Cyber and Infrastructure Security Centre

To whom it may concern.

Proposed reform to Australia's Aviation and Maritime Security Settings – RAAA Submission

The Regional Aviation Association of Australia (RAAA) welcomes the opportunity to make a submission for this Discussion Paper (DP).

The RAAA has approximately 50 Ordinary Members (Air Operating Certificate holders) and 65 Associate/Affiliate Members. Our members directly employ over 11,000 Australians, many in regional areas. On an annual basis RAAA members jointly turnover more than $2.0b, carry well in excess of two million passengers and move over 25 million kilograms of freight. RAAA members operate in all states and territories and include airlines, freight operators, airports, engine and airframe manufacturers, flight training companies including Universities, finance and insurance companies and government entities.

Our members support a strong and fit-for-purpose security regime for aviation and the travelling public. However, in recent years we have seen the enhanced security screening requirements impacting significantly in regional areas at airports now forced to upgrade equipment that they could not afford and cannot afford to continue to maintain. On top of this we have seen the administrative and regulatory burden increase in maintaining Transport Security Programs (TSPs).

The RAAA welcomes the themes described in the DP and hope that they will lead to a more flexible, fit-for-purpose and affordable aviation security regime. We provide our input to the DP in the appendix of this letter and welcome any opportunity to discuss further with officials if required.

Best regards,

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Appendix – RAAA submission to the DP proposals

Proposal 1 - Reduce the prescription of security programs, in consultation with industry.

The RAAA strongly agrees with this proposal in principle.

Prescriptive regulations have a place, however when you take into consideration the varied sizes and scope of our airports, a prescriptive approach just creates red tape for the sake of regulation and no flexibility. Even similar sized airports can have totally different aspects of operations, and it is felt that the regulator who is many hundreds of miles away may not appreciate the intricacies. It is essential that, just like aviation safety, aviation security is a shared responsibility, and that industry must be a trusted partner in it – a trust and verify approach. Our airports in the regional areas of our country, know best on how to deal with changes in the operational environment to assess any new security needs. Outcomes-based regulations put that trust back with the industry partner who will have the flexibility to adjust their needs when and if they need to.

Where we believe this proposal could fail is if there is not adequate guidance for both industry and the regulator. We have seen this intent fail numerous times in the past with aviation safety regulations and the regulator CASA. As was recommended in the Phase III review (recommendation 1.1.3), Alternative Means of Compliance or AMC, such as that which we find in CASA regulations, is an ideal way we believe to provide that guidance for all participants. It then provides examples of what is acceptable to comply with a regulation, giving more comfort for industry when attempting to comply with a requirement. Training of the regulator is just as important in this case as it is for the participant. Too many times we have seen inspectors taking up their own opinions on how a regulation should be interpreted, resulting in similar organisations across the country having been held to different standards!

Proposal 2 - Introduce the option of a SeMS approach to managing aviation and maritime security risks.

The RAAA agrees with this proposal.

As with a Safety Management System or SMS, the RAAA believes that it is important that security is embedded in day-to-day operations and not just another white folder on the bookshelf. A Security Management System or SeMS will provide a participant the opportunity to design a security program that is fit for purpose for their scope of operations. This will ensure that the security program is actually workable and not just a box ticking exercise. It will be essential once again that guidance material will be provided to assist airports with the tools to build a SeMS and that the regulator has pragmatic approach in assessing the suitability of them.

A generous implementation period must be allowed to mature these SeMS to the point that they become BAU for an organisation.

Proposal 3 - Introduce a mechanism to allow the Department to intervene and take a more direct regulatory role with screening and other security providers.

The RAAA disagrees with this proposal.

This proposal takes away the potential benefits and intent of the first two proposals. As mentioned previously, the regulator must take a 'trust and verify' approach if they wish to move to outcomes-based regulations and the SeMS proposal. You cannot ask participants to design and implement these systems but then not really allow them to fully utilise them. The regulator shouldn't be intervening, they should be clarifying and setting expectations to the authority and the authority's responsibility is to manage the provider at their port in accordance with their SeMS for example. This proposal could also introduce risk of uncertainty on who is directing who.

Proposal 4 - Current screening airports (designated, tier 1 and tier 2) will be required to screen for all RPT and open charter services.

The RAAA disagrees with this proposal.

This proposal is akin to fixing a problem with another problem! The RAAA believe the implementation of enhanced screening requirements at regional airports has created a financial and personnel burden that some smaller airports are struggling to maintain. Whilst we welcomed the tiered system to alleviate this burden on some regional airports, there are still a large number that fall within the requirements. Suitable assessment of set up and ongoing costs of these screening systems was non-existent when introduced and now, with funding disappearing, small airports will struggle to be able to afford these systems. It was left to the Department of Infrastructure, Transport and Regional Development to do the cost analysis of screening regulations that were implemented by Home Affairs, that is a farcical situation that highlights the mess we are in today.

We now have a proposal on the table to fix this issue by allowing airports to screen anyone. If CISC risk assessments have identified shortfalls in security needs, then they should spell that out and regulate for it. The RAAA sympathises with regional airports affected by the costs of screening and believe that the only two solutions which won't disproportionately affect regional air services is for the government to continue funding screening systems at regional airports or apply a national levy on all air tickets to pay for the national security system. At the end of the day all air travellers benefit from screening at regional ports as those passengers could likely end up on a connecting domestic service. The costs though to be screened regionally is upwards of $20-40 per passenger, whereas in the capital cities, as low as a few cents per passenger.

This issue has been covered in detail previously in Chapter 5 of the Rural and Regional Affairs and Transport References Committee Inquiry into the "Operation, regulation and funding of air route service delivery to rural, regional and remote communities." I do not intend to go over the final report and recommendations in their June 2019 report, however it is essential that this review consider these findings, in particular Recommendation 5;

"The committee recommends that following a financial analysis into the ongoing costs of the provision of security screening at regional airports, the Australian Government consider providing ongoing financial assistance to those regional airports which have been identified as requiring passenger security screening enhancements as part of the 2018–19 Budget, where required."

Regional airlines don't normally have domestic flights they can 'wash' out the costs of regional screening so the costs borne on most regional air services are disproportionately higher, thus making air services less affordable

for regional communities. An introduction of security charges on flights which do not require screening now is unfair and unwarranted, it will only lead to higher costs for regional flights in smaller aircraft possibly making those services untenable in the future if this proposal gets through.

Proposal 5 - Continue to broaden and improve engagement, partnership and collaboration with industry.

The RAAA agrees with this proposal.

Whilst the RAAA agrees with this proposal we also believe this should be a general goal of any government Department or Agency. In fact, it is an intricate part of performing the functions of government that policies are consulted and their impacts fully understood.

Being told, "this is what we are doing, what do you think?" is not consulting, but it is the theme of how the aviation industry feel they have been engaged with in the past by Home Affairs. Feedback we have received from regional airports suggest that the Department would benefit more by ''getting out and visiting more regional and remote airports''. This would improve their understanding of the challenges these ports face, especially for personnel shortages.

Therefore, the RAAA sees this proposal is more for the Department to improve their understanding of the impact of new policies, by working closer with industry to get a better understanding of what the real impacts are. The new government has renewed focus on better regulating and understanding of policy impacts through their new Policy Impact Analysis Framework. This renewed focus was also highlighted when the previous Office of Best Practice was renamed Office of Impact Analysis, providing a greater focus for government decision makers on understanding impacts of new policies. This from their web site:

Strong evidence-based impact analysis is a powerful tool when applied intentionally and consistently. The Australian Government's Policy Impact Analysis Framework ensures that decision makers are supported with the necessary evidence base, and that policy options are well-designed, well-targeted and fit-for-purpose.

Accurate and realistic Impact Analysis can only be done with "strong engagement, partnership and collaboration with industry".

Proposal 6 - Other issues

There is a strong need to address staffing issues for remote airports. The ability to attract staff is one concern, however the training required is extremely more challenging in remote parts of Australia and does lead to potential staff leaving for other opportunities. A streamlined approach to training to make it more fit for purpose for remote parts of Australia is desperately needed.

Funding to assist in the operating costs of staffing of security screening also needs to be addressed as the disproportionate costs of keeping staff flows on once again to the ticket prices and in some cases airports not fully recouping those costs.

Some further feedback from a regional airport:

Fines system - if CISC insists on maintaining a fines system for airports failing compliance tests then a reducing scale of fines should be introduced according to airport size. It seems unreasonable that small regional airports would pay the same fine as a major airport.

Communication – better communication between CISC, airport (usually the screening authority) and a screening provider should be encouraged to avoid misunderstanding between the three parties.

Equipment – regional airports equipment is not CT based (major airports have moved to CT) and our equipment is outdated, tired and expensive to maintain. You have touched on this but I would like to place more emphasis on upgrading tier 2 equipment by way of Federal funding.