviation industry participants

- 6.4 AAA drew attention to the absence of any funding support for the upgrading of security at major airports:

The cost of introducing ... additional [required] measures runs to millions of dollars. There is no assistance provided through any program at all by government for the introduction of those measures that are directly related to aviation security. So the airline or airport needs to find the

capital moneys up front, introduce the relevant deterrents or measures and then seek to recover that cost either from the airline or through the passenger.¹

6.5 Qantas stated that in 2004-05 it spent in the region of \$260 million on security.²

6.6 As an operator of terminals at Sydney, Melbourne and Brisbane International Airports, Qantas stated that the implementation of 100 percent of screening domestic checked baggage alone will cost in excess of \$100 million.³

6.7 Upgrading of access requirements will cost:

Qantas in the vicinity of \$12m in capital expenditure and about \$30m in annual operating costs. These figures do not include the costs that will be incurred by airport operators, to implement these same measures, and that will be passed on to airlines.⁴

6.8 SACL stated that:

it is expected that in the forthcoming financial year, SACL will ... invest in excess of \$30 million on new facilities and security measures, complete the installation of the \$80 million Checked Baggage Screening System, and substantially enhance its CCTV network at a cost of \$2.8 million. Further, fully implementing the Government's recent initiatives at Sydney Airport may require additional investment of about \$50 million with operation costs adding another \$20 million per year.⁵

6.9 WAC stated that the cost of complying with upgraded checked baggage screening requirements at Perth International Airport 'was in the order of \$13 million'.⁶

6.10 The Tasmanian Government stated:

Both Hobart and Launceston airports have recently upgraded their access controls and Hobart Airport recently announced

1 AAA, *Transcript*, 24 November 2005, p. 68.

2 Qantas, *Submission No. 61*, p. 7.

3 Qantas, *Transcript*, 23 November 2005, p. 54.

4 Qantas, *Submission No. 61*, p. 21.

5 SACL, *Submission No. 44*, p. 5.

6 WAC, *Transcript*, 22 September 2005, p. 3.

a further \$8 million upgrade to security measures, fully funded by the airport owners.⁷

6.11 Virgin Blue stated:

The latest budget ... on this [checked baggage screening] costing was approximately \$7 million for Brisbane Airport alone, just for Virgin Blue. That was the initial set-up cost, not the operational cost each year after that...

We would be looking at somewhere in the vicinity of \$1 million a year to maintain that, plus the manpower of the personnel involved. You could quite realistically look at a \$1.5 million to \$2 million a year recurrent cost for that system.⁸

6.12 RAAA pointed out that the significantly smaller size of passenger movements through some CTFR airports resulted in larger costs being levied against users of these airports:

One of the factors which differentiates regional aviation from the major airlines is that we do not have the economies of scale that most of the major airlines have. That means that small costs have a much greater impact on regional aviation...

for example ... in Sydney the airport security cost is \$1.21 per ticket whereas in Darwin it is \$7.17 per ticket.⁹

6.13 Virgin Blue stated:

We believe that being a low cost carrier means that we share a disproportionate burden of the cost of a number of security requirements, some of which, particularly in regional Australia, discourage us from opening new destinations. Of course, other factors, such as landing charges, also impact on any decision to open up new regional destinations.¹⁰

6.14 DoTaRS stated that the cost imposts of security upgrades were an essential consideration in developing a sound risk mitigation strategy:

One of the challenges ... is to try to balance the security aspects of aviation with the safety, environmental and

7 Tasmanian Government, *Submission No. 74*, p. 5.

8 Virgin Blue, *Transcript*, 24 August 2005, p. 11.

9 RAAA, *Transcript*, 10 October 2005, pp. 2-5.

10 Virgin Blue, *Submission No. 69*, p. 1.

employment aspects of aviation and the economic development consequences of aviation.

\$5 on the price of a ticket can make or break a low-cost airline route. So when we impose measures we have to consider that if somebody is going to pay it is going to be either the taxpayer or the person flying, and that \$5 is a very price-sensitive point.¹¹

Committee comment

- 6.15 The Committee views the funding of community policing and CTFR functions at major airports by the Commonwealth Government as a considerable support to their operations.
- 6.16 Furthermore, the funding of policing functions at CTFR airports will have a disproportionate benefit for CTFR airports with smaller numbers of passengers such as Alice Springs, Hobart and Darwin International Airports.

Regional aviation

- 6.17 The Committee reiterates the point made in its *Report 400* that regional airports are important to vibrant and viable regional communities, and that regional airports and regional airlines do not benefit from economies of scale and suffer economic penalty from being in remote areas.¹²
- 6.18 Linfox Airports stated:
- Regional airports are not monopolies like their capital city counterparts ... security policies which add high costs to secondary airports are causing grave anxiety across the industry. Smaller airports simply do not have the economies of scale to withstand these added charges and can rarely claim additional income from airlines to defray these imposts.¹³

11 DoTaRS, *Transcript*, 5 December 2005, p. 2.

12 JCPAA, *Report 400: Review of Aviation Security in Australia*, June 2004, p. 75.

13 Linfox, *Transcript*, 24 November 2005, p. 21.

6.19 RAAA added:

Business is very price sensitive, particularly as you get further away from the major centres. The drought it still having an effect, ... It is also very convenience sensitive when you get into ... the areas closer to the major centres of Melbourne, Sydney and so on – where road conditions are very much better. As a result of that, [regional airports] are extremely affected by additional costs and additional inconvenience.¹⁴

6.20 Kangaroo Island Council provided a specific example of the situation confronting it as the operator of Kingscote Airport and the community it services:

Our passenger numbers in 1999 of 90,000 have fallen in the last financial year to 30 June 2005 to just over 60,000 ... However ... the costs of running our airport have [not] gone down at the same rate as our passenger numbers and our ability to raise funding. The airport is a self-funding part of the Council. We do not use any ratepayer funds ... However, with the reduced passenger numbers and the costs of running an airport, whether we have 90,000 passengers or 40,000 going through our airport, we still have to keep the infrastructure and the facility to the same standard, so obviously we have to raise those funds from somewhere...

The fear that we ... have is that this [increased user costs because of required security upgrades] may end up having an impact on not just our tourist industry, which is one of our major industries, but also the community as a whole. It will force airfares up to the stage where not only will it stop tourists from coming to the island and making it expensive, which it already is, but as a community and the fact that we live on an island, we only have a boat or an aircraft to get away. So it will be an ongoing impost on the actual community itself.¹⁵

6.21 RAAA warned of the consequences of over-regulation on regional aviation:

The impact of cost imposts on regional airports and regional operators for security upgrades may well be a reduction of

14 RAAA, *Transcript*, 10 October 2005, p. 2.

15 Kangaroo Island Council, *Transcript*, 21 September 2005, p. 26; cp REX, *Submission No. 39*, p. 5.

services to remote and regional communities. Although the Commonwealth has provided some funding for security upgrades, it is not sufficient, especially as there is no allowance for continuing maintenance. The shortfall will be passed on to operators, who will have to decide whether it is possible to pass it onto passengers or whether a marginally viable route has become unviable. Equally costs imposed directly on operators, such as supervision of unattended aircraft can be expected to reduce if not terminate marginal services. Overnighing aircraft at remote ports may become prohibitively expensive so that the quality of service is dramatically reduced or even terminated.¹⁶

6.22 Virgin Blue stated that screening requirements acted as a significant disincentive to expanding services to regional Australia:

we estimate that the cost of introducing checked bag screening, say at a regional location such as Kalgoorlie, is about \$1 million for the actual equipment and around \$600,000 to \$1 million to operate and sustain ... Recently we decided not to fly to Kalgoorlie ... The issue of checked bag screening alone was a significant issue for us in coming to that conclusion.¹⁷

6.23 REX stated that:

In recent months REX has introduced RPT airline services to two ports which have been without airline services for a period of some years. Both services are marginal at best at this time. Substantial increased security measures over and above that based on a reasonable risk assessment may lead to these services being terminated. In terms of an outcome, this may be the ultimate security risk mitigation measure.¹⁸

6.24 APAC went so far as to state that:

Any significant additional security requirements ... quite possibly will see a significant rationalisation of services in regional Australia including Tasmania where ... four airports

16 RAAA, *Submission No. 28*, p. 2.

17 Virgin Blue, *Transcript*, 24 August 2005, p. 3.

18 REX, *Submission No. 39*, p. 6.

serving a population of around 500,000 compete for market share.¹⁹

- 6.25 Furthermore, the disproportionate cost of security upgrades at regional airports caused a disproportionate rise in costs to airline operators:

If we look at a Qantas discount fare from Darwin to Brisbane ... the cost of the ticket is \$300 and the percentage of that security impost is 2.4 per cent of that ticket. If we look at an Airnorth flight going from Darwin to Kununurra, which is a very much shorter distance, the ticket price is more than half: it is about \$180. But the percentage of the ticket that is the security cost is four per cent.²⁰

Transitioning versus new entrant airports

- 6.26 The decision to increase the aviation security regulatory regime to include all airports with RPT services provoked a significant source of frustration and dissatisfaction because of the associated funding arrangements.
- 6.27 The Commonwealth Government established the Regional Airports Funding Program (RAFP) worth \$35 million to provide funding to new entrant airports in implementing security measures.
- 6.28 The RAFP consists of monies from a \$14 million Government grant program announced under the Enhancing Aviation Security Package (EASP) in December 2003. EASP matched, dollar for dollar, expenditure on designated security upgrades by eligible smaller regional airports.
- 6.29 Funding was increased by \$21 million under the Strengthening Australia's Transport Security in the May 2004 budget.²¹ With the increase in funding the Government withdrew the requirement for recipient airports to match grant amounts.

19 APAC, *Submission No. 25*, p. 7.

20 RAAA, *Transcript*, 10 October 2005, p. 5.

21 DoTaRS, *Correspondence*, 9 March 2006.

- 6.30 RAFP funding supported the implementation of security upgrades including installation of:
- security fencing;
 - floodlighting;
 - alarm systems;
 - access gates;
 - key pad locks;
 - swipe card access control systems;
 - CCTV systems; and
 - baggage handling and inspection facilities.²²
- 6.31 Funding of security upgrades under the RAFP was criticised on three grounds:
- the funded measures had limited or no security outcomes and thus funding was poorly targeted;
 - the ineligibility of airports with transitioning security programs to access RAFP funds was unfair; and
 - the ineligibility of airports with transitioning security programs to access RAFP funds defied the principles of sound risk management.
- 6.32 The RAFP was claimed to have benefited many of the smaller regional airports that were eligible to receive funding but excluded larger regional airports.

Targeted funding

- 6.33 AAA, which authorised distribution of RAFP funds, questioned the effectiveness of the funding in general terms:

It was not an initiative in response to any overall threat assessment process. Accordingly, some in the industry may reasonably ask the question if this is money well spent in the name of aviation/airport security.²³

- 6.34 DoTaRS stated:
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22 DoTaRS, *Correspondence*, 9 March 2006, p. 2.

23 AAA, *Submission No. 33*, p. 2.

The RAFFP was introduced following consideration of an ASIO threat assessment of Australia's aviation sector and the need to ensure the viability of the regional aviation industry. An assessment of these factors found that the security of regional aviation would be better achieved through a requirement for airport operators to upgrade their physical security measures.²⁴

6.35 REX stated that it:

is also suggested by some regional airport operators that the current security upgrade scheme is a means by which enhancements can be made to their facility with the cost borne by the Federal Government. Comments have been made by such airports that they must not miss out on this untapped funding availability.²⁵

6.36 AAA reiterated that:

It would seem ... that, in the majority of cases that I have been made aware of, the local community or council saw that the Government was offering a grant of money, so the initial reaction was: "Let's grab some of it." Of the 146 airports, 143 of them prepared a risk assessment which identified security measures or deterrents that they felt they needed to introduce. Three chose not to. Some of the measures that have been introduced – like fencing, floodlighting, CCTV cameras, improved access controls and the like – in some locations would seem to be a bit of overkill given that the type of aeroplane that flies there, if it was able to be hijacked, could not reach any town of any size to do any sort of damage. So their remoteness is their best security measure.²⁶

6.37 DoTaRS responded:

Each of the eligible airports has received approval from the Department of Transport and Regional Services for the specific security enhancements consistent with the airport's individual needs, risk assessment and Transport Security Program. This means all appropriate layers of security are being put in place based on the size and scale of the airport and the type of aircraft that service the region.

24 DoTaRS, *Submission No. 52.2*, p. 21.

25 REX, *Submission No. 39*, pp. 2-3.

26 AAA, *Transcript*, 24 November 2005, p. 71.

Security consultants contracted to the Department assessed each proposal for funding, to ensure the proposed measures were appropriate to address the risks identified by the airport.²⁷

- 6.38 Shire of Northampton indicated that it found the arrangement too inflexible:

The first contact was advice from DoTaRS saying that I had to get my airport inspected by a licensed security agent and send the report into DoTaRS for consideration...

I commented that I did not believe [the recommended security upgrades were] necessary and so on. But I understood that, with the direction that I got from DoTaRS, I really did not have a say. Whatever the consultant said we had to submit the funding for. That is how I took it – it is a direction, it is under the Aviation Act and I have to abide by it.²⁸

- 6.39 Northampton, subsequently qualified:

I was new to the game of airports and this whole business. Taking some advice from other people, they said, “Just get your consultant in and, whatever he is going to do, submit that.” That is the attitude I took.²⁹

- 6.40 The Shire stated that no follow up visits were conducted by DoTaRS to confirm the adequacy of security upgrades.³⁰

- 6.41 DoTaRS stated that it:

conducts regular audits and inspections of airport security arrangements in accordance with the airport’s approved TSP. These inspections include assessment of the airport’s physical infrastructure.³¹

27 DoTaRS, *Submission No. 52.2*, p. 3.

28 Shire of Northampton, *Transcript*, 7 March 2006, p. 2 & 5-6.

29 Shire of Northampton, *Transcript*, 7 March 2006, p. 15.

30 Shire of Northampton, *Transcript*, 7 March, p. 9.

31 DoTaRS, *Submission No. 52.2*, p. 21.

Exclusion of transitioning airports

- 6.42 Broome International Airport typified the frustration at the RAFF among regional airport operators with transitioning security arrangements:

The Government's response has been to largely ignore our calls [for funding support for security upgrades] and suggest that our needs have been addressed through the provision of funded education and awareness programmes, the Rapid Response Deployment Team exercise and some basic training programmes. It is our opinion that spending in these areas has little benefit for aviation security at the larger regional airports.³²

- 6.43 DoTaRS stated:

When the Government allocated funding for security upgrades at regional airports, it allocated that funding on the basis of those airports not now having or not previously having had jet RPT services. That meant that, of the 180 airports in Australia, those that were already security regulated were not eligible for funding under the program. That subsequently raised a number of issues for ... the smaller regional airports that also have jet passenger transport...

That is a policy question that the Government is going to have to adjudicate on.³³

- 6.44 Beyond claims of unfairness, the ineligibility of transitioning airports to access RAFF funds or other support for the implementation of additional security upgrades was criticised on the grounds that it defied the principles of a sound risk based approach.

- 6.45 Shire of Roebourne argued:

In many cases ... enhanced facilities at the new entrant airports far exceed those present at the previously categorised [transitioning] airports, which by nature are considered a higher security risk, based on the previous standard defined by aircraft size.³⁴

32 Broome International Airport, *Submission No. 79*, p. 2.

33 DoTaRS, *Transcript*, 5 December 2005, p. 4.

34 Shire of Roebourne, *Submission No. 31*, p. 2.

- 6.46 As an example of its concern Shire of Roebourne questioned the comparative security outcomes of a situation:

where the Fitzroy Crossing Airport has nine-seat RPT aircraft. Their new security regime includes full-height fencing on their boundary road, CCTV cameras on their apron ... The largest aircraft into Karratha is the 737-800 series. They fly twice daily from Perth. We have a four-foot high stock fence and no CCTV.³⁵

- 6.47 AAA supported Roebourne's position with reference to another new entrant:

In Western Australia, Karratha is one of those transitional airports that did not get any funding. It is a very well-managed airport which has a number of 737 services each day – it is a jet port. It has a long-term approved Transport Security Program. It has done its risk assessment and has infrastructure in place commensurate with its TSP. Halls Creek is a small community 300 kilometres inland from Karratha and, because Halls Creek have access to funding through the RAFF, they are putting in fancy fences and CCTVs. They only have a nine-seater twice a day but they are putting in all this equipment and the community are saying, "Hang on a minute, if we need this at Halls Creek, why aren't we having this infrastructure put in place in Karratha?"³⁶

- 6.48 Besides the incommensurate security outcomes funded by DoTaRS, Roebourne was concerned that:

one of [DoTaRS'] new inspectors will be looking at Fitzroy Crossing on a Tuesday and turn up at Karratha on a Wednesday and say to me, "What are you playing at? You have 160-seat aircraft here and you do not have any of the provisions that I have just seen at a relatively quiet, small country airport in Fitzroy Crossing..."³⁷

- 6.49 Or:

you have an incident at your port. Then it will be, "So you thought a stock fence was sufficient. Clearly it wasn't, because you have had five people get through it. Why don't

35 Shire of Roebourne, *Transcript*, 9 March 2006, p. 3.

36 AAA, *Transcript*, 24 November 2005, pp. 71-2.

37 Shire Roebourne, *Transcript*, 9 March 2006, p. 3.

you have a 2.4 metre-high fence with barbed wire on the top?’³⁸

6.50 Linfox stated that:

It is unusual ... that the Commonwealth would provide funding to some far afield airports and then overlook places like Mildura...³⁹

6.51 Linfox suggested that:

the regional airports like Avalon should have been part of the funding process to perhaps make some inroads into checked bag screening...⁴⁰

6.52 DoTaRS stated:

As at 31 March 2006, 101 of the airports eligible to access funds from RAFP had their funding announced, to the value of \$25.3 million...

It is expected that all \$35 million will be expended.⁴¹

Capital versus ongoing funding

6.53 The operators of new entrant airports expressed high levels of satisfaction with the levels of funding available to support the establishment of security infrastructure. However, concerns were raised regarding the additional expense of on-going maintenance of infrastructure put in place with RAFP funds.

6.54 AAA expressed concern that some new entrant airports had not fully appreciated additional on-going costs:

a lot of those member airports ... whilst they have accepted the opportunity to get some capital investments done at their airports, I do not think many of them have done an operational expenditure ongoing. So when that fence needs replacing or that CCTV camera needs upgrading or whatever, the costs are theirs. I do not know whether they have done that part of it.⁴²

38 Shire of Roebourne, *Transcript*, 9 March, 2006, p. 14.

39 Linfox, *Transcript*, 24 November 2005, p. 32.

40 Linfox, *Transcript*, 24 November 2005, p. 31

41 DoTaRS, *Submission No. 52.2*, p. 1.

42 AAA, *Transcript*, 24 November 2005, p. 71.

- 6.55 In relation to the operation of Parafield Airport, AAL stated:
- 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.⁴³
- 6.56 DoTaRS responded to concerns about on-going costs of maintaining infrastructure granted under the RAFP:
- A lot of the capital that we are putting in place is not what I would call high-end capital with very high maintenance costs. Fencing, lighting and those sorts of things, like sporting ovals, are things that councils maintain across the community. From that perspective, whilst there will be maintenance costs, I do not think they are going to be for maintenance of a type that a small local council would not be used to providing.⁴⁴

Hardened cockpit doors

- 6.57 In December 2003 the Commonwealth Government announced \$3.2 million in funding for hardened cockpit doors for all RPT aircraft with 30 seats or more. A further \$1.5 million was announced under the Securing Our Regional Skies program to ensure that charter aircraft with 30 seats or more are treated consistently with RPT aircraft.⁴⁵
- 6.58 RAAA questioned the specifications to require aircraft to be fitted with cockpit hardened doors:
- We are grateful for the Government supplementation there, but the real issue becomes that, whilst the capital costs of the door itself and defitment were provided for by government, CASA fees for modifying the aeroplane were not covered by government. And there are the ongoing costs of those doors. Essentially, in the Brazilia, the door adds 37 kilos, which basically means that either you lose a passenger or you lose freight. It is more often the freight because, with aeroplanes, they fill up the passenger seats, work out the fuel load that is necessary for the flight and then fill up the rest with

43 AAL, *Submission No. 29*, p. 3.

44 DoTaRS, *Transcript*, 5 December 2005, p. 5.

45 DoTaRS, *Submission No. 52*, p. 31.

opportunity freight. The freight is always there. One of our members estimated that just that lost freight from carrying the extra weight of the door around is costing them at least \$16½ thousand a year. Then, at the end of the exercise, that aeroplane is now not saleable on a world market – and these aeroplanes sell on a world market. They have to demodify the aeroplane, as it were...

The other ongoing cost is that with the cockpit door you cannot do line flying with a third crew member on board, so any flying that you need to do like that flying training has to be done without passengers on board, because you just cannot physically put in the third person with the door in. So there is a substantial ongoing cost associated with the cockpit doors. And of course there are other screening costs. One other estimate that has been done was for Karratha, where at certain times of the year a jet service is used. The additional cost for the jet service, I am told, is about \$45 a ticket.⁴⁶

- 6.59 REX confirmed that installation of hardened cockpit doors:
- created a weight limitation for us of approximately 30 kilograms. We had to reduce 30 kilograms from the aircraft in other areas. It is not so much with the 737, but when you are looking at the Saab, that is a lot of weight we had to lose.⁴⁷

Committee comment

- 6.60 Whilst the Committee welcomes funding for new entrant airports, it is concerned that there was not funding for transitional airports.
- 6.61 The Committee's concerns are based on information from operators of transitioning airports and AAA, which was designated by DoTaRS to administer funds available under the RAFP.
- 6.62 The Committee was also concerned to receive statements from the organisation charged with administering RAFP funds that questioned the effectiveness of the measures funded under this program.
- 6.63 In regional aviation a situation appears to have prevailed where smaller new entrant airports have received funding support for security upgrades, particularly fencing and CCTV, that has promoted the standard of their facilities in these areas to levels that are in excess

⁴⁶ RAAA, *Transcript*, 10 October 2005, pp. 5–6

⁴⁷ REX, *Transcript*, 23 November 2005, p. 84.

of previously security classified airports with transitioning security programs.

- 6.64 It is an anomalous situation where one class of airport because it services jet aircraft, and thus poses a higher security threat, is not eligible for funding of measures that are available to airports servicing aircraft with lower levels of security threat.
- 6.65 The incongruous situation is borne out by comparing fencing provided under the RAFP to airports, such as Kalbarri and Derby that take a small number of turboprop aircraft and are located significant distances from local population centres, with the international airport at Broome, which takes jet services and is in close proximity to a relatively large population centre and has regular instances of trespass, but was not eligible for RAFP funds.
- 6.66 The Committee is particularly concerned that CCTV and fencing at transitioning regional airports is provided to at least an equivalent level of adequacy to that provided at new entrant airports.**
- 6.67 The Committee welcomes the funding the Australian Government has provided to date to help upgrade security at smaller airports through improved physical infrastructure and engendering of a security culture.
- 6.68 The Committee also notes additional benefits for smaller regional airports such as reducing trespass, airport fee evasion, vandalism and itinerant traffic.
- 6.69 Nonetheless, the Committee believes that consideration should be given to providing funding for additional measures. In particular, the Committee believes that security at larger regional airports should be supported to at least the same standard as their smaller regional counterparts.
- 6.70 The Committee reiterates the point made in its *Report 400* that:
...it is important for State Governments to continue to recognise the value of regional aviation through the provision of assistance to regional airports and regional airlines. The Committee commends the Queensland and Western Australia Governments for providing such assistance. The evidence provided to the Committee did not indicate whether

or not similar assistance was provided by other State or Territory Governments.⁴⁸

- 6.71 Some of the larger transitioning regional airports play an important part in the infrastructure of both national and state and territory economies through support of an array of industries from tourism to mining and pastoral. They are owned and operated by an array of organisation ranging across local councils, mining companies, private corporations dedicated to operating airports and state government corporations.
- 6.72 Reflecting the wide diversity of circumstances and local conditions the Committee believes that the Commonwealth should explore a variety of funding arrangements including the provision of grants, provision of interest free loans or joint funding arrangements with state and territory governments to bring security standards at transitioning regional airports to a level commensurate with those achieved at new entrant airports under the RAFP.

Recommendation 19

- 6.73 **That the Minister for Transport and Regional Services provide further funding options for the upgrading of security at regional transitioning airports to a level that is at least commensurate with levels of security supported under the Regional Airports Funding Program.**

The Committee is of the view that the Minister should explore a variety of mechanisms for funding these security upgrades. These may include interest free loans, matching funding with local and state governments as well as provision of grants to be determined by considering the local conditions and particular circumstances of each airport owner-operator.

48 JCPAA, *Report 400: Review of Aviation Security in Australia*, June 2004, p. 75.