



Ref:

11 February 2011

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 Committee would be aware that Qantas made a submission to the Inquiry dated 6 November 2009, specifically in response to paragraphs (c) and (d) of the Inquiry's terms of reference.

In light of recent media reports and previous evidence to the Committee, Qantas wishes to take this opportunity to clarify some aspects of information provided.

Qantas has been invited to appear before the Committee on 18 February 2011, at which time any further questions could be answered.

Yours sincerely,

Steve Jackson
Head of Security & Facilitation

Copies to:
Head of Government and International Relations

Attachment:

**QANTAS GROUP
SUPPLEMENTARY SUBMISSION TO THE
Joint Parliamentary Committee on
the Australian Crime Commission
2009**

Date Submitted
11 February 2011

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Introduction

Qantas has submitted previous correspondence to the Joint Parliamentary Committee Inquiry on the Australian Crime Commission, which addressed the terms of reference outlined in subsections (c) and (d) of the Inquiry's terms of reference, namely ASICs and the exchange of intelligence and information.

In reviewing the evidence provided to the Committee during its hearings, Qantas considers that provision of the following supplementary information will assist the Committee in its consideration of issues that have been raised.

Over the past ten years, the aviation industry, including Qantas, has worked with industry associations and government agencies worldwide to simplify the business, improve the processes associated with the millions of industry to industry and industry to government transactions as well as streamline and automate, where possible, inefficient and manual processes. The industry's efforts have primarily focused on passenger processing, cargo clearing, pre-border authorisations and pre-departure passenger security clearances.

E – Check In

Qantas was the first Australian airline to introduce combined self automated check in and bag drop facilities at its major domestic ports, commonly known as Next Generation Check In (NGCI).

Qantas has invested millions of dollars in developing the underlying technology to support this functionality, which was successfully trialled and subsequently implemented at Perth Airport and more recently Sydney; with Melbourne and Brisbane NGCI to be implemented within the next 2 months, followed by Canberra and Adelaide.

Evidence has been provided to the Committee from a variety of witnesses that self automated check in and baggage drop presents a serious problem and an unacceptable security risk and that its implementation should be stopped. Examples of perceived vulnerabilities in the process cited to the Committee appear to be the result of an incomplete understanding of the NGCI systems and processes.

Qantas assures the Committee and the travelling public that security controls embedded as part of NGCI implementation ensure that appropriate security outcomes are maintained.

Qantas passengers may check-in for a flight on line, using a mobile device (iPhone, BlackBerry), at an airport self service kiosk, by using a QCard (permanent boarding pass) at a QCard reader or by presenting themselves in the traditional way to a Qantas employee or agent at a service desk (check-in counter).

By way of example, passengers can initiate self service check-in at a kiosk by either entering their name, using their booking reference number, frequent flyer or credit card and by then confirming their destination. The passenger is then asked to respond to a series of questions regarding dangerous goods and prohibited items and are required to nominate if they intend to check in any bags and if so, how many.

The system will identify the correct reservation, check known details and match these against a flight. Once these details have been electronically established, the kiosk will produce a boarding pass for the passenger and the required number of bag tags if requested.

The passenger is then directed to the Bag Drop area, where having attached the baggage tags to their bags, they scan their boarding pass, which is subsequently reconciled against the baggage tags issued, the reservation and the flight, and injected into the checked baggage system. The system also weighs the baggage at this time. Only one bag can be injected at a time and each bag injected is matched to the reservation held.

The Committee has received evidence outlining the potential for persons to access surplus bag tags that may have been left at a kiosk and utilise them to attach to their own bags and inject into the baggage system.

System security measures such as encoded barcode data will identify baggage attempting to be injected without a passenger and boarding pass, ie tags associated with passenger A's reservation cannot be injected attached to passenger B's bags.

Bag tags are printed by the kiosk and remain inactive until they are reconciled at the bag drop point, with three factor verification (three way match) of the scanned boarding pass, bag tag and flight details. The system also identifies the number of bags that are associated with a boarding pass and reconciles them against the number of bags that are physically injected. It is only upon positive reconciliation that the bags can be accepted and injected into the baggage system.

Qantas recognises that there may be individuals who seek to introduce "rogue bags" into the system, however, the combination of positive reconciliation and data matching prevents the occurrence of the scenario as presented to the Committee during its hearings in November 2010.

It is also suggested that bags checked in at the bag drop point under a false identity, present a greater risk. This scenario is no different to a passenger standing in front of a check-in agent with three bags, with or without identification. The check-in agent would have no way of knowing if all three bags belong to the passenger. In other words, regardless of the method of baggage acceptance at the airport, a passenger can knowingly check another person's bag against their name if they so wish and this would be undetected by an airline.

Regardless of the method of baggage acceptance, all checked baggage is subjected to x-ray screening (Checked Baggage Screening) and only uplifted if cleared by the checked baggage screening processes.

A number of witnesses have given evidence to the Committee that bags injected into the baggage sortation system via a self service bag drop point presents a security risk. These assertions appear not to be supported by any factual evidence. During the design phase of the NGCI project, Qantas collaborated closely with the Office of Transport Security and received regulatory approval for its NGCI operations, which is recognition by the regulator that Qantas continues to meet the regulatory requirements of the Aviation Transport Security Act 2004 and Aviation Transport Security Regulations 2005.

Identity Verification

The Committee has received comments from a number of witnesses regarding the issue of verification of passenger identification travelling on airlines operating within Australia. As the Committee is aware, there is currently no Commonwealth legislation that requires verification of passenger identity prior to uplifting a passenger on domestic airline services. Nor is there any common form of identity document available to Australian nationals that could be used to meet any such requirement, presenting problems for particular categories of persons

including unaccompanied minors, infants, people without driver's licences, passports or any other form of photographic identification.

Qantas does not support the introduction of identification checks for domestic airline passengers and does not consider it an airline responsibility to conduct identity checks for the purpose of identifying those who may be engaged in criminal activity and monitoring their movements across State and Territory jurisdictional borders.

It is of course, a requirement for passengers travelling on international airline services to provide a passport at check in, however, this process is driven by the need to ensure that the passenger has the appropriate documentation for their destination in accordance with the immigration/customs legislation of the receiving country - not to satisfy criminal legislation. These countries acknowledge that, except in the most extreme cases, airline staff are not trained to undertake positive identity verification of individuals against their passports and rely on their own specifically trained border staff together with access to a wide range of Government/agency databases to undertake this check. Verification of identity documents by commercial entities should not be contemplated as they do not have the requisite expertise in the detection of fraudulent documentation.

The priority for airlines and airport operators is to ensure that no individual carries into the sterile area or onto an aircraft any item that can be used to unlawfully interfere with the operation or safety of that aircraft. The identity of an individual in a passenger screening environment is not a priority.

With the exception of passport checks at the boarding gate on international flights, there is no means for ensuring that the person presenting a boarding pass at an aerobridge gate is in fact the individual to whom the boarding pass is issued.

The cost of system changes (if technically possible, legislation, Government policy and international regulation permitting) is estimated to be many millions of dollars, not including ongoing data storage and transmission costs and would be detrimental to passenger facilitation, contingency and system redundancy requirements. These anticipated costs cannot be justified based on identity verification or against the perceived benefit especially when considering that the domestic aviation industry is only 7% of the size of the Australian domestic rail industry¹.

Passenger Profiling

The Committee has received evidence on the issue of passenger profiling. Qantas agrees that in the layered approach to aviation security, passenger profiling has merit, although this has not yet been tested within the Australian domestic aviation environment.

Qantas considers, however, that passenger profiling is a function that is the responsibility of Government border or law enforcement agencies whose employees are appropriately trained, qualified and have the tools and processes to conduct behavioural based profiling supplemented by intelligence to provide focus for their activities.

Qantas has previously suggested that the presence of officers from Government agencies at check-in or screening points would considerably enhance the deterrence factor against those engaging in criminal (and terrorist) activity, as well as providing opportunity to conduct behavioural analysis of passengers. At selected offshore airports the provision of Australian Airline Liaison Officers from the Department of Immigration and Citizenship fulfils a similar role in the effort to detect and deter attempts at illegal immigration to Australia.

¹ http://www.bitre.gov.au/publications/39/Files/ATS_2008.pdf

Qantas, as a responsible aviation participant, recognises its role in contributing to security outcomes within the aviation environment, however, does not consider passenger profiling is an airline responsibility nor is it the responsibility of security officers conducting passenger screening operations.

Aviation Security Identification Cards (ASICs)

Qantas has addressed subsection (c) of the terms of reference in its initial response, however having had the opportunity to review transcripts of evidence provided to previous Committee hearings, Qantas consider that the Committee's deliberations would benefit from additional comment.

Contracted Security Services within Airports

Qantas has contractual arrangements and engages three approved security service providers at its Australian airports. Concerns have been placed before the Committee in relation to the occurrence of security sub-contracting within the airport environment. Qantas has a contractual requirement with each of the security service providers that utilisation of any sub-contractor can only occur with the prior and written approval of Qantas. There are currently no sub contractors approved for use within Qantas security operations at any Australian airport.

It is a contractual requirement of Qantas security service providers that all Aviation Security Officers performing functions on behalf of the Qantas Group are subject to AusCheck and criminal background checks and that they are licensed as a security agent in accordance with relevant State or Territory legislation. Additionally, all security officers must hold a current ASIC, the background checks associated with which are conducted at the same level as they are for Qantas employees. Qantas therefore contends that recommendations made to Committee suggesting that the validation and verification of individual screening processes of individuals working within the airport environment would be enhanced if they were full time employees of the airline or airport, is a redundant argument.

Qantas acknowledges that there may be instances whereby contracted security officers are operating under the provisions of a visitor pass. This situation arises when the security officer has received the full range of ASIC clearances, but is awaiting physical issue of their ASIC. On these occasions, these officers will only be deployed at screening points and remain under the direct supervision of a full ASIC holder.

Qantas assures the Committee that all contracted security officers working within its operations have received the full range of ASIC clearances and disputes any suggestion that its security contractors are operating at any airport without the required security and background checks. Furthermore, all screening officers and security guards who perform a screening function on behalf of the Qantas Group in Australia, must be trained to the standard set by the Aviation Transport Security Act 2004 and the Aviation Transport Security Regulations 2005.

Qantas provides rigorous oversight of its three contracted security service providers to ensure they fulfil their contractual obligations. This includes monitoring performance indicators, auditing training and licensing records, and ensuring compliance with the relevant Aviation Transport Security Act, Regulations and Directions. This is achieved through compliance and assurance programs undertaken internally by the Qantas Contracted Security Services Unit and the Group Security and Facilitation department. Additionally,

external audits of security activities are undertaken by the Office of Transport Security and industry bodies such as the International Air Transport Association (IATA).

ASIC, Temporary ASIC and Visitor Passes

Qantas is an issuing body for ASICs, including temporary ASICs and Visitor Passes and fully complies with the Aviation Transport Security Regulations and its Government approved ASIC Program.

The Committee has heard evidence regarding airside access for persons who may be holding a temporary ASIC or a Visitor Pass. It is unclear from the evidence in the example provided to the Committee as to which agency has issued the pass, however Qantas seeks to inform the Committee of the difference between a temporary ASIC and a Visitor Pass, which may provide some context.

Qantas provides training to its employees and agents who are responsible for issuing passes to ensure that all regulatory requirements are met. Qantas or its agent will issue temporary ASICs in accordance with the Aviation Transport Security Regulations (Regulation 6.36), which provides the circumstances in which they can be issued. In the event, for example, that a persons ASIC has been lost, stolen, destroyed or inadvertently left at home and it is impractical for it to be retrieved immediately, the person may request a temporary ASIC to be issued. In these circumstances, a temporary ASIC may be issued but only after it has been verified that the person holds a permanent ASIC.

Qantas or its agent will issue a Visitor Pass in accordance with the Aviation Transport Security Regulations (Regulation 6.38), however, prior to issue the persons identity must be verified and they must demonstrate a lawful purpose to enter the secure area. Once issued, the Visitor Pass holder must be supervised by the holder of an ASIC at all times while in the secure area.

Qantas notes the TWU submission relating to the issue of a Visitor Pass for a period that does not exceed one month per calendar year. Qantas is aware of the existence of proposed legislative amendments pertaining to the issue of Visitor Passes. These amendments will provide the ability for an individual to be issued with a Visitor Pass for a cumulative maximum of 28 visitor days over a 12 month period for any one airport. This may consist of one Visitor Pass for 28 days or 28 single 1 day Visitor Passes or part there of.

Qantas considers these amendments will enhance aviation security outcomes, as implementation is likely to increase the number of ASIC applicants who must be subjected to and receive clearance on background checks and therefore will eliminate "frequent visitors" who may not be eligible to hold an ASIC but have been using the Visitor Pass system instead.

Airside Access

In relation to information provided to the Committee regarding the level of security at catering facilities and the access available to vehicles entering airside, specifically where the perception exists that there are lower level of security measures at catering buildings as opposed to the ramp/baggage area, Qantas operates catering facilities at Sydney, Melbourne, Brisbane, Adelaide and Perth, most of which are not airside.

Qantas ensures that buildings are sufficiently protected by physical measures to prevent access by unauthorised persons and security measures are applied to catering vehicles entering the airside area that satisfy regulatory requirements and are audited by the Office of Transport Security.

Intelligence and Information Exchange

While Qantas has previously addressed subsection (d) of the terms of reference in its original submission to the Committee, we consider it would be useful to clarify a number of issues regarding the sharing and release of information to government agencies and in particular law enforcement agencies.

Information provided to the Committee by the Western Australia Police touches on the difficulties that Police Officers experience in obtaining information from airlines including the ability to obtain 'real time' information; delays associated with the request for information; the requirement for a warrant to obtain information and the amount of detail that must be included in the warrant; and the inability to obtain flight manifests - all of which is claimed to inhibit police investigations.

In relation to the release of passenger information, Qantas is bound not only by Commonwealth Privacy legislation, but also by European Union Privacy legislation. Passenger information is collected and stored in the Amadeus Reservation System which is "warehoused" in Europe - as such Qantas is obligated to comply with European Union legislative requirements. To meet the legislative requirements of both nations and facilitate the lawful release of information, law enforcement agencies are required to produce a search warrant. The Commonwealth Government understands the implications of and the need to respect the European Privacy requirements and in 2008 entered into an agreement with the European Union allowing the Australian Customs Service (now the Customs and Border Protection Service) to access passenger data stored in the Amadeus Reservation System.

In respect of the amount of detail required in search warrant (that is all known names or aliases), airlines' reservation systems are not intelligence databases and therefore do not have a name matching capability. Each name search requested is conducted separately in a number of databases, against all known individual name entities. This is a time consuming and resource intensive task.

Qantas rejects statements made by witnesses that airlines are more concerned with "commercial interests than about the safety and security of Australian citizens". Safety is the number one priority for the Qantas Group and invests considerable effort in terms of manpower and resources into the provision of information to law enforcement agencies, at no cost to the requesting agency.

The Qantas Legal Department manages all search warrants and the release of "formal" information to law enforcement agencies while Qantas Group Security and Facilitation maintain a 24 hour, 7 day Security Operations Centre who, in addition to monitoring the global security environment and providing real time security advice to the business, manages in excess of 6000 law enforcement enquiries per annum and provides real time verbal information to law enforcement agencies upon written request (facsimile or verified email). Furthermore Qantas Regional Security Managers maintain liaison at local level with the various law enforcement agencies in all State and Territory jurisdictions and can also facilitate urgent passenger information requests in certain circumstances.