

enquiries refer  
**John Truman**  
in reply please quote  
**Airport Security**



12 March 2009

Department of Infrastructure, Transport, Regional Development  
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Dear Sir/Madam

**Re: National Aviation Policy Statement Green Paper**

Thank you for the opportunity to provide a submission to the National Aviation Policy Green Paper.

Council congratulates the Government for its vision and efforts to establish the policy.

Council has reviewed the Green Paper and would like to express its concurrence to the content of the submissions by the Australian Local Government Association and the Australian Airport Owners Association. In addition to its general support to those submissions, Council would like to express the following comments to specific issues.

1. Access to Sydney Airport

Whilst Council understands the Government's policy position is to maintain the current curfew and movement cap at Sydney Airport, Council can see opportunities to enhance the cap's arrangements. Council suggests that as demand continues to rise, "hub and spoke" operations represent an opportunity to more efficiently prioritise access under the constraints of the cap. It is also likely that "hub and spoke" operations can rationalise the costs of security measures in regional NSW.

Council would also request that the White Paper confirm the retention of protection to regional air services as a proportion of the movement cap.

2. Aviation Security

The Council welcomes the policy statements in regard to Aviation Security. In particular the Council is pleased that the Green Paper recognises the need to ensure that regulatory arrangements that trigger passenger screening requirements need to address the nature and level of threats and remain competitively neutral.

However, Council is of the view that the Green Paper would be significantly enhanced by setting out the Government's preferred options to achieve those policy goals. The review proposed in the Green Paper is considered essential prior to the publication of the White Paper.

Council also suggests that to achieve the stated security outcomes, and manage competitive neutrality, all security screening activities should be operated by the Australian Government. Network charging would assist in managing equity and recognise that the originating airport, particularly for regional airports, is most likely not the direct beneficiary of the security outcomes it provides. Provision of the service by the Government would ensure a consistent approach and one that is more flexible to allow change as threat levels and risk assessments are undertaken.

As indicated above, Council suggests that hub and spoke operations would establish economies of scale and could potentially allow all inbound flights to the major airports to originate from screened airports.

3. Funding Arrangements

Council operates an airport currently servicing 350,000 passengers per annum. It appears to Council that recent financial assistance offers by the government identified the need to support smaller airports to a proportionally greater extent. It is a false assumption to connect size and business viability. Council believes that government assistance should be made having regard to the maximum benefit for the public expenditure, and a comparison of need that does not utilise size as a criteria.

The Green Paper references Financial Assistance Grants and the Regional and Local Community Infrastructure Program as potential sources for Federal funds available to councils to support the development of airports. The huge demand for local infrastructure means that the RLCIP will be a highly competitive process for the available funds. Furthermore, councils will have many projects that are focused on building social capital or other outcomes which does not easily allow comparisons to airport projects. Council would therefore encourage the Government to establish a funding program that is for the sole purpose of assisting with delivery of airport infrastructure.

A major impediment to investment in regional airports is risk. The aviation industry has been the subject to major changes. As a result commercial agreements with airlines servicing airports such as Ballina Byron Gateway Airport cannot rely on the long term continuation of service levels or arrangements. Given the broader economic benefits associated with aviation, Council considers that it would be appropriate for the Government to accept a proportion of the risk in capital investment, particularly for airports that do not have the capacity to generate profit.

Again, Council welcomes the publication of the Green Paper and appreciates the opportunity to provide a submission. Should you require clarification of any of Council's comments, please do not hesitate to contact me.

Yours faithfully



John Truman  
**Group Manager**  
**Civil Services**