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6 November 2009

Senator Steve Hutchins
Parliamentary Joint Committee on the Australian Crime Commission
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Senator,

**ADEQUACY OF AVIATION AND MARITIME SECURITY MEASURES TO COMBAT
SERIOUS AND ORGANISED CRIME**

The Qantas Group welcomes the opportunity to provide comments to the Joint Parliamentary Committee on the Australian Crime Commission's inquiry into the adequacy of aviation and maritime security measures to combat serious and organised crime.

Aviation is a complex and interdependent sector with many stakeholders from both Government and industry.

The examples illustrated within the attached submission are limited to the aviation sphere and seek to highlight a range of representative issues associated with subsections (c) and (d) of the terms of reference.

We would be pleased to provide any further information if required.

Yours sincerely

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**QANTAS GROUP
SUBMISSION TO THE**

**Joint Parliamentary Committee on
the Australian Crime Commission
2009**

Date Submitted
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Introduction

Serious and organised crime presents a significant challenge to both industry and law enforcement. Qantas supports the lead role played by law enforcement agencies in combating serious crime and works closely with the law enforcement community to limit its impact.

Qantas has established an excellent working relationship with both domestic and international law enforcement agencies, and maintains regular interaction with these agencies on both operational and intelligence matters.

Qantas appreciates that some employees within the aviation sector may seek to misuse their positions to perpetrate opportunistic unlawful activities and facilitate criminal and terrorist activity. The potential for a trusted insider (airport/airline employees, contractors, security personnel, retailers, etc) to circumvent security measures and use their knowledge of the environment is an ongoing consideration for aviation industry participants. Qantas believes it is critical that State and Federal law enforcement agencies and the aviation and maritime industry work closely together to identify and correct the vulnerabilities that have the potential to contribute to criminal behaviour.

Aviation security regulations and activities are primarily designed to protect aviation operations rather than combat serious and organised crime. However, there are aspects of the aviation security regime, such as the Aviation Security Identification Card (ASIC), which may assist in defeating the methodologies used by serious and organised crime groups.

Modern technology and globalisation, while essential to community development as a whole, has also proven to be an enabler to serious and organised criminal behaviour. To effectively combat this, there must be a greater emphasis placed by Governments, law enforcement agencies and others involved in the aviation security context on the timely gathering, collation, analysis and dissemination of accurate intelligence on the activities of those involved in terrorism and organised crime.

The concept of the public and private sector sharing information and intelligence in a timely manner is still in its infancy and it will take some time to develop true partnerships. To do this as effectively and rapidly as possible, all aviation security constituents must strive harder to work cooperatively.

Any model of genuine law enforcement and industry engagement in the aviation security context must be predicated on the requirement to share information if it is to be successful in its fight against organised and transnational crime. As such, Qantas has committed to the concept of sharing information and intelligence where appropriate as long as there are necessary controls and measures in place to protect the integrity of that information.

As such, this submission will focus on subsections (c) and (d) of the Inquiry's terms of reference, namely ASICs and the exchange of intelligence and information.

Aviation Security Identification Cards (ASIC)

At present there are some 130 issuing bodies across Australia, with a significant proportion of these bodies being responsible for less than 1,000 ASICs. Given the importance of the ASIC in the overall aviation security framework, the large number of issuing bodies has the potential to create fragmentation, add unnecessary cost and remains difficult to oversight. Qantas considers that the only issuing bodies should be those with significant need and volume, and has identified an appropriate number of participants, as follows:

- Major airlines;
- Major capital city airports;
- Australian Customs and Border Protection;
- The Civil Aviation Safety Authority; and
- A centrally managed and diverse body such as Australia Post that could manage ASIC processes similar to the process for the issuing of Australian Passports.

Qantas currently has 32,465 ASICs on issue with only 21 applications denied over the past 12 months. The average processing time for applicants is an acceptable six working days. Qantas is the single largest issuer of ASICs in Australia.

Qantas notes there are a number of substantial changes being considered by Government in relation to the issue of ASICs including airport access and ASIC issue: a planned reduction in ASIC issuing bodies; a review of the aviation security related offences and a centralised agency for the receipt of ASIC applications. While the detail of these changes is yet to be formally advised, Qantas supports any changes to the regime that contribute to an improvement in the management of costs, a streamlining of the processing times and an enhancement in the overall security outcome. Specific areas of enhancement that would be consistent with these principles are outlined below.

The Importance of Live Checking

The key aspect of background checking of persons seeking to hold an ASIC is the thoroughness and currency of such a check. However, the current system does not provide for notification to the issuing authority of the conviction of an ASIC holder of an aviation security relevant offence. Issuing authorities become aware of such convictions either when the holder of an ASIC provides advice to the issuing authority or a renewal check is conducted. Qantas believes this creates a vulnerability and proposes that a solution would be for ASIC holders to be subject to continual monitoring by AusCheck to ensure they remain fit, proper and eligible to hold an ASIC.

Further, the current approach does not permit law enforcement intelligence to be considered when assessing a person's suitability to hold an ASIC. Qantas contends that a 'fit and proper person test' similar to that used by the Security Industry Registry may be appropriate.

Qantas understands that while checks are undertaken on prospective and renewing ASIC holders for intelligence that may identify them as a national security threat (PMV check), no equivalent criminal intelligence checks are undertaken. While Qantas appreciates the importance of the presumption of innocence that applies within the criminal law environment, consideration should be given to including criminal intelligence checks of current and prospective ASIC holders. Such a mechanism would present an additional deterrent and also assist in preventing criminal penetration of the aviation sector.

Enhancing the efficiency of the Checking Regime

On 23 September 2009, Qantas was advised by AusCheck of an increase in fees commencing 12 October 2009. AusCheck advised that "the change to fees is the result of advice from ASIO that renewals, as well as new applications, should be sent to ASIO as part of the background checking process".

Based on further discussions with ASIO and AusCheck, it appears that ASIO will, in addition to the ongoing 'live' checking of a ASIC holder, perform a 'moment in time' check of the renewal data and 'update' their database systems. Qantas only provides four data sets - name, date of birth, gender and residential address. It is evident that the most likely 'update'

will be a residential address as industry is already obliged to advise AusCheck of a change of name, for example on marriage or divorce.

Qantas supports strengthening the ASIC system, but believes that only those renewal applications with amended data should be forwarded to ASIO on renewal. Qantas contends that less than 25% of renewal applications contain amended data. By sending 100% of renewal applications to AusCheck, Qantas believes that the renewal process is not the most efficient use of resources and results in unnecessary cost to both industry and Government.

Intelligence and Information Exchange

To enable the aviation sector in partnership with law enforcement agencies to effectively counter current and next generation criminal threats, it is critical that an information and intelligence sharing system is embedded that ensures the flow of timely and accurate information between parties. Such information would enable Qantas to more effectively identify vulnerabilities that may be subject to exploitation now or in the future. Qantas appreciates that the dissemination of information and intelligence can be difficult, especially when it is linked with a live investigation. However, Qantas believes that intelligence can be shared about general vulnerabilities (excluding specific case and identity information) that would enable Qantas to proactively contribute to making the aviation system more robust and therefore, better resist its penetration by criminal syndicates.

The precedent already exists in the national security environment, where the rapid sharing of that information enables Qantas to react in advance of any identified threat issues.

While good working relations exist between Qantas and the State and Commonwealth jurisdictions, this is not underpinned by a system that facilitates the sharing of criminal intelligence at the national/strategic level. Qantas participates in Airport Security Committee meetings and, while information is shared, it is largely informal and tactical and is not aimed at achieving the objective of industry countering strategic criminal threats.

A more effective intelligence sharing system would facilitate industry and government to work more effectively in partnership and build a shared capacity that counters both national security and criminal threats. Such a system would enable Qantas to adjust its policies, practices and technologies to proactively counter threats rather than reacting to those threats once they are proven and in the public domain. It is important to note that having a more detailed understanding of the criminal environment will also assist Qantas to defend against national security threats. Qantas appreciates that the methods and techniques utilised by the traditional 'mainstream' criminal element may be adopted by terrorist groups.

Given the dynamic nature of the threat environment, the exchange of information and intelligence between Government and industry needs to be open and constant. It is only through the free flow of information and intelligence, including a greater and more timely exchange on current and emerging trends and future indicators, that Government and Industry can proactively implement an overarching security strategy that progressively meets an evolving aviation security threat environment.

Qantas therefore recommends that Government develop a concept of operations for a collaborative approach to Government-Industry interaction that encourages information sharing without blurring the clear delineation between aviation security measures and resources - that is the protection against acts of unlawful interference, and protection against criminal activities within the community, including at airport locations.

Summary and Recommendations

In summary, although Qantas has established excellent working relationships with both domestic and international law enforcement agencies, it believes that these relationships would be strengthened with a greater focus on the timely and systematic sharing of criminal intelligence and information. In particular, a more timely exchange on current and emerging trends and future indicators means that Government and Industry can proactively implement a security strategy that meets an evolving aviation security threat environment.

Further, the existing security regime in the aviation sector would be enhanced through improvements to the ASIC program, and particularly in the areas of live checking, use of criminal intelligence and streamlining the checking process.

As such, Qantas recommends that the current arrangements could be improved by:

1. reducing the number of ASIC issuing bodies;
2. introducing continual 'live' monitoring of the criminal history of ASIC holders;
3. introducing a 'fit and proper' person test based on criminal intelligence for ASIC eligibility;
4. checking agencies only receiving ASIC renewal applications that contain amended data; and
5. strengthening the information sharing arrangements between government agencies and industry by:
 - a. enhancing information and intelligence sharing mechanisms at a national level;
 - b. providing more timely exchanges on current and emerging trends and future indicators; and
 - c. sharing intelligence about general vulnerabilities to allow industry to contribute more effectively to combating criminal activity.