



**Submission on  
'Investigating alternative delivery  
arrangements for aviation security  
services'**

**Prepared for the Ministry of Transport  
October 2024**



## Submission on ‘Investigating alternative delivery arrangements for aviation security services’ consultation

### About the PSA

The PSA Te Pūkenga Here Tikanga Mahi is the union for public and community services, and is the largest union in New Zealand. We represent over 96,000 people working across the Public Service, Crown Agents, the Legislative Branch, Crown-owned companies, tertiary institutions, the health sector, local government, and people working in publicly funded community services. We represent around 370 people working for the Aviation Security Service (Avsec).

For over 110 years people have joined the PSA to negotiate their terms of employment collectively, to have a voice within their workplace and to have an independent public voice on the quality of public and community services and how they’re delivered. Our members working for Avsec have a strong interest in ensuring that New Zealand’s aviation security services are the best they can be.

### About this submission

This submission was informed by a survey of PSA members and discussions with PSA delegates at Avsec. We also support the submissions made by other unions in the sector E tū and NUPE.

Our submission contains a section providing our general comments about why we oppose the outsourcing of aviation security services, followed by a section addressing specific questions in the consultation document.

### General comments on outsourcing aviation security services

Our members working for the Aviation Security Service are strongly opposed to the prospect of their work being outsourced to the private sector. It’s a move that has the potential to put safety and service quality at risk, reduce efficiency, and make aviation security workers and the public worse off, with no real benefits to travellers or New Zealand more widely.

Our members want aviation security services to be the best they can be, keeping travellers and our borders safe while enabling smooth and efficient movement of people and goods.

Safety is our members’ top priority, and we want to ensure that people and goods can travel safely into, out of and around New Zealand. We want people travelling – whether that be New Zealanders or the international visitors our economy relies on – to feel safe by having confidence that security services are provided competently and to a high standard. We also recognise the economic importance of having efficient services that enable quick and efficient travel through our airports. Every minute of delay in aviation security screening has an economic impact on New Zealand.

Avsec's role is critical to both safety and service quality, and it currently performs its role efficiently, effectively and to a high standard. We don't believe that outsourcing aviation security services would improve them in terms of service performance or value for money, and the consultation document doesn't suggest that the Ministry has any evidence to support a belief that it would. We don't see any value to the Government, or to New Zealand more generally, from outsourcing aviation security services to airports, airlines or other commercial providers. Rather, outsourcing responsibility to the private sector would risk making these services less safe, less effective and less efficient.

### *The potential for cost-cutting to affect service*

The private sector is motivated by a fundamentally different set of drivers from the public sector. While the state is primarily concerned with delivering a public service and fulfilling its statutory role, commercial providers are required to prioritise financial return. In practice this would mean that safety and service quality would only be a priority for commercial providers insofar as they contribute to increased financial return or shield them from financial or legal risk.

Cost is a factor for both public and private providers, and there is no basis to believe that a private sector provider would be inherently more innovative or more able to find efficiency gains than Avsec. Decades of experience across a range of sectors have shown that when public services are privatised, private providers primarily find cost savings not from innovation and improved efficiency, but from driving down wages, cutting corners, and providing the minimum standard they can feasibly get away with. In the long run this tends to result in poorer standards of service.

In a range of industries, private providers taking on public services attempt to reduce costs by reducing workers' pay and conditions and/or by replacing existing workers with less experienced ones on inferior pay and conditions. That in turn leads to increased turnover, less experienced staff, and loss of institutional knowledge. That creates risk, as less experienced and knowledgeable staff are less likely to identify threats, understand their statutory obligations and provide high-quality services.

Alongside this, we are concerned that the competing interests of airlines and airports (compared to Avsec) would lead to cutting corners. Airlines in particular have a financial interest in ensuring flights leave on time, which could lead them to prioritise speed over safety and be less diligent in screening passengers.

The consultation document refers to the Australian aviation security system as a possible model to base ours on. However, the Australian experience demonstrates some of the effects of outsourcing and private sector cost-cutting:

- In 2003 the Australian National Audit Office found repeat breaches of aviation security, many of which were due to the actions of contractors and their employees.<sup>1</sup>
- Australia's Parliamentary Joint Committee on Law Enforcement inquiry in 2011 "received evidence which raised concerns about the continued outsourcing of private security, seen as an area of security vulnerability. Concerns raised to the committee included that security firms were subcontracting twice or more, and experienced a high staff turnover which

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<sup>1</sup> [Airport and aviation security. Australian Senate Rural and Regional Affairs and Transport References Committee, March 2017.](#) Page 12

undermined any training regime and limited on-the-job experience. These factors, coupled with low wages and poor conditions, produced higher risks in terms of aviation security.”<sup>2</sup>

### *The investment required to provide a high standard of service*

Avsec is a highly effective service that has been proven to perform its role well. That’s not easy to achieve and it shouldn’t be assumed that other providers will automatically be able to meet the same high standards.

The roles and responsibilities of Avsec staff are complex and extend far beyond the general capabilities of private security firms. Avsec staff require specialised training and knowledge, and they receive rigorous training at significant cost to ensure they’re competent to perform the services they need to.

Meeting these standards would require significant investment on the part of any commercial provider looking at taking on aviation security functions. This would lead to one of two outcomes: either commercial providers would need to build up the capability to provide the necessary investment, unnecessarily duplicating a system that is already working well; or they would seek to cut costs by cutting back the level of investment in training, leading to staff who are less well-equipped to do their jobs.

Either way, the consultation document acknowledges that a change in provider would take years to scale up. That means that even if the Government believed outsourcing to be preferable it would take years to achieve its intended aims, unlike other interventions that could have a more immediate effect.

Highly specialised roles such as the handling of explosive-detecting dogs would be especially difficult for airlines, airports and other private providers to take on responsibility for. Currently the police and military are the only organisations outside of Avsec that have certified explosives dogs, so it wouldn’t be feasible to hand this over to airlines or private providers. At the same time, outsourcing some aspects of the service while retaining others creates a fragmented service.

### *The risk of fragmentation*

The current model of aviation security service delivered through Avsec provides a comprehensive and connected system, where a single agency is responsible not only for screening and searches, but also for:

- long-term investment in technology and equipment
- planning and trialling the use of emerging techniques and technologies
- improving security culture
- collaborating with international bodies
- cooperating with police and crown agencies
- engagement and research
- behavioural detection<sup>3</sup>

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<sup>2</sup> [Airport and aviation security. Australian Senate Rural and Regional Affairs and Transport References Committee, March 2017. Page 20](#)

<sup>3</sup> [Briefing to the Incoming Minister. Civil Aviation Authority of New Zealand, 2023. Page 30](#)

Outsourcing security services risks fragmenting what's currently a cohesive system. It adds the additional complexity of different providers in different airports – or even within an airport if outsourced to individual airlines. This could potentially mean multiple providers with different standards, systems, rules and processes. This has the potential to create inefficiency, uncertainty and frustration for passengers and other users of the service.

Even with oversight and a consistent regulatory framework, there is no guarantee of correct or consistent application of those regulations by each airport as they are separate legal entities with their own training programmes, organisational hierarchies, processes and policies.

Similarly, outsourcing parts of the service (such as general screening) while retaining other parts (such as dog handling, provision of equipment, emergency action planning) would create a system in which it's much more difficult for the separate parts to share information, intelligence and skills development. In the Australian system, in which responsibility is split between state and private bodies, the 2005 Wheeler Review "found the relationship between Customs, state and federal police and private airport security highly dysfunctional".<sup>4</sup>

### *The importance of public oversight and accountability*

Aviation security is an essential public service with implications for New Zealand's national security and the safety of its people. The cost of failure in a service as critical as aviation security is extremely high, with potentially life-and-death consequences.

It's in the interests of national security that the Government maintains control of our border security. Such an important public service should be delivered by public agencies for the public good, not entrusted to for-profit businesses with primarily commercial priorities. The Government is better placed to ensure that safety is prioritised over cost.

It's also important that a service with statutory coercive powers, such as the power to search, seize property and detain people, has state oversight. Given the need to maintain accountability for those powers, services requiring the state to exercise the power of coercion should belong with a public agency.

As a public service agency with trained regulatory staff, AvSec is able to respond to public needs and priorities – such as how Avsec staff provided a range of services during Covid particularly at MIQ – in a way that private companies are much less likely to.

### *Uncertainty created by this proposal*

Our members are concerned about the security of their jobs. Although we note that the consultation document has made it clear that there is no change currently proposed, and that this is merely investigating the idea, it has nevertheless created a sense of uncertainty for members working at Avsec. We would like to see the Government clarify as soon as feasible that aviation security services will not be privatised and that these workers' jobs are safe.

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<sup>4</sup> [Airport and aviation security. Australian Senate Rural and Regional Affairs and Transport References Committee, March 2017.](#) Page 14

### *What would need to happen if aviation security was to be privatised*

Although we strongly oppose privatising aviation security services, we nevertheless recognise that it's important that our submission addresses what would need to happen if privatisation was to occur.

If that were to happen, it would be fundamentally important that workers are protected and treated fairly through any change process. At a minimum this would need to involve:

- Requiring private sector operators to take on staff already employed by Avsec in the first instance rather than hiring from the market
- Requiring private sector operators to provide the same or better pay and working conditions that Avsec provides its employees at the time of transition
- Providing maximum certainty about the transition process as soon as possible
- Enabling voluntary redundancy with high-quality redundancy provisions for workers who want to exit out of the system rather than moving across to a private sector employer.

### **Feedback on improving the efficiency of aviation security services**

We note that paragraph four of the consultation document sets out the Minister's intention to explore if aviation security services can be provided more efficiently, with less impact on passenger experience, airport infrastructure, and those paying for the services. However, we note that the consultation document doesn't talk about or ask for any feedback on what else besides outsourcing could be explored to improve the efficiency of services.

As part of our engagement with members in relation to this consultation process, we asked about what would improve efficiency (note that we specifically focused on improvements to ensure shorter screening queues, rather than every aspect of Avsec's role). None of the more than 200 aviation security workers who responded to the survey identified outsourcing to the private sector as something they thought would help improve screening efficiency. They did, however, mention a range of other changes that they thought would help, with some of the common themes including:

- More staff
- Better passenger communication and/or education
- Improvements to equipment and machinery
- Changes to layout
- Better rostering
- Better checking and enforcement of carry-on limits by airlines at check-in
- Changes to processes
- Changes to requirements for passengers in terms of what they must remove and what they can keep on when going through checks.

The suggestions our members provided are a clear demonstration of the value of listening to workers and giving them a voice at work. We intend to engage with Avsec about the suggestions our members raised, to seek opportunities for improving services.

The suggestions also demonstrated the value of keeping experienced staff with institutional knowledge – something that would be under threat if services were outsourced.

## Responses to questions

This section responds to specific questions in the consultation document.

### *Question 3: What aviation security services functions and duties should be outsourced to eligible providers, and what functions and duties should remain with Avsec?*

All functions and duties should remain with Avsec. We don't support the outsourcing of essential public services to the private sector.

### *Question 4: If you were to take on the provision of aviation security services, would a third-party contracting model be preferable?*

No. A third-party contracting model would just allow for further distance in terms of accountability for staff pay and conditions. Contracting out to airlines and or airports already creates incentives for cutting corners, and making the deliverer of the service one more step removed simply adds more potential for airlines and airports to contract to the lowest bidder and look the other way when it comes to regulatory compliance, safety and working conditions.

A 2007 study by the Los Angeles Alliance for a New Economy looked at the impact of third-party contracting by airlines at Los Angeles International Airport. It showed how "cost-cutting has resulted in inadequate employee training, low staffing levels, poorly-maintained equipment and substandard compensation for employees. Instead of a trained, experienced and professional workforce, many passenger service workers are unprepared for major emergencies and have little incentive to stay in their jobs for the long term." The study points to a range of adverse outcomes in terms of safety, service and accessibility for people with disabilities.<sup>5</sup> Similarly, a 2003 report by the Australian National Audit Office found repeat aviation security breaches due to the actions of companies contracted by airlines and airports to deliver services.<sup>6</sup>

### *Question 5: How should an outsourced approach to aviation security services be funded?*

First and foremost, we do not believe aviation security services should be outsourced. If they were, however, we would want to see a model that supported equitable access for people travelling to and from smaller centres.

### *Question 6: Which is your preferred approach? Why?*

Given aviation security is a core public service our preferred approach is for aviation security services to be provided by the state through the Aviation Security Service.

### *Question 7: Do you support a change to the current approach? and if yes, or no, why?*

We do not support a change to the current approach. This model is proven and effective and there is no need to change it, especially when doing so would almost certainly create a more fragmented, less effective system with increased risk.

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<sup>5</sup> [Under the Radar: How Airline Outsourcing of Passenger Services Compromises Security and Service Quality at LAX. Los Angeles Alliance for a New Economy, 2007](#)

<sup>6</sup> [Airport and aviation security. Australian Senate Rural and Regional Affairs and Transport References Committee, March 2017.](#) Page 12

### *Question 8: What would the impact of any change be on your business?*

In our circumstances we have interpreted this question as asking what the impact of change would be on our members – in particular the people whose work is delivering aviation security services, but also the wider population of working people.

We expect the impact on our members working in aviation security would be:

- Possible redundancies
- Potential for worse pay and working conditions, making aviation security a less attractive place to work and reducing workers' ability to keep up with the cost of living
- A less effective system that puts greater pressure on its workers because of cost-cutting
- A long period of uncertainty that will affect worker morale.

We expect the impact on our wider membership of working people would be:

- Less safe air travel
- Reduced service quality
- Increased potential for confusion and inefficiencies between multiple service providers
- Similar or worse value for money.

### *Question 9: Would a pilot programme at a specific site be useful, which location would work best for a pilot programme?*

We would not see a pilot programme as being useful. Such a programme has the potential to cause serious disruption to the work of people currently employed to deliver aviation security services. And once that disruption has occurred it would be more difficult to return to the status quo.

## **Conclusion**

We appreciate the opportunity to make a submission on this consultation process, and we are happy to engage more with you after the consultation is completed if you'd like any further information.

We hope to see confirmation soon that the Ministry is not pursuing the idea of outsourcing aviation security services further.

For more information about this submission please contact:

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