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JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT

Thursday, 2 October 2003

Members: Mr Charles (*Chairman*), Senators Hogg, Humphries, Lundy, Murray, Scullion and Watson and Mr Ciobo, Mr Cobb, Mr Georgiou, Ms Grierson, Mr Griffin, Ms Catherine King, Mr Peter King, Ms Plibersek and Mr Somlyay

Senators and members in attendance: Senator Hogg and Mr Charles, Mr Ciobo, Mr Cobb and Ms Plibersek

Terms of reference for the inquiry:

To inquire into and report on:

- (a) regulation of aviation security by the Commonwealth Department of Transport and Regional Services;
- (b) compliance with Commonwealth security requirements by airport operators at major and regional airports;
- (c) compliance with Commonwealth security requirements by airlines;
- (d) the impact of overseas security requirements on Australian aviation security;
- (e) cost imposts of security upgrades, particularly for regional airports;
- (f) privacy implications of greater security measures; and
- (g) opportunities to enhance security measures presented by current and emerging technologies

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Committee met at 9.31 a.m.

CHAIRMAN—Is it the wish of the committee to authorise radio and television broadcasting of this public hearing? There being no objection, it is so ordered.

The Joint Committee of Public Accounts and Audit will now commence taking evidence as provided for by the Public Accounts and Audit Committee Act 1951 for its review of aviation security in Australia. I welcome everyone here this morning to the committee's second public hearing. The focus of the first part of the hearing will be on security arrangements at airports. It is impossible to have total security at airports. Increasing security has to be balanced against the cost, inconvenience to travellers and the protection of privacy. The issue is: what is the appropriate level of security for the level of risk that is faced by the aviation industry in Australia?

The committee has already inspected arrangements at Sydney's international airport, and yesterday we inspected arrangements at Coffs Harbour and Tamworth airports. These airports in regional New South Wales are with and without baggage and passenger screening. Representatives from the management of all three airports will be here today as well as the management of Bankstown airport, which has been identified by some as a security risk because of its so-called proximity to Sydney's international airport and the city. This afternoon the committee will receive evidence from the Board of Airline Representatives of Australia and the Australian Liquor, Hospitality and Miscellaneous Workers Union, the union representing baggage screening workers. This hearing will conclude with evidence from the Office of the Federal Privacy Commissioner. Any passenger screening impinges on privacy. The question is: where should the line be drawn? The public hearing phase of the inquiry will continue, with further hearings scheduled for Melbourne, Brisbane and finally in Canberra. It should be noted that the major players from the Australian airline industry, Qantas and Virgin Blue, will be appearing at the hearing in Brisbane.

Before beginning, I advise witnesses that the hearing today is a legal proceeding of the parliament and warrants the same respect as proceedings of the House itself. The giving of false or misleading evidence is a serious matter and may be regarded as contempt of the parliament. The evidence given today will be recorded by Hansard and will attract parliamentary privilege. Finally, I refer the members of the press who are present to a committee statement about the broadcasting of proceedings. In particular, I draw the media's attention to the need to report fairly and accurately the proceedings of the committee. Copies of this statement by the committee are available from secretariat staff.

[9.33 a.m.]

DOJCINOVIC, Inspector Gordon, Inspector, New South Wales Police

DONALDSON, Mr Kent Victor, Executive Director, Transport Safety, Ministry of Transport, New South Wales Government

LIDBETTER, Mr Alan, Manager, Security and Emergency Management, Ministry of Transport, New South Wales Government

O'REILLY, Mr Brendan, Acting Director-General, Premier's Department, New South Wales Government

SCHMIDT, Mr John Lance, Deputy Director-General, Cabinet Office, New South Wales Government

CHAIRMAN—The committee welcomes representatives of the state government of New South Wales. Thank you very much, gentlemen, for coming today and thank you for your submission. I now invite you to make a very brief opening statement.

Mr Schmidt—As you are aware, the Premier of New South Wales has repeatedly emphasised the importance of cooperation on the part of the Commonwealth, the states and territories in relation to issues of national security and counter-terrorism. A good example of that cooperation is the National Counter-Terrorism Committee. New South Wales in its submission has raised concerns about aviation security in regional, rural and general aviation airports. The Commonwealth has regulatory responsibility for aviation, and New South Wales is looking for leadership from the Commonwealth on this issue. Some basic numbers illustrate the points, and you will have heard this before. There are 72 airports in New South Wales, of which 32 operate regular passenger services. Only four come within the Commonwealth's security regulations scheme. As outlined in the New South Wales position, the New South Wales government is looking to the Commonwealth to conduct an assessment to identify vulnerabilities in relation to regional, rural and general aviation airports. Based on such an assessment, the Commonwealth needs to consider extension of the Commonwealth rating system and the reach of DOTARS supervision.

Finally, the Commonwealth should undertake contingency planning to ensure that swift and decisive action can be taken if incidents do occur. Such a review and extension of oversight will, in the current environment, undoubtedly lead to the need for security upgrades, which will presumably entail costs being incurred. Even large airport and airline operators have expressed concerns regarding their capacity to meet such additional costs. The problems are compounded when we talk about regional aviation. Regional aviation is a vital economic and social link for rural and regional communities and is an important part of Australia's tourist economy. Local government has a significant role in the sector as airport operators. Local government airport operators and regional airlines are unlikely to be in a position to bear the cost of security upgrades alone. As regulator of the aviation sector, the Commonwealth has lead responsibility for the sector and needs to provide financial assistance when that is required. Thank you.

CHAIRMAN—Thank you very much. This committee has taken evidence that we could guarantee security in the air by absolutely regulating it and by increasing the expense of the regulation to the point where there is no airport that will open and no aircraft that will fly. New South Wales seems to be suggesting that we extend the regulation system to cover regional airports that have general aviation facilities and to people who fly in and out 24 hours a day, seven days a week and 365 days a year. If the Commonwealth puts in that regulation and then operates it from Canberra—if we take the responsibility for safety and security away from the local regional people—you are proposing that that comes out of taxation revenue. Is that right?

Mr Schmidt—I will make an opening comment and my colleagues will pick it up. What is important here is that, because of the importance of this issue, it needs to be looked out on a national basis, and the Commonwealth has the primacy in that area. There are obvious inefficiencies if, at various levels of government—Commonwealth and regional—different work is being done by different people. What the New South Wales submission has fundamentally called for is a proper assessment to be done of the risks and vulnerabilities out there. Once that has happened, an informed dialogue can take place as to responses. Obviously, as you pointed out to start with, one of the extremes is that you have people standing around 365 days of the year in airports with unlimited security. There are limits to what can be done. We need to have a proper assessment done to determine what the vulnerabilities are and try and determine strategies to address that. The best and most appropriate way of that being done is on a coordinated, national basis, and that is the role of the Commonwealth.

CHAIRMAN—But you are also calling for the Commonwealth to increase expenditure in the regional areas. I do not know what my colleagues will say, but one of the things that I found of interest at Tamworth yesterday was the culture of safety—and that includes security—we encountered across that airport. We were told, for instance, that if you see someone wandering around the airport that you do not know and they are not from the local community—they are not identifiable—they do not need a security pass because you know that they are not supposed to be there and you go out and contest that issue. How far do want us to go?

Mr Schmidt—Perhaps Inspector Dojcinovic might be able to make some comments on the practical policing aspects.

Insp. Dojcinovic—In terms of some of the strategies that may be able to be considered, you raised the point of whether we are talking about security for 365 days of the year. We may not be talking about security for 365 days a year; what we may be discussing is the need for a security capability that covers off 100 days of the year or 200 days of the year. The security environment that we are now in is a dynamic one which we expect is going to be the subject of change—and rapid change—over the years. If there is no capability when those security changes occur, the response will be a delayed one. It is during that delay period that we are particularly exposed.

CHAIRMAN—I understand that. One of the things that we have been told in earlier hearings is that risk assessment in Australia, and I think in other major jurisdictions, is based on the greatest risk—and this has not all occurred since September 11—and that the greatest risk exists in airports that handle jets that carry large quantities of fuel and where there are very many passenger movements per year. At both Tamworth and Coffs Harbour yesterday we saw GA aircraft that come in and out 24 hours a day. There is nobody in the control tower. Normal, average Australian citizens fly their light aircraft in, land at night and may take off in the middle

of the night or early in the morning before the control tower is manned. One of those light aircraft, it seems to me, would have the potential to load up with some kind of fuel or bomb and fly into the Sydney Harbour Bridge or into the harbour to try to take out the tunnel or whatever. Is that not true?

Insp. Dojcinovic—Yes, it is certainly feasible.

CHAIRMAN—You are not suggesting then that we can get rid of all the risk?

Insp. Dojcinovic—No, we cannot live in a risk-free environment. The travelling public are directing inquiries and concerns to the New South Wales Police about their perceptions of a lack of security at regional airports.

Mr O'Reilly—May I comment, Mr Chairman?

CHAIRMAN—You may.

Mr O'Reilly—I think you are absolutely right. If you have so much regulation and security, there will not be any planes—there will not be any travel at all. That means terrorism wins. What the big issue is as far as the states go is that we need to have a national approach to getting an assessment somewhat similar to the situation where all the states are cooperating with the Critical Infrastructure Review Group where there is an assessment tool that is being applied with respect to any of the icons or infrastructure programs, so that we can assess it and help the operators to make sure that they can provide as secure an environment as possible.

CHAIRMAN—My understanding was that that review was currently taking place in parallel with our own inquiry. Is that not true?

Mr O'Reilly—The Critical Infrastructure Review Group—

CHAIRMAN—No, about airports.

Mr O'Reilly—But I do not think that there is an assessment tool particularly for airport security. That is the problem. What we are saying is that we recognise that it cannot be solely a Commonwealth responsibility, a state responsibility or an operator's responsibility. We have to work together on this. We have to be able to assess right across the country with respect to our vulnerabilities at those regional airports. If we just bring in security, with the costs alone to the operators, the local council or whatever, they will close.

CHAIRMAN—DOTARS tells us that cooperation between the Commonwealth department, the states and the local players does exist. In fact, we were told that, on 27 April, a memorandum of understanding was signed between the Federal Police and the Commonwealth department and that every state police commissioner has a written agreement with the head of the Australian Federal Police so that there is cooperation across the entire sector. I thought it exists already.

Mr O'Reilly—I think what we are saying is that it can be improved. It has been raised at the National Counter-Terrorism Committee by all the states—that we really do need to focus on airport security, just as we need to focus on a whole range of different transport security

arrangements. With respect to airports, the big issue is that we have so many regional airports and so much throughput on those airports that the vulnerability is extended. That is all.

Ms PLIBERSEK—You say the vulnerability is extended. One of the issues we have been looking at is whether those regional airports that have low-security environments could be used as gateways to a higher-security airport. Perhaps this is a question for Inspector Dojcinovic. Is that something that has concerned you?

Insp. Dojcinovic—Yes.

Ms PLIBERSEK—Can you tell us a little bit about those concerns?

Insp. Dojcinovic—The concern is that, while we target hard in some areas, people that have sinister intent will simply try to work around those strategies or look for weaknesses within the aviation system—entry points, as you say. We have already discussed the concern about light aircraft. Mr Chairman, you have raised the point about people flying privately owned planes. That is a similar concern to the one that we have about small commercial planes being used to fly into things. Once the plane is in the air, the New South Wales Police have a limited capability. We are almost completely reliant on the Defence Force.

Ms PLIBERSEK—It surprises me that your submission refers to the need to provide contingency planning for actual incidents or in situations where there is intelligence of a credible threat. I am amazed that that does not exist already—that sort of contingency planning.

Insp. Dojcinovic—It does exist. It exists in terms of the crisis management arrangements with the Commonwealth and the emergency planning arrangements. In terms of the contingency, I think the gap is the capability to randomly or in a targeted fashion screen passengers boarding planes at regional airports. They have no capability there. If there is an expectation that during periods of specific threat or heightened security alert the police will be diverted to regional airports to screen passengers as they board, I do not know that that is feasible. That is the kind of scenario the contingency plans seek to cover off.

Ms PLIBERSEK—Mr Donaldson, do you want to add something to that?

Mr Donaldson—I would just like to emphasise the vulnerability threat by classifying it into a state or regional aspect. Many airports that are not classified, such as Broken Hill and Wagga, run regular passenger services interstate.

Ms PLIBERSEK—The majority of them are not classified.

Mr Donaldson—That is right. The issue there is that you have 36 50-seat aircraft. That is a tool or a means to an end as a security or safety threat. Our assessment has established that it is not against the airline in principle; it is against the state or the state's interests. From that point of view, I would support my two colleagues here: you really have to have a national approach. There are no borders. We need to do an assessment on all of those major airports—not only in New South Wales; there are huge areas in Queensland and Western Australia—that are carrying these aircraft with 50 or 60 passengers. We have tended to put the policy in before we have done the operational assessment. I would recommend to the parliamentary committee that we do an

operational assessment in conjunction with the airports, the airlines and the states to establish an operational framework before we develop a policy on it.

Ms PLIBERSEK—Who should do such an operational assessment? Who is qualified to do it?

Mr Donaldson—I think it should be a combination. Before we came in here, I was saying that CASA are conspicuous by their absence. How does one separate security from safety or safety from security? From a Commonwealth point of view they should be involved. Then, obviously, there are each of the states and representatives out of the major airports.

Ms PLIBERSEK—One of the things that have become apparent to us during the evidence that we have received is that realistically the threats to airport security are much less likely to be from terrorists and more likely to be from people with a different sort of grudge or perhaps a mental illness, looking historically at the incidents that have occurred. Do you think we are focusing an unrealistic amount of attention on terrorism when the real threat is perhaps not from terrorists but from other types of people?

Mr Donaldson—I think that will come out of the risk assessment, and I think we can incorporate some physicians and psychiatrists into that category to do that assessment. I would remind the committee that the people who were trained for September 11 were trained at the regional airport in Miami, and at any stage they could have mounted that threat through those regional airports for that fateful day. I think we probably have to look at the clinical assessment as well as the terrorist threat.

Ms PLIBERSEK—Do you have any view on the security checking of staff who work airside in airports? This is an issue that has been raised. Some experts argue that we should be security checking people as far back as 10 years to see whether they have committed any criminal offences that compromise their ability to work safely airside or have any links with extremist organisations. Do you have a view on that? It is obviously very expensive to security check people 10 years back, but one of our expert witnesses has argued that that would be wise.

Insp. Dojcinovic—There is a range of methodologies that seek to validate a person's integrity and where their loyalties lie. I am not an expert in those methodologies. I think the best we can hope for is a robust system with some rigour that delivers sufficient confidence in the people who are out in these locations. I know that is a very general answer, but that is what we would be seeking to obtain. I do not know how far back you should go. Australia is a multicultural environment. I would hate to think that we would end up in a situation where we keep going back and then go from looking at periods of time to looking at people's ethnic backgrounds or religious beliefs. If we go down that path, once again the terrorists have won and have created an us-and-them environment.

Mr JOHN COBB—Mr Donaldson, you made a comment about CASA and general security, and I see them as two different issues. One is about airline procedures and the other is about security, and I do not really see why CASA has issues. In your comments about risk, it seems to me you were saying that if there is any risk we should provide security in terms of walk-throughs et cetera. If you took that right out to its extreme, it would mean you would ban motor cars altogether; it does not matter what happens, there is always going to be a risk factor. Don't

you think at some stage we have to make a judgment about where a risk is acceptable and where it is not? If the state felt that the risk was not acceptable at my airport of Dubbo or at the airport at Broken Hill then the state would be quite welcome, I am sure, to work with the airlines and put in security measures. As a national government, we have to make a judgment right across. If we wanted to be totally extreme on that then, okay, we could close down all the airports. Don't you think at some stage we have to make a judgment about this as to where it is relevant or where it is not rather than saying, 'A regional airport necessarily requires screening'?

Mr O'Reilly—I agree. That is what it is all about. It is a judgment. It just happens that the legislation base is with the Commonwealth. This whole thing is about partnerships and about cooperation between all the parties. We will never ever be in a position where we can give a 100 per cent guarantee, no matter what it is. That is what we have to do; we have to make judgment calls. We are just trying to work through the best way of getting to the best possible outcome so that we can say, 'As far as we possibly can, we have made reasonable judgments and assessments.'

Mr Schmidt—If I could add one very brief point, one of the lessons that came out of September 11 in America and in Australia as well is that fragmentation of responsibility and oversight in these areas of security is fatal. That is why there has been such great cooperation in Australia between states, territories and the Commonwealth in trying to have coordinated responses. This is yet another area where, for the sake of efficiency and effectiveness, it would seem indisputable that we need to have a coordinated national approach. The Commonwealth is the obvious leader in that regard. Your starting point, which everybody has agreed with, is that you can never, ever make things 100 per cent risk free. Part of the process and the outcomes in doing the assessment is to identify strategies—balancing resources against risks, achieving the best possible outcome on a whole-of-Australian-government basis. It should not be a matter of one state doing things and other states doing other things and the Commonwealth somehow floating in the background.

Mr JOHN COBB—Could I come back to CASA for a moment. You made the comment that they have been absent. In terms of simple security, what do you see their role as being?

Mr Donaldson—Part of their responsibility is aircraft safety.

Mr JOHN COBB—Operationally.

Mr Donaldson—Operationally. That would include any vulnerability to that aircraft, including navigational issues and safety of the overall maintenance of that aircraft. But the point I was making is this: where does safety start and security end, and where does security start and safety end? The ATSB do a number of investigations of aircraft accidents. That is their charter. I believe that CASA, as the overall authority, need to have some input into this with the airlines that they regulate. There is also the classification of airports regarding safety. I think it is a natural place for it to sit.

Getting back to your other point, I totally agree with you in that we cannot cover all airports. I would hate to think that an airport that goes to 30,000 people has a higher level of screening than somewhere that perhaps goes to 20,000 people and which could represent a higher risk because it is where the aircraft originated or was destined to arrive at. Your example of Dubbo may not

be as big a threat as something that goes interstate out of Adelaide Airport into Broken Hill or out of Wagga into Melbourne—you have some other risks going into a major airport. I just make that point.

Senator HOGG—My understanding of security is that it basically serves honest people and that the dishonest will find a way around security, no matter what one puts in place. That is my real dilemma here. No matter what security measures one puts in place, the terrorists' job is to find a way around it. So it seems to me, following on from my colleague Mr Cobb, that we really have to look at the bounds of what one means by 'security'. I put it to you that, with respect to the two regional airports that we visited yesterday, neither had a complete, secure structure around the totality of the airport. As a matter of fact, we could look across the runway at Tamworth and see that people could walk across the runway from a nearby road without any difficulty.

So in terms of security, if we are saying we should make the airport secure by just putting a fence up, that does not do it alone. Does one then employ security guards? But security guards are vulnerable because they can be bribed. Someone said to me that if the job is big enough and the money is big enough, then people will be taken out of the system. What I want to get from you is a sense of where you see the line being drawn in terms of rural and regional areas in New South Wales. Are you looking at things that have a visible outlook in terms of the public or are you looking at something that is more intrinsically crafty and wily in terms of the devices that are applied by the security elements in our society to catch these people?

Insp. Dojcinovic—We are certainly not advocating the wholesale implementation of quite conspicuous security across New South Wales. We think that to do that would be to give in to the terrorists. It would impact the cultural and social norms of New South Wales and possibly Australia. What we are looking for is effective, unobtrusive security. The six-foot cyclone fence with the barbed wire on top is very good at keeping cats and dogs out. That is the reality.

Senator HOGG—We found that out yesterday.

Insp. Dojcinovic—I turn to your point about Tamworth and people being able to cross the runway. I thought of Kent's earlier point about safety and security. We tie security in around the operation of the aircraft, which is really what we are talking about: the safe movement of people by air transport. Clearly, we do not want people walking across the runway when the airplane is taxiing, taking off or landing. So safety and security have a relationship there. In order for the place to be safe there reaches a point where it also needs to have some degree of security associated with it. If the security were simply associated with the safe operation of the aircraft, and we had confidence that that aircraft had a degree of security integrity, I think we would be quite happy.

We need the ability to dismiss hoaxes and threats that we receive, and that are received through the national hotline, by saying, 'We have sufficient confidence in the security of regional aviation to be able to say that that is an un-credible threat and we attach little credibility to it.' That is what we are seeking to achieve. We are certainly not coming to you with a preconceived idea about what security looks like at a regional airport—far from it. What we are trying to do is counter a situation that we not only find ourselves in now with a range of other

pieces of infrastructure but also anticipate in the future. That is the kind of robustness and resilience we are looking for. We are looking for confidence in security.

Mr CIOBO—Mr Donaldson, part of our task is to sort out the reasonable from the sensational. You made a comment earlier about the September 11 attacks being a consequence of, for lack of a better term, pilots who were trained at regional airports. I failed to make the connection between that statement and what we are discussing here today. What was your point?

Mr Donaldson—The point I was making was that regional airports are vulnerable to people with bad intentions. I totally agree: we do not even have simple screening at some of the airports at the moment. I believe that regional training schools, general aviation, CASA and the states need to have combined police and security forces. They need to have a combined approach to the risk assessment in delivering not only to general aviation but also to the larger aviators significant inside intelligence as to where their threat may lie.

Mr CIOBO—To paraphrase: the message I am getting is that there is, in fact, a focus on what I would call passive security in terms of the intelligence, the risk assessment and the threats that exist, rather than on active security in terms of walk-throughs, scanners and those types of things. Is that correct?

Mr Donaldson—I think it would be a combination of some scanners—

Mr CIOBO—Surely it is a combination.

Mr Donaldson—But, from the parliamentary committee's point of view—and just taking up Gordon's point of view—we then enter into a number of privacy issues. How far can we scan people—if they are learning to fly, or if they have access to regional airports or major airports? I think that that should be taken into the operational risk assessment.

Mr CIOBO—The emphasis, though, is on the passive side of it.

Mr Donaldson—Yes.

Mr CIOBO—Is it correct then for me to also paraphrase to say that what, in essence, you are calling for is for part of DOTARS' risk assessment on regional airport security to incorporate an element of that passive intelligence-gathering risk assessment profiling of airports to make an informed decision about whether or not there needs to be an active sense of security at the airport?

Mr Donaldson—That is correct.

Mr CIOBO—That doesn't happen at the moment?

Mr Schmidt—Yes, I think the point Kent made earlier was that we are looking for a combination of things; we are not presupposing what the outcome will be. Inevitably, any assessment would lead to a range of strategies which would involve passive and active components.

Mr CIOBO—But is it your assertion that that is not happening at the moment through DOTARS? Is that correct?

Mr Donaldson—That is my opinion.

Mr CIOBO—But is it factual or is it just your opinion?

Mr Donaldson—I do not believe all the stakeholders have been brought together to do a credible risk assessment on the operation into some of those regional airports.

Mr Schmidt—Yes, I think the point is that we are not criticising individual agencies or whatever; what we are saying is that there would be much greater efficiency and effectiveness if there were a more coordinated approach to addressing this problem. Nothing here should be taken as a criticism of those particular agencies. We are seeking cooperation on this front to have a better outcome, ultimately.

Mr CIOBO—We are talking generalisations; I am interested in specifics. When it comes to agencies such as ASIO or indeed any agency that might be in a position to ascertain, in a passive sense, the kind of security information we are talking about and relay that information either to airports or to airlines on the basis of any potential threats posed so that they can then increase active security, you are saying that there is a break in that chain at the moment—is that correct?

Mr Schmidt—No. Obviously the police will be able to say this as well, but it is my understanding that intelligence sharing is ongoing. The arrangements and connections are in place to share that information between the law enforcement agencies in New South Wales, ASIO and the Commonwealth law enforcement agencies. That intelligence sharing happens.

Mr CIOBO—I am trying to clarify this. When it comes to actual regional airports, if that intelligence sharing is taking place, your primary concern then pertains to what, exactly?

Insp. Dojcinovic—Their capability to escalate security in proportion to the identified threat.

Mr CIOBO—Thank you. I notice in your submission you make reference to the National Counter-Terrorism Committee discussions which were to take place in August. Your Premier, I presume, made a number of assertions at the COAG meeting with regard to this issue, did he?

Mr Schmidt—I do not believe this agenda item was reached at the COAG meeting.

Mr CIOBO—So, in terms of the concerns you have been relaying to us that are a high priority for the New South Wales government, how were they discussed with the Prime Minister at the COAG meeting?

Mr Schmidt—I believe that the COAG meeting had a limited agenda and the Premier remains willing to speak to the Prime Minister at any time on these issues.

Mr CIOBO—But it was listed for discussion at that COAG meeting, wasn't it?

Mr Schmidt—It was listed; it was not reached.

Mr CIOBO—Thank you.

Ms PLIBERSEK—I want to follow on a little from Mr Ciobo's questions about where you put the importance of intelligence gathering as a way of dealing with risk, compared with the scanners and so on. For regional airports, it seems to me they would be relying completely on someone contacting them if they had intelligence that there was a potential threat to a regional airport. Are you confident that that would happen?

Insp. Dojcinovic—Today? No. And the reason for that is, I think—I don't think; I know—DOTARS and the police service, certainly, are beginning to work more closely in relation to regional airports. I think that part of the identification and the expression of the state's concern in relation to regional aviation came about through trying to scope the state's critical infrastructure protection responsibilities and where those responsibilities lay. In addition to that, in terms of the total amount of work that both we and DOTARS are engaged in, we have also been engaged in the draft maritime bill. So we are doing a lot of work together; the concern is that we are not, perhaps, doing it quickly enough. But I appreciate, on both sides, there are limited resources. DOTARS, we in the police service and the Ministry of Transport, New South Wales, will very shortly begin visiting some selected regional airports so that we have a common understanding and appreciation of our mutual concerns, our abilities and the security issues.

Ms PLIBERSEK—The issue of who pays for this is a very significant one. I notice that you have put in here giving consideration to providing Commonwealth assistance 'whether it is required'. It will be required, obviously, if we upgrade security in some of these small, regional airports. They are just hanging on and a lot of them have been taken over by local councils. What do you see as the potential cost involved?

Mr Schmidt—I have no view as to what the ultimate cost would be. That is why we need to do the assessment to form that view. I would not begin to speculate and it would not be appropriate to do so.

Ms PLIBERSEK—Okay.

CHAIRMAN—Mr Donaldson, you talked about intent. In the first public hearing we were discussing that because the *Australian* had run on page 2 a photograph of a Qantas jet and a SAM missile, in the same photograph, which did not overly excite me, I can tell you, because we have enough trouble with tourism problems, considering SARS, September 11, Bali and other incidents. In any case, we were told that in order for a terrorist incident to take place there needs to be: firstly, intent; secondly, capability; and, thirdly, training. You mentioned intent. Are you aware that we have ever had a terrorist incident anyway in Australia, let alone at a regional airport, with a small single-engine aircraft?

Mr Donaldson—I am not aware, no, but that does not mean that there is not an intent.

CHAIRMAN—Could you tell me if, in your view, the potential threat to Australia and Australian lives and infrastructure would be greater from a light aircraft leaving a small regional airport and flying somewhere than it would be from a truck laden with either high-intensity explosives or fertiliser and diesel oil crossing the Sydney Harbour Bridge?

Mr Schmidt—I did not know if that is a fair question for Mr Donaldson, having in mind which agency he is representing.

CHAIRMAN—Well, any of you then.

Mr Schmidt—It would be a personal opinion. I certainly would not want to express a personal opinion, not being an expert in those fields.

Mr Donaldson—The only comment I would make is that the state has done a very intensive, critical infrastructure assessment for the things that you just alluded to. Obviously one thing that we feel needs to have a little bit more attention is regional airports.

CHAIRMAN—I just want to try and get everything in balance, that is all.

Senator HOGG—So do I, and I want to follow on from that question. Whilst this is an inquiry into aviation security, is the focus being placed too heavily on aviation security and not on the relationship generally in all areas of security? Could you comment on that, please.

Mr Schmidt—A very good question. Inevitably, because we have an inquiry which has a focus of aviation security, our focus here today is narrower. But the point we have been trying to make from the outset is that all of these issues are part of an overall package of national security where there has been and is ongoing cooperation between the states and territories and the Commonwealth. Exactly right: this is a component of a broader issue; it requires attention and that attention should, as part of its brief, look at how this fits into the other components of national security and the other work being done. That is partly why the NCTC was established, to bring those elements together.

CHAIRMAN—We are lucky we live in a democracy where we can have public hearings like this.

Mr Schmidt—Indeed.

CHAIRMAN—Gentlemen, thank you very much. I have to ask a last question as a result of our early hearings. Is there anything you have not told us that you should have?

Mr Schmidt—Not that I am aware of.

CHAIRMAN—Thank you. If we have any further questions you will not mind if we put them to you in writing rather than ask you to come back before the committee again?

Mr Schmidt—Certainly.

CHAIRMAN—Thank you very much again for your submission and for coming and answering our questions.

[10.20 a.m.]

ELLIOTT, Mr Ronald John, Manager, Security, Sydney Airport Corporation Ltd

FALVEY, Mr Christopher John, General Manager, Corporate Affairs, Sydney Airport Corporation Ltd

FITZGERALD, Mr Steven, General Manager, Airport Operations, Sydney Airport Corporation Ltd

CHAIRMAN—Welcome. We have received your submission for which we thank you. Do you have a brief opening statement or may we start to ask you questions?

Mr Fitzgerald—We would like to have our statement taken as read, but I would appreciate the opportunity to make some broad opening statements, if that is appropriate.

CHAIRMAN—Yes; very quickly. We think our questions are more important.

Mr Fitzgerald—We would like to have recognised that Australia has a sound aviation security system. It involves a layered approach and airports provide a number of the central layers. The system has been able to react well to change in the aviation environment. We work very closely with industry partners and government to continually refine that system. Overall, we believe that the system is world-class and, in terms of security generally in Australia, that aviation is a leader. Sydney airport spends around \$28 million of its operating cost budget on security each year. That is well over 20 per cent of our total operating costs. In addition, we have over \$50 million invested in security infrastructure. The introduction yesterday of trace detection technology involved a further investment of over \$1 million in new technology and added nearly \$2 million per annum to our operating cost budget through the manning of those trace detection points. Over the next 12 months we face a requirement to more than double our total investment in aviation security through the introduction of additional ‘check baggage’ screening. At this stage, although it is early days, our estimate is that we will be spending over \$80 million for Sydney Airport Corporation alone, and that excludes Qantas’s separate investment in its leased terminal.

We believe very strongly that aviation security is a national security issue. We think that is a view generally held by the industry and government. The target of terrorism has always been the symbolic representations of countries and possibly even national economies. The exception to this interpretation seems to come about only when it comes to the issue of funding. We would argue that the government needs to accept that it has a responsibility for funding parts of aviation security in the national interest.

In relation to the public discussion on security issues, we certainly need to find a balance between providing public information in order to satisfy the public that their interests are being protected and not providing so much information that security outcomes are compromised. Public discussion of the details of new or existing security processes may simply telegraph our

punches to those who may seek to evade them. The Deputy Prime Minister and Minister for Transport and Regional Services has made that point on a number of occasions.

The debate also, in a media sense, tends to focus on the exception. Across the industry, over one million passengers are screened each week, and the story is always on the single exception to an otherwise very sound system and a layered approach. With that in mind, we have indicated to the committee some detailed questions we may request be taken in camera. We certainly agree with the Prime Minister's statements that the framework in Australia is as good as if not better than anywhere else in the world. We think a couple of areas of the framework would benefit from additional consideration. One is the responsibility for providing a uniformed armed security force at airports, responsibility for which currently falls to airports. We have a contractual relationship with the Australian Protective Service. We believe the Australian Federal Police may be able to better carry out that function if it were given the responsibility directly.

We see a strong role for the state government to provide a community policing presence at airports, and that is something that has been withdrawn over the years. As a final point, we accept in principle the approach to regulation that is moving towards outcomes based regulation. The issue that is created practically is that that can lead to substantially different approaches at airports over time. It also puts an impost on airports to take their own separate advice rather than rely on a central policy setting. With that in mind, we think that some balance can be drawn where the Commonwealth retains responsibility for giving detailed guidance to airports within the framework of an outcomes based approach.

CHAIRMAN—Thank you very much for that. One of the things that you just said is that it might be helpful if the Commonwealth did more spending in this area and relieved you as well as the airlines of some of the capital expenses. Do you think that taking away the security responsibility from you and from the airline operators that operate their aircraft from your facility will enhance the security culture?

Mr Fitzgerald—I believe that the issue of funding and the issue of responsibility are two separate issues. There are arguments in both of those issues that you raise. In terms of the overall framework I mentioned in the opening comments, I think there are areas of the security framework where airports have responsibility for things at the moment that may be best dealt with from a Commonwealth perspective. The armed security force—or what we have known to date as the counterterrorism first response—is one area where direct responsibility by the Commonwealth may improve the security outcome. They can use those resources more flexibly if they are not under a contract with us, which is more specific.

In the area of funding the issue is one not necessarily of security outcome but of matching the impost for security to where the benefit is derived. The benefit of aviation security is a national benefit; therefore, I believe the funding should be considered nationally and not raised by further imposts on passenger charges. We recognise that we pass our costs on to airlines who, in turn, pass them on to passengers. That system simply makes aviation a more expensive proposition for passengers, when the benefit is actually one that is nationally derived.

CHAIRMAN—So you are proposing that Australian citizens who do not use aircraft and airports should pay for airport security.

Mr Fitzgerald—The government and the community generally benefit from having a strong aviation security environment, as they benefit from having a strong aviation industry.

Ms PLIBERSEK—Or a strong health system or a strong education system.

CHAIRMAN—It might be a lot easier if we just took over the states with the Commonwealth, do you reckon—got rid of state governments and did the lot? You do not need to answer that. Your submission notes that Sydney Airport Corporation Ltd:

... complies with a comprehensive and balanced set of mandated security measures—

and undergoes regular auditing, which supports that statement. In the light of that claim, how do you explain the occurrence of at least four security breaches since May this year, including undetected weapons being taken on board aircraft and unscreened passengers entering sterile areas of the airport?

Mr Fitzgerald—I would be happy to make some general comments—rather than focus on specifics, particularly in a public setting. The security system is a layered system. As I said in the opening remarks, the industry screens a million people a day. The framework has multiple layers in it. When you are looking at specific breaches you are looking at one layer not having picked something up, not necessarily a failure in the entire system.

CHAIRMAN—I understand from your submission that the Commonwealth is proposing to increase regulation by setting up a demerit system. You argue against that. How are you going to prevent a continuing recurrence of security breaches at Australia's most significant airport?

Mr Fitzgerald—The line of argument is that the demerit system per se would strengthen that arrangement. We believe that that is a matter of debate. It is not a question of trying to avoid something that would improve security outcomes; it is simply a question of whether that is the right way to do that.

Mr Elliott—We have suggested that the improvement notice system that is in place in the New South Wales WorkCover system would be a better way of achieving a balanced understanding.

CHAIRMAN—Is that with DOTARS?

Mr Elliott—Yes. That has been part of the regulatory reform discussions. We have suggested that to them. We have not seen the final regulations, so we are not sure where it is going.

CHAIRMAN—One of the things we are concerned about, which does not attract the public's attention very much, is airside safety and security. This committee has received evidence that the control of those with permanent passes is less than ideal at major airports, and that the issuing of temporary day passes to contractors coming in with vehicles and others who say that they have work to do airside is not only less than ideal but perhaps negligent in some respects. What is Sydney airport doing to try to improve its regulation of airside controls?

Mr Fitzgerald—I do not believe that the current system is negligent. The issue of airside control is one of a number of areas that need to be assessed against the level of threat that they pose. Security identity cards are about to go through a reissue process, which will include additional background checking. The issue of whether or not to introduce further layers of security screening needs to be considered in terms of the level of threat that that would mitigate as against the additional cost in terms of both money and the efficient operation of an airport.

CHAIRMAN—You do your risk assessment in conjunction with DOTARS, the Commonwealth, the Australian Federal Police, your own local police force, ASIO, AQIS and everybody else who is involved in this equation. You do take the risks into account. How much emphasis do you place on past actions that have occurred overseas—for instance, September 11 and innumerable hijackings around the world—versus our experience in Australia?

Mr Fitzgerald—From an intelligence point of view that all would go into the mix in terms of a threat assessment. Also, the government, through ASIO and other agencies, has a very important part to play in providing that intelligence for those threat assessments. I think the answer to the question is that that would all be part of the risk assessment and the threat assessment.

CHAIRMAN—Prior to September 11, I doubt that it would have been high on the radar screen or high on your list of priorities to examine the possibility of a jet aircraft being used as a bomb. Yet it has happened once. The chances are that it will never happen again, because we are doing everything to make sure that it does not. To what extent do you look at possible future threats? Do you look at future scenarios?

Mr Fitzgerald—I think that that really is an issue that should be taken up by ASIO and others. We are communicated with by ASIO and we are very happy with the current level of information flow, but those briefings that we receive are secret in nature. The assessment is primarily theirs. They give us the benefit of that information, on which we act accordingly.

Ms PLIBERSEK—You say that the Department of Transport and Regional Services:

... has lost some of its Aviation Security knowledge and expertise—

through staff movements, and you recommend that DOTARS hire an aviation security expert. Can you tell us on what you base the assertion that they have lost some of their expertise? How big a problem do you see this as being?

Mr Fitzgerald—The movement of staff in any area is inevitable. Having worked with them very closely over many years—Ron and his team, in particular—we are aware of when their staff choose to move on. I think that that is inevitable. I think that the broader question is whether they currently have both the level of resources and the level of expertise. Particularly in relation to the level of resources, we believe that if they had some additional resources they could support the workings of the industry more directly than they are currently able to do. We as an industry very much take a lead in a number of areas with various security working groups and other things. Sydney airport, other major airports and Qantas often take the lead in those arrangements. Our view is that additional support from the department could simply assist in the process.

Ms PLIBERSEK—Where have the experts gone?

Mr Elliott—Either they have been transferred within the department or they have left, as far as we know.

Ms PLIBERSEK—So they do not have enough resources and their experts are being transferred. That sounds like we should be worried.

Mr Fitzgerald—I would not like to overstate the case. As I say, some level of movement is inevitable. When people who have long experience move on, you need to address how those gaps are to be filled. You cannot either force people to stay or potentially deny them any movement throughout their career, so I do not want to say that we are critical of Transport in that regard. But if there are areas in which the industry believes we need more support, we believe that the department needs to be resourced to provide that internally. If it is not available internally, they, like any organisation, need to look outside for expertise to bring in.

Ms PLIBERSEK—So you think that they are not being properly resourced in this area at the moment?

Mr Fitzgerald—We think that they could benefit from some additional resources.

Ms PLIBERSEK—You mentioned that you are worried that there may be a reduction in the level of consultation between the department of transport and the industry. You say that the level of consultation in relation to the tabling of the Aviation Transport Security Bill in March was inadequate, with no industry consultation on the document itself and only later consultation on the regulations. That seems like a pretty substantial oversight—to have no consultation before the introduction of such important legislation.

Mr Fitzgerald—Certainly, at that time we were very disappointed. I think that the work that has gone on subsequently has regained a lot of that ground. But at that point in time we felt that, as private sector airport owners who are the owners of the infrastructure on which the legislation was going to have a very direct impact, we were an important stakeholder and we felt that we were not adequately consulted in that process. There has been significant consultation, particularly on the regulations, since then and even since the time of our submission to this committee. So, as we sit today, we are more comfortable with the level of consultation that is going on, but it does not fully address the disappointment we had at that particular time.

Ms PLIBERSEK—Do you think the legislation would have been better if you had been consulted earlier?

Mr Fitzgerald—That is a difficult question. Part of the concern is that we believe we are able to contribute as the facility owner to that legislation. But also it is simply a recognition by the department that the private sector has a significant interest in that legislation. So it is a case more of due recognition of our role than any specific weaknesses that we see in the legislation.

Ms PLIBERSEK—You mentioned that the trace detection technology has come online now. You are talking about trace detection for explosives?

Mr Fitzgerald—Yes.

Ms PLIBERSEK—Is your aim to swipe 100 per cent of baggage going onto international flights?

Mr Fitzgerald—The trace detection is at the passenger screening points, so it is separate from the screening of hold stowed baggage that we currently undertake and are increasing. In relation to how we do that trace detection and the level at which it is going to be done, it will be a random process.

Ms PLIBERSEK—Is that for carry-on baggage?

Mr Fitzgerald—It is for carry-on baggage and people.

Ms PLIBERSEK—Will that be on both domestic and international flights or just on international flights?

Mr Fitzgerald—It will be on both domestic and international, and there will be testing of the people and their baggage going through screening points.

Ms PLIBERSEK—Testing of their skin, their clothing or what?

Mr Fitzgerald—Yes; testing of skin, clothing and baggage.

Ms PLIBERSEK—That just started yesterday?

Mr Fitzgerald—Yes.

Ms PLIBERSEK—Have you had any positive readings so far?

Mr Elliott—Yesterday we had six positive readings, which—

Ms PLIBERSEK—Six positive readings!

Mr Elliott—were all cleared.

Ms PLIBERSEK—There were six positive readings, but those people had explanations for why they had readings. What sorts of explanations were they?

Mr Elliott—Nitroglycerine heart tablets, for one, and fertiliser.

Ms PLIBERSEK—If you had six readings in on your first day, it sounds like it is going to be a lot of extra work. Do you anticipate that that is going to stretch your resources?

Mr Fitzgerald—We are investing about \$2 million in additional resources simply to do this. We are providing those resources through our screening contractors, who have now been fully trained. So, yes, it is taking a lot of extra resources, but that is factored into our current

budgeting. It is also being factored into the charges that we are currently passing on to the airlines and passengers.

Ms PLIBERSEK—Are you using profiling to choose whom you swipe?

Mr Elliott—There is no passenger profiling; it is random selection.

Ms PLIBERSEK—So it is left up to the security guards at the barrier?

Mr Elliott—Those at the screening points; yes.

Ms PLIBERSEK—You say:

As a complementary measure ... a regime of profiling of travellers is likely to be an important security tool in the future ...

But you say:

To be ... effective ... a profiling process would entail the assembly of data on individuals, itself potentially an invasion of privacy ...

Have you had any communications with the government on the potential of using passenger profiling to select whom you screen more closely?

Mr Fitzgerald—I think it is fair to say that that issue in the almost daily discussions and regular meetings we have with government does come up as an issue for discussion. The responsibility for acting on that, when we look at our layered level of security, is a layer that is not really within the control or responsibility of the airport and is really one that at this stage sits with the Commonwealth for consideration.

Ms PLIBERSEK—Do you have to have a national database of people available not just to airports but to other areas where security might become important? It sounds a bit big brotherish.

Mr Fitzgerald—That is an issue for the Commonwealth—not private sector—airports at this point.

Ms PLIBERSEK—Have you had discussions with them about it?

Mr Fitzgerald—It has been discussed in terms of the broad and, I have to say, confidential discussions that we have about the range of issues that have been considered around the world in various jurisdictions.

Ms PLIBERSEK—How would it work—when you get a boarding pass would a little message pop up on the screen to say, ‘This person has an association with a known extremist group; you had better check them when they go through the passenger checkpoint’?

Mr Fitzgerald—The discussions that I have been involved in have not gone to that level of detail. In terms of an implementation type of arrangement, the technology et cetera, that sounds beyond the level of discussions that I have been involved in.

Ms PLIBERSEK—I want to ask about your security passes. We have had evidence about both permanent and temporary security passes that are issued. When someone leaves your employment, do they have to hand back their security pass?

Mr Fitzgerald—Yes, they have an obligation to do that.

Ms PLIBERSEK—What percentage of security passes do you get back in those circumstances?

Mr Fitzgerald—I do not have that information at the moment. I am not willing to take a guess. We can perhaps provide that.

Ms PLIBERSEK—Could you provide it to us later? Would you say that it is more common than not that people return their passes or the opposite?

Mr Fitzgerald—More common than not that they do.

Ms PLIBERSEK—Would you say that most people return their passes?

Mr Fitzgerald—Yes.

Ms PLIBERSEK—So 51 per cent upwards. And the passes are valid for two years, are they?

Mr Elliott—Under the current regulations, they can be valid for five years, but at Sydney airport we only do it for two years.

Ms PLIBERSEK—So, if you just did not hand back your pass and you turned up to get into a secure area, would your pass have been deactivated? Would you be prevented from entering into a secure area or, if you were so minded, would you be able to get into a secure area once you had left the employ?

Mr Fitzgerald—Under our monitoring system, passes are deactivated so that you could not use them to electronically get through.

Ms PLIBERSEK—But you could be getting it out as someone else was walking through the door and, to save you swiping, they would swipe theirs and let you through? Is that a possible scenario?

Mr Fitzgerald—We police that very heavily in terms of individuals swiping other individuals in. Our systems are designed generally not to allow that.

Ms PLIBERSEK—Sometimes it is just good manners when you have gone through a door to hold it open for the person behind you.

Mr Fitzgerald—It may be good manners generally in the community but it is certainly not good manners in an airport environment, and our training and information campaigns are designed to stop that. If it does occur—we have camera monitoring of positions—we take action against the individuals doing that.

Ms PLIBERSEK—We have had a very concerning incident where we believe—we do not know the details of this—the lost security pass of a cleaning contractor was used to access a departmental building. Do you think that you have adequate systems for recovering lost passes or deactivating them? Are you confident that someone could not pretend to lose a pass and give it to someone with malintent?

Mr Fitzgerald—No system is 100 per cent. However, we believe our systems for cancelling passes are strong and we have those systems and processes in place. As I said in my opening remarks, there are occasional exceptions that then create concern, but in the vast majority of cases the system works.

Ms PLIBERSEK—Can you tell us that there have been no breaches of the sort where identification passes have been misused to allow access to areas where people should not be?

Mr Fitzgerald—No, I cannot tell you that.

Ms PLIBERSEK—Can you tell us about the type of incidents that have occurred?

Mr Fitzgerald—Certainly not in a public forum.

Ms PLIBERSEK—Perhaps we could go in camera when other people have had their turn. I have some more questions but I will give someone else a turn.

Mr JOHN COBB—I believe I am right in saying that from regional airports like Parkes, Dubbo, Broken Hill, Wagga and Tamworth anyone can fly to Sydney or Mascot but they cannot fly anywhere else without going through screening.

Mr Fitzgerald—That is correct.

Mr JOHN COBB—Are you totally confident that you can maintain that? I have never tried to get around it but are you totally confident that that will hold water, that is, that people cannot get on another plane without going through screening, having flown in from a regional airport?

Mr Fitzgerald—The process involves them flying in and then being monitored by the airline through a screening point into our terminals. That process is sound.

Mr JOHN COBB—That does not necessarily require you to get another ticket. I get on at Dubbo with a ticket all the way through to Canberra, so you do not have to go through ticketing. I agree that you do have to go through screening. You are confident about that holding up?

Mr Fitzgerald—Yes.

Mr JOHN COBB—Do you believe, given the current information that you have from talking with DOTARS and the various Commonwealth and, I presume, state agencies, that at this time those regionals—and I do not include Coffs Harbour in that because that is under a different regime—have sufficient security?

Mr Fitzgerald—Primarily, it is a matter for others to consider. At Sydney airport we take advice on the level of threat as the government does and at this stage we are not aware of any direct plans to change that situation.

Mr JOHN COBB—It is not your job to assess the risks in the first place, but it is your job to put the procedures in place or to activate them. Given that there are other airports around the world that were dealing with this many years before we have had to actively deal with it—we have probably looked at it in the last two years far more than we did in the past—do you as an airport corporation go to places like Israel where they have been doing it very stringently for a long time to see how they do it and whether what you are doing is compatible? One would have to assume they are pretty successful at it. Do you go to places like that?

Mr Fitzgerald—We have security specialists. Ron and his team travel overseas to view the security at other airports. We have had someone away quite recently looking at specific areas of security and we will be continuing to do that.

Mr JOHN COBB—Does our administration at the top level of Sydney airport talk to the top level at the Lod airport?

Mr Fitzgerald—We do. We are involved in the Airports Council International. Our chairman and chief executive plays a role there and through various levels of our organisation we are linked in to peer international airports around the world.

Mr JOHN COBB—It seems to me that where you are concerned it is very relevant to see how the best do it. I am not suggesting that we are not up there.

Mr Fitzgerald—I certainly agree with that and I believe we do do that and we will continue to do that.

Mr JOHN COBB—I notice you talk about profiling. Do you talk about the profiling of passengers as an alternative to screening or as well as screening? How does it work? Is it a cheaper option than screening, for example, and is it as effective?

Mr Fitzgerald—I hesitate to say that we do not talk about profiling. You asked the question: ‘Has it been raised?’ Yes, it has been raised, but it has been raised in the context of another potential layer in the layered security system that we have. We talk about all the layers as working together to form an overall system, so any new security arrangement that is discussed and could be implemented could well be a new layer. We occasionally would need to look at the outcomes of existing layers over time to see whether they are all required, but at this stage we have been adding layers rather than substituting layers, if you like.

Mr JOHN COBB—It seems to me that, in light of what has happened in the past, the large cargo planes—and I realise most planes are a combination, but there are cargo only—are

probably in some ways more susceptible to being interfered with than passenger planes in this day and age, and certainly since September 11. Do we pay particular attention to international cargo or cargo travelling anywhere?

Mr Fitzgerald—I might ask Ron to comment on the arrangements for cargo.

Mr Elliott—The Department of Transport and Regional Services has a regime in place for cargo security, and the requirement to comply with that is with the air carriers. As an airport operator we currently have little role to play in air cargo security. It is probably a question best asked to the air carriers.

Mr JOHN COBB—Do you mean that, in the operation of the airport, you have very little to do with what happens with cargo planes—the cargo coming in, being loaded and going out—until a plane leaves, in other words?

Mr Elliott—The cargo that goes on an aeroplane is the responsibility of that aircraft operator, and they have measures in place set down by the department to handle that cargo. The airport operator does not become involved in that process. As far as access to the airport is concerned, we run access control, but the loading of aeroplanes and the inspection of cargo on those aeroplanes is a matter for the air carrier or the cargo operator and not the airport.

Mr JOHN COBB—So it is more to do with AQIS than is to do with you?

Mr Elliott—AQIS does not deal with aviation security.

Mr JOHN COBB—But there is the cargo. Okay, thank you.

Senator HOGG—You complained about a lack of consultation on the aviation security bill earlier this year. Was there a Senate inquiry into that piece of legislation?

Mr Fitzgerald—The bill, as I understand its current status, is still under consideration; it has not been passed.

Senator HOGG—But has there been a Senate inquiry? We senators do not know every inquiry that takes place.

Mr Elliott—I understand there was, but I have no idea of the detail. We have not been invited to it.

Senator HOGG—The point is that Senate inquiries generally occur as a safety valve for legislation going through the Senate. Did you people make a submission to that particular inquiry?

Mr Fitzgerald—We have been making representations through the department. We understand that it is under consideration in the Senate, but we are not aware that there has been a specific Senate inquiry where they have sought submissions from industry.

Senator HOGG—The reason I raise it is that sometimes there is a bill where there is agreement on all sides of the political spectrum in the Senate and an inquiry does not proceed. So my question then is this: in the case of issues such as security—in this case, aviation transport security—should it almost be mandatory that the processes of the parliament ensure that an inquiry takes place, or the prospect of it to take place is there, based on submissions from interested parties, such that, where consultation might be poor, there is a failsafe mechanism that enables you to come before the Senate and put down your queries about a particular piece of legislation?

Mr Fitzgerald—Senator, in terms of the mechanics of that, that is not something that we have given direct consideration to. Where we believe as a private sector airport operator that we have not been properly consulted, we will certainly raise those concerns with the government generally. In this case we are relatively satisfied now, that having had a disappointing start, we have been able to regain ground. So we are relatively comfortable with the way that is proceeding. Whether the issues should be automatically raised in the Senate, I will leave for discussion.

Senator HOGG—It seems to me that that is one thing this committee might consider in its report. I have not given it any great thought at this stage, but it may be a means of overcoming difficulties that may confront yourselves. The other issue I want to raise with you is the one you raised in your opening statement about the withdrawal of community policing from the airports. Could you comment on exactly what you meant and how you see the state police force playing a role on airport sites?

Mr Fitzgerald—We generally have an excellent relationship with the New South Wales Police. They are certainly the lead agency in many of our plans. Their responsiveness to issues is generally very good. The issue regarding community policing is that there used to be a permanently manned presence on airport with a police station on airport. That station, while it still exists as a facility, is not permanently manned. Our view is that, as a very large piece of community infrastructure where crime at all levels is an issue, it warrants a permanent community policing presence, which is not currently the role of the Commonwealth agencies that operate on airport.

Senator HOGG—How would it be different from the role of the Commonwealth agencies? Where would there be potential for a crossing of responsibilities and jurisdictions?

Mr Fitzgerald—At this stage the Commonwealth agencies do not have general policing powers on airport. The contracted Commonwealth officers that are undertaking certain functions do not have the powers of the New South Wales Police in terms of intervening and/or following up on criminal activity. My understanding is that the line between Commonwealth and state jurisdiction intersects when a level of crime becomes an issue of potential terrorism, for example, and that is a line of judgment, and judgment needs to be exercised by the agencies. We believe there is a role for both the New South Wales Police and the Commonwealth agencies working together at Sydney airport.

Senator HOGG—Do you know why the police were withdrawn? Was it purely a cost consideration on the part of the New South Wales Police?

Mr Fitzgerald—We are not aware of the specific reasons. Obviously that may have been a consideration.

Senator HOGG—We might be able to get an answer on notice from the New South Wales Police on that issue at some stage.

Mr CIOBO—A number of witnesses have appeared before us who have said that, for all intents and purposes, the primary focus is on what I have termed passive security, which is the intelligence and those aspects, the profiling that takes place before a potential threat gets to the airport. Would you agree that that is indeed the primary focus? I am not saying it is the only focus but it is the primary focus of airport and aviation security.

Mr Fitzgerald—It is an extremely important part but I would not say the primary focus in that we give strong focus to every single layer. We are not directly responsible for that layer so the primary focus is on the layers we control. But the intelligence side of it is undoubtedly an extremely important part of aviation security.

Mr CIOBO—I noticed that you said earlier that you were very happy with the information flow that you receive from, for example, ASIO and other agencies. You even made the reference to daily discussions. Is that at a level that is consistent with world's best practice? Has there been something that you have worked on to establish that or has it just been a consequence of a heightened security environment?

Mr Fitzgerald—My perception is that it has improved recently. The daily discussions that I referred to are more in relation to the department of transport which also plays a slightly different role from the intelligence agencies though they are closely linked within the Commonwealth. Obviously I have not worked in other jurisdictions so I cannot comment on that level, but I think the statements of the Prime Minister make sense in that our system and the way the Commonwealth works internally and the way the Commonwealth works with us as airports are at world's best practice, and I have no reason to doubt that.

Mr CIOBO—Do you actually benchmark yourselves against best practice in terms of other airports when it comes to aviation security? What are your KPIs for that type of security?

Mr Fitzgerald—There is not a formal benchmarking system. But going back to some of the earlier questions, certainly when we are both assessing threat levels and security layers and security processes, we look at the experiences around the world, what other people are doing and what is working well. We and the department of transport are certainly involved in doing that in terms of the way we implement things and we look to implement things that we believe are best practice in terms of the security outcomes.

Mr CIOBO—When you compare, for example, Sydney airport, probably our primary airport in this country, with JFK or Newark or London airport—airports that have historically perhaps been identified as having a higher terrorism or security threat—what would you say our level is: equivalent, better, substandard?

Mr Elliott—I would say that it is at least equivalent to what happens overseas. There are different measures in place at different airports and different regulatory regimes set up different

requirements, but we would certainly match the requirements of any overseas airport given the threat level that we have here.

Mr CIOBO—We had a previous witness that made comment about possible concerns in terms of the reaction time for you to respond to an identified threat. Would you care to make some comments on that and, further, as a sub part to that question, do you think it is easier or more difficult for Sydney airport, given its size, to respond more rapidly or indeed more slowly than perhaps a regional airport to a specific identified threat?

Mr Fitzgerald—Could I ask for clarification—I may not have been in the room during that questioning. Do you mean in terms of a specific threat, in terms of the intelligence that there may be a threat or an incident at the airport?

Mr CIOBO—The former.

Mr Fitzgerald—I think our ability to respond is very good. As I mentioned also, our size comes with the benefit of being able to have a very high level of resources devoted to that. Primarily within New South Wales our response would become a multiagency response. We are generally very pleased with the relationship that we have with the New South Wales Police and the relationship on airport that we bring together but do not necessarily lead in terms of the ability of all the players on Sydney airport to come together in that specific instance. Thankfully, we have not had call to activate that sort of response on a regular basis.

Mr CIOBO—Where does the expertise reside at the moment when it comes to aviation security? Is it with the police or is it with you guys as the owners of the airport? What is your view in terms of which is the most appropriate vehicle to have lead agency status?

Mr Fitzgerald—I will ask Ron if he would like to comment.

Mr Elliott—As far as expertise is concerned, I think it crosses a wide range of individuals within Australia, as it does around the world. Airport operators have a unique expertise in running their security at their infrastructure. Airlines have a unique expertise in running the security of their responsibilities. Obviously state police and other Commonwealth agencies have various bits of responsibilities. I do not think there is one expert anywhere in the world on aviation security. Lots of people claim to be experts, but I would suggest that there is a group of people that need to work together to give a collective expertise in the country to bring to bear on aviation security. If you look at history and around the world, the lead agency in most countries is usually the department of transport, or some similar guise, which coordinates it, runs it and draws together the expertise from all the other areas. You will never find one group that will have all the answers.

Mr CIOBO—I will just turn to airside for the moment. It is important, obviously, to encourage a culture of compliance. We heard one of my parliamentary colleagues make reference to manners, such as holding the door open and those types of things. Are there specific penalties or incentives to encourage people to promote that culture of compliance? Are there consequences for people who do not abide by those compliance aspects when it comes to airside safety?

Mr Elliott—Yes, the department of transport currently have regulations in place that require people to return their cards when they leave. There are penalties if they do not; that can be enforced through the courts. There is a challenge culture at the airport. We have various committees that encourage. We have signage around the airport. There is a lot of effort put into getting compliance from individuals.

Mr CIOBO—It is all very well to have penalties and legislation but, when it comes to the practical enforcement of that, how is that conducted?

Mr Elliott—The Australian Protective Service, I suppose, currently carries out most of the enforcement regime on airport. We encourage all airport employees to report problems, and they are followed up by the Australian Protective Service and us as the airport operator. We take sanctions, such as cancelling cards and suspending cards from individuals who may choose to do something inappropriate.

Mr CIOBO—I notice that the Liquor, Hospitality and Miscellaneous Workers Union in their submission say:

... we believe that the airport owners and screening authorities should also be held responsible for any non-compliance with security standards allowed by the individual contractors.

They also make reference in their submission to what they view as being inadequate training of security staff. What would be your response to that specific argument and also to their perception about the training of security staff?

Mr Fitzgerald—We certainly disagree with that view. We invest very heavily in ensuring that staff are appropriately trained.

Mr Elliott—There are various levels of responsibility if you look at the aviation security network. There are various responsibilities on many players. I believe that those charged with those responsibilities have to carry the weight for their outcomes. There is a view currently that airport operators should be totally responsible for the outcomes of every individual on an airport, whether it be one person or a company. I think those responsibilities need to lie with the individuals and the companies—coordinated, perhaps, by the airport authority. I use the analogy that when somebody is picked up for impaired driving on a highway it is not the company that they work for that is charged—it is actually the individual. In Australia we seem to be moving away or trying to shirk individual or company responsibilities, and placing it all on one entity, such as an airport operator or an airline operator. I think we need to rethink that.

Mr CIOBO—Has the LHMWU been cooperative in trying to expand that culture of compliance?

Mr Fitzgerald—We have been in discussions directly with a number of unions about the arrangements we have in place, in which we enunciate exactly what Ron has just said in terms of the framework. When we have those discussions with individual unions, there appears at those meetings to be a better understanding of the framework we are trying to achieve. We hope that through that we will manage to allay some of their concerns. We need to continue that dialogue.

CHAIRMAN—Thank you very much, gentlemen. There was some information that my colleague wanted that you said you would prefer to give in camera. I probably have one, too. Would you mind coming back at 12.30 so that we do not have to clear the room now and bring everybody back again?

Mr Fitzgerald—We would be happy to do that.

CHAIRMAN—Just before we finish this session, I am bound to ask you if there is anything you have not told us which you should have.

Mr Fitzgerald—Not that I am aware of.

CHAIRMAN—If we have further questions which are on the public record and/or in camera questions, do you mind if we ask them of you in writing?

Mr Fitzgerald—We would be very pleased to continue to cooperate.

CHAIRMAN—Thank you very much for your submission and for coming today and answering our questions.

Proceedings suspended from 11.16 a.m. to 11.29 a.m.

EDWARDS, Mr Bevan George, Airport Manager, Coffs Harbour Regional Airport, Coffs Harbour City Council

CHAIRMAN—Welcome. Thank you very much for coming and talking to us today. Thank you for the information you gave us yesterday when we attended your airport. Do you have a brief opening statement you would like to make?

Mr Edwards—I would just say that, in general terms, council's position on the matter is similar to that expressed in the submission made by the Australian Airports Association to this inquiry. Council, like many regional airport operators, is concerned by the impost of any capital expenditure that might come out of increased security. Our concern is based on the fact that it can be quite expensive and we have a much smaller passenger base over which to defray any capital costs that would be associated with that sort of thing. We also recognise, however, that we are part of a network of aviation facilities, and that we have to play our part in whatever happens in aviation in the years to come.

CHAIRMAN—Thank you for that. We really appreciated the look around your airport that you gave us yesterday, and the opportunity, particularly, to talk with screening operators and to see an airport which is a regional airport but is split between a regulated security position of regular flights and unregulated general aircraft at the other end of your airport. I was quite impressed with the culture that I heard in the voices of the people we met there yesterday. Is it your view that safety is a culture which pervades your entire operation?

Mr Edwards—Yes, particularly in the regular passenger transport section. This being a small organisation, or a small community, everybody knows everybody else. Security and safety come together, and we are always conscious of strange faces and people in places where they should not be. The biggest problem for airports like ours is the general aviation fraternity. A lot of those people are hobbyists and do not really know the full extent of what happens on the commercial side of things. If we have problems with security, it is mainly dealing with that part of the aviation industry.

CHAIRMAN—You say that they are a problem in relation to security. Do they worry you, in terms of potential terrorist activity?

Mr Edwards—Not really. For us it is mainly safety, but we are conscious of our responsibility to ensure that our screened passengers remain screened and are not contaminated. We are always mindful that there is a risk of a general aviation passenger or a general aviation crew member cutting across the lines of outbound passengers, and that is where our surveillance is the strongest: where we have people leaving our terminal building and going to our passenger aircraft.

CHAIRMAN—At the same time, you are a general regional airport. Your GA aircraft do fly in and out 24 hours a day, when the tower is not operating and there are no controls over them. Do you have security or terrorism concerns about that?

Mr Edwards—The short answer to that is yes. I think that in any security regime you look for your weaknesses. The general aviation is one area where, if someone was going to try and breach security on airside, that would be one way of doing it. We are fortunate, as an airport, because our general aviation area is far removed from our RPT apron, but other airports are not so lucky.

CHAIRMAN—The New South Wales government this morning told us about their concerns that there should be a complete review of air and aviation security, including every minor airport in Australia, to determine whether or not the current regulatory system is appropriate. I guess that includes the new transport legislation and regulations that are on the table at the moment. They seem to be concerned that we ought to really do a risk analysis of the whole general aviation industry in Australia. Do you think that is appropriate?

Mr Edwards—I believe so. I do not think it hurts to start with a clean sheet of paper once every so often and review what you are doing. For example, at the moment CASA and the government have reviewed the regulations for the operation of airports and it is making the industry have a fresh look at what it does. The outcomes of any of those inquiries or reviews are obviously based on what you find, but it is going to be difficult to determine where to draw a line in the sand for security measures. You would need the wisdom of Solomon, I believe, to come to those conclusions.

CHAIRMAN—Might you also need very deep pockets?

Mr Edwards—Yes, admittedly.

CHAIRMAN—You did tell us yesterday that your administration can afford only so much in the way of costs without it disrupting your passenger traffic and making tickets so expensive that people just will not fly.

Mr Edwards—There are two major issues there as a bottom line for our airport and the viability of it. Obviously if the operational costs become too high, you can end up operating at a loss. The other issue is the price sensitivity of air tickets. We are fortunate at Coffs because we have competition; we have two fairly big players. But I know one of those players is particularly cost sensitive and it could mean as much as \$2 or \$3 a ticket and they might decide to pull out. That is how closely they monitor their costs and review their business. They do it almost flight by flight.

CHAIRMAN—Since you are a regulated airport, even though you are regional, do you use the aviation security identification card system for people who operate airside?

Mr Edwards—No, we do not. I believe that might be introduced in the not too distant future. We are not too worried about that at our airport. We believe that we do not need it at the moment because of the size of our community and the fact that we know everybody. There are two factors: firstly, we are growing and, secondly, one of our major clients feels particularly insecure about not having ASIC displayed. We know who we are; but obviously their crews do not know who we are. Just to appease our major clients, we would go along with the introduction of ASIC at our airport.

CHAIRMAN—So one of your major air carriers is concerned about security passes airside; do their pilots and flight crew go through screening?

Mr Edwards—No, they do not. They have ASIC cards, though.

CHAIRMAN—Do you find that a bit difficult to understand?

Mr Edwards—Not really, because we generally know the crew. We see them when they get off the plane—particularly our ground handlers or their ground handlers. It is the crews that are mainly concerned that they do not know the people that we have on the ground. They fear that it could just be someone who has popped over the fence and put a company vest on. They do not know them from a bar of soap; we know who they are but they do not.

Senator HOGG—Or in your case no fence?

Mr Edwards—That is true. We have a fence; it is just not a big fence. It is a cattle fence, not a person-proof fence. But you have to walk a long way to get from the cattle fence to the aircraft.

Senator HOGG—That does raise the issue that we discussed yesterday—whether the airport needs to be fully enclosed. I have raised here with witnesses this morning whether that is a measure of proper security for an airport. I know there are particular difficulties at your airport.

Mr Edwards—I believe, if we have to, we will overcome those difficulties. Just bear in kind that at present the regulations say that we only need to fence with a person-proof fence within so many hundred metres either side of our terminal building. We have chosen to fence beyond that, simply because it is a good safety measure as much as a security measure. It is important to have person-proof fencing near the terminal building because it makes it that much harder for people to get airside and that much more obvious if they try to. To be brutally frank with you, on our eastern boundary, which is a long way from our terminal and apron, someone could get through that fence undetected quite easily, simply because it is a long way away and they can be hidden by foliage. I probably do not put as much faith in a six-foot fence as maybe you do.

Senator HOGG—I am not saying I put any faith in a six-foot fence at all, Mr Edwards, let me assure you. One thing that did come up yesterday was in respect of security in terms of visiting pilots. You drew our attention to the en-route supplement that some of them do not read, and therefore they can breach security at the airport. Is this of concern to you?

Mr Edwards—It is of concern but we manage it. It is really only a risk when there are passenger aircraft on the apron. For much of the time there are no passenger aircraft on the apron. We have sufficient systems in place so that if someone sneaked into our airport and did something nasty and then went away again, we are confident we would be able to detect that before a passenger aircraft was on the apron.

Senator HOGG—Do you have special security officers patrolling the environs of the terminal and the general tarmac area of the airport?

Mr Edwards—We have certain patrol regimes in place that are carried out on a regular basis throughout the day, looking for certain things. They are not necessarily security officers but they are trained people.

Senator HOGG—What training regime do you have in place? Are you responsible for that as the operator of the airport or is that given to the security company that might look after the screening of passengers and so on?

Mr Edwards—There are two elements to security in the airport. Qantas Airways are responsible for passenger screening. We have no part to play in that. But the broader security and safety of the airport is the responsibility of the airport operator. Even at uncategorised airports there is a duty of care on the part of any airport operator to have some concern about security. Although we do not necessarily have trained security officers, we have trained safety officers that are required to do certain things during the day to meet aviation safety—inspecting areas for certain objects or the like. Those people are trained regularly.

Senator HOGG—Is there a training gap in terms of those staff in your airport and similar airports that needs to be addressed now?

Mr Edwards—I would suggest that there is not a training gap between our airport and similar airports. There certainly would be a difference between, say, our airport and Sydney airport. I think there is always room to finetune what you are doing. One of the things that may come out of this inquiry is a need to refine the training at airports like ours.

Senator HOGG—Should that be centralised? If so, with whom?

Mr Edwards—That is a good question.

Senator HOGG—Well, that is why I asked it!

Mr Edwards—We have centralised training for safety officers who look at aviation safety. A culture of safety and security go hand in hand. The safety training is centralised and it works very well. The only difficulty we might have in administering that is that one is overseen by CASA whereas, of course, security is overseen by DOTARS. I think a centralised system would be good. It is just a matter of working out the administrative aspects of it.

Senator HOGG—It raises the issue: should there be a new group? I do not want to build another bureaucracy, let me assure you, but should there be another group that combines the issues of both safety and security so that they are seen as being very complementary issues that must be dealt with together by one and the same organisation?

Mr Edwards—At regional airports—and I think it is probably most appropriate at smaller airports too—we train staff now and they have to be certified as safety officers. To include basic, fundamental security measures in that as well I do not think would be a great impost.

Mr JOHN COBB—Would it be true to say that the majority of passengers at Coffs Harbour are tourists rather than locals? And would it be true to say, or do you believe, that they get a

sense of security rather than a sense of alarm out of the security measures that are currently in place?

Mr Edwards—The split of our passengers at the moment is roughly 40 per cent business, 60 per cent tourist or leisure travel. As we have a budget airline servicing us now, there are a lot more people flying who might otherwise have used rail or road, so there would be a lot of local people travelling just for pleasure. Certainly the feeling I get—we have not done a formal survey—is that most people feel comfortable having security there. But there is the odd one who thinks it is silly and objects to it and thinks it is an impost.

Mr JOHN COBB—Would you say that what is in place at Coffs Harbour at the moment is sufficient? Are you satisfied with it? Are you satisfied with the cooperation with DOTARS in general?

Mr Edwards—Yes, our screening I think is very good. I have now had a working relationship with DOTARS for many years and I find them very helpful. They are only a phone call away, and if it is a real emergency there is the 24-hour duty officer. I can pick up a telephone at any time and be quite confident that I will get in touch with one of the four officers that I deal with and get some pretty good advice and that, if need be, they will come and visit.

Mr CIOBO—Previous witnesses have commented about whether or not there is an adequate flow through of information about possible threats and the ability for regional airports to respond adequately to any identified threat. I would be interested in your comments on the processes that are in place at the moment and how effectively you feel you are able to respond to a perceived or identified threat.

Mr Edwards—Firstly, we get a lot of information from DOTARS, mainly relating to security screening. We actually get it from two sources because Qantas Airways provides it with the screeners and DOTARS also provides it to me. As far as intelligence goes, I do not get a great deal of intelligence on possible threats and the like, but we have a close working relationship with the New South Wales Police. We have worked very closely with that organisation over many years, mainly to do with aviation safety and emergency response. We have a security committee and an emergency committee. The emergency response committee comes out of the CASA requirement for our licensed port. The requirement for a security committee comes from our security program. Because those two committees are so similar and share the same membership, with the exception of a few players, we always run our meetings back to back. I can pick up a telephone and talk to the local area commander for Coffs-Clarence at any time if he is on duty, and the same with the chief inspector who is responsible for security in Coffs Harbour. We are home for the Wallabies, so there is an issue there with the Wallabies being seen as a possible target.

The only thing I cannot say to you, because I do not know, is how much intelligence the police receive on threats. Obviously, a lot of the time that information is issued on a 'need to know' basis; and we do not always need to know as an airport operator. But the police respond very quickly to emergency situations, and I would imagine they would respond just as quickly to a security situation.

Mr CIOBO—You may not be able to answer this but, in relation to regional airports, does the risk assessment that DOTARS does, and the security rating that follows, incorporate an intelligence analysis and a risk profile of the airport and why it may be targeted or used as a gateway for a target down the line?

Mr Edwards—I am sorry, I cannot answer that. I have no knowledge of how DOTARS has determined our security category.

Mr CIOBO—Another question which I will put to you, and which again you may decline to comment on, is this: why do you think that the concerns that have been expressed about the ability for regional airports to respond to a possible threat may exist? Do you think that they are reasonable concerns?

Mr Edwards—Again I really cannot answer that, because I can only talk in the context of Coffs Harbour. We have very cooperative police, fire and ambulance; we run very successful emergency exercises and we get a response to our meetings. I suggest that may not happen at all ports, but I could not suggest why that is the case. I am confident that we would respond particularly well to an incident. But I do not know what resources our local police have, in relation to responding to a terrorism threat. I am just not privy to that information.

Mr CIOBO—To what extent would you say that Coffs Harbour is in a position where, if someone was not identified as a threat but had intentions to cause mischief or, indeed, to do wide-scale damage, they would be picked up by the security measures at the airport?

Mr Edwards—Again I cannot answer that, because I do not know what intelligence the security people are fed.

Mr CIOBO—I mean in terms of actual security. Perhaps you are unable to answer that because Qantas is in charge of it.

Mr Edwards—Yes, that is correct.

Mr CIOBO—So the extent of your responsibility is with respect to active security at the airport—airside and the actual physical airport perimeter?

Mr Edwards—That is correct. I go back to what I said before: all operators have a duty of care with respect to security, regardless of the size of the airport. We are conscious of things like unattended baggage and so on, and issues relating to security on airside. We have active processes in place to try and guard against threats there. Our level of alertness may well be less than that of an airport like Sydney's, but our risk is much lower as well.

Bear in mind that Coffs Harbour City Council has a staff of only four people at the airport; the majority of people that work at our airport are employed by others. But we know those employers fairly well and we try to develop a culture of being security conscious and sensible. We do it through many means. We regularly run a terminal evacuation exercise and we take that opportunity to bring the security culture into it. We have an induction program; we ask that if a new employee of any company comes on line we also give them an induction, to cover ourselves under health and safety requirements but also just to give them a bit of sales talk, to introduce

that culture that if you see a piece of unattended luggage you should bring it to someone's attention. I do not know how effective we are at that, because it has never really been tested, but we certainly try to keep it constantly in people's minds.

CHAIRMAN—Since you have had passenger screening, are you aware that you have had any major security breach?

Mr Edwards—No, I am not aware of any major security breach. We have had one minor breach that did not relate to security. A gentleman actually got onto airside, initially undetected, but he only got to the other side of the door before he was stopped. To this day I do not know how he got through. I am sure there are people on the airport that know how he got through and are probably embarrassed by it. I know also of a number of incidents that were detected by either crew or the screeners themselves, but to my knowledge we have never had a security screening breach.

Senator HOGG—I have one last question. In a security situation, do you have an order of priority of contacts? If so, are you able to give us those?

Mr Edwards—Primarily, our first call is the New South Wales Police. We control the situation as best we can until the police arrive and then they take over. We then play an advisory role. If it is going to be a prolonged incident, the security committee forms in a control centre, but that committee is purely an advisory body to advise the police on such matters as the lie of the land, where the fuel farm is—any information they might need that would be useful to them.

Senator HOGG—So your first and only point of contact is the police—

Mr Edwards—That is correct.

Senator HOGG—and, if other agencies are to be involved and need to be contacted, you allow the police to do the contacting—you do not necessarily do that yourselves?

Mr Edwards—No, there are certain protocols—for example, the airline agents have to call their airline people and their security. I have to call the mayor and the general manager of my organisation. But, from a response viewpoint, we make a call to the police and that is it.

CHAIRMAN—If we have any further questions, you will not mind if we put them in writing?

Mr Edwards—No, not at all.

CHAIRMAN—Is there anything that you have not told us that you should have?

Mr Edwards—Not that I can think of.

CHAIRMAN—Thank you very much for your cooperation and thank you for showing us around your lovely airport yesterday.

[11.57 a.m.]

DUBOIS, Mr Michael John, Business Development Manager, Tamworth City Council

CHAIRMAN—Welcome. We visited your lovely facilities yesterday. Do you have a very brief opening statement, or may we start to ask you our questions?

Mr Dubois—I will make a brief opening statement, because we did not make a submission to the inquiry. By way of background, prior to 1998 Tamworth City Airport was classified by DOTARS as a category 4 airport under the Air Navigation Act. Under this category, the airport was required to maintain certain standards in relation to airport security. These mainly related to fencing and airside access, and regular inspections were undertaken by the department at that time to ensure that these standards were maintained. Passenger screening under category 4 was not a condition of airport security.

In November 1998, DOTARS decided to review the categorisation of airports with an emphasis on implementing the minimum standards to support the operation of large jet aircraft within Australia and into and out of Australia. As Tamworth had no jet operations—a turboprop was mainly used on its RPT services—the department deemed that it was no longer appropriate for the airport to be categorised. However, there was no reason why the airport could not, under its own initiative, maintain the standards which it felt were appropriate for the security or safety of that airport's operations. This is currently the case at Tamworth City Airport, where our fencing, signage and airside access restrictions exceed those of other regional airports that are unclassified. In addition to that, the airport is undertaking some additional security measures such as infra-red security cameras on our main apron area. Also, access gates are being installed in the next couple of weeks to improve the safety standards.

If the airport were to introduce passenger screening, we would have a capital cost imposed on us of somewhere between three quarters of a million dollars to \$1 million to install the equipment and modify the terminal to take it. In addition, we would have an annual operating cost of some \$40,000 or \$50,000 to train for and man that equipment. The airport could not afford to fund that out of its own revenue reserves and we would have to increase charges on the airlines through our airport operating fee to fund that system.

Our fee structures are already marginal in terms of passengers electing to take other forms of traffic and any increase in the fare structure, which I am sure the airlines would not wear, would impact on that and the possible continued viability of our airport would be under threat. In terms of the assessment threat we can only go on what the federal government gives us in terms of that threat. However, if there were deemed to be an increase in security, we would be obliged to undertake that increase.

CHAIRMAN—I have to say on behalf of the committee that we were quite impressed with your culture of safety that we viewed yesterday when we visited Tamworth City Airport. It seemed to us that everyone employed there seemed to be on the team, so to speak. They understood how important security was and that security, of course, is safety and safety and security are tied up together. You talked about the difficulties that you would have were you to

become once again a regulated airport and you had to have passenger screening, install it and pay for it and how it would then become part of the air ticket fare structure. The state government of New South Wales witnesses earlier today seemed to imply, and Sydney Airport Corporation to some degree thinks, that the Commonwealth should be spending more money on capital equipment for security services. If the Commonwealth took over that portion and rather than being a regulator also became an operator and a supplier, what would that do to your standard of culture at Tamworth?

Mr Dubois—I do not think it is going to change the culture that we have from the airside's perspective. Our role as an airport operator is to ensure that the airside part of the airport is both secure and safe. We have an obligation under the Civil Aviation Safety Authority to maintain that. Passenger screening could very well be passed on to the airline. It could be said that it is the airline's responsibility to ensure that the safety of that aircraft is maintained. Irrespective of who pays for the installation of the equipment, it is not going to change the culture which we currently have. It is not going to downgrade our current culture that we have in terms of the safety and security of the airport.

CHAIRMAN—If the Commonwealth were to install the security equipment and then pay the personnel to operate it so that ticket prices did not change, that surely would change the culture?

Mr Dubois—Not necessarily because, as I said, our responsibility is to maintain the security and the safety of the airside operations not the actual security screening process.

CHAIRMAN—If I can visit a solicitor for free rather than have to pay, am I not more likely to visit the solicitor more frequently?

Mr Dubois—Yes, but, as I said, I do not think it is going to change our culture in the way we manage our airport.

CHAIRMAN—Okay. What relationship and interaction do you have with DOTARS now that you are no longer a regulated airport?

Mr Dubois—It is very minimal. But, if there was a change in the security threat against the airport, we would hope that we would be involved. If there is a serious breach in security, we notify DOTARS. On a day-to-day or weekly basis, we have no contact with DOTARS.

CHAIRMAN—Have you had such a major experience?

Mr Dubois—It was very minimal. The only incident we have had is where we had a young gentleman walk across the runway. That was not actually a security threat; it was more a safety issue in terms of the airport operations.

CHAIRMAN—I understand that your airport is capable of handling aircraft up to the size of a Boeing 737.

Mr Dubois—That is correct.

CHAIRMAN—Do any jets land at your airport?

Mr Dubois—Tamworth is a designated alternate for both Qantas and Virgin Express as well as for Norfolk Jet and National Jet Systems for their jet operations. However, having said that, it is very unlikely for those aircraft to get diverted to Tamworth. It is mainly when there is fog in the particular location where they are going and they need to refuel. Under those circumstances, there is no requirement for the passengers to actually exit the aircraft. It is normally a case of the aircraft taking on additional fuel and then departing.

CHAIRMAN—Does that happen very frequently?

Mr Dubois—Not on a frequent basis. We might have an incident of that about once every six months. It usually occurs outside the normal operating hours of the airport anyway.

Mr CIOBO—Mr Dubois, you may have heard me ask other witnesses this question. As concerns about regional airports have been expressed by witnesses who have appeared before this committee, it would seem that there is the opportunity for someone who wanted to cause harm or damage to use the facilities as a gateway point, in essence, to hit a target further down the line. One of the propositions put forward on this basis is that we need to ramp up security to prevent that from happening. It would seem to me that an alternative is to inquire about how active our passive security is—that is, our ability to identify a threat and then respond accordingly to that identified threat. I am interested in your comments in that regard. Have there been examples in the past where an issue has arisen and DOTARS have contacted you and said, ‘We have specific concerns about X, Y or Z event?’ It might have been a visit by the Prime Minister or the Queen or something like that; obviously there must have been times when that has occurred. How have you found your ability, as an airport, to react to that increased security level?

Mr Dubois—The Prime Minister has visited our airport on a number of occasions, and on those occasions there has been dialogue with both DOTARS and the New South Wales Police. Meetings are normally held before a visit to review our security and any potential areas of concern that they may have in relation to that. It depends on what the actual security threat is as to whether there needs to be an increase in our security surveillance.

Mr CIOBO—How would you see the fears of using your facility as an entry point to cause damage down the line? Would they be reasonable in terms of the cost-benefit analysis of providing as much blanket protection as possible against that?

Mr Dubois—Once again, you need to know what the actual threat is. As an airport operator, we do not have access to that. We rely on the Commonwealth, through its security agencies, to inform us if that threat exists or if it is actually increased and then we increase our security appropriately.

Mr CIOBO—As an airport operator, as someone whose facility could, in essence, be used to launch such an attack, would your preference be for increased resourcing—if it were to be used—to go towards the intelligence-gathering side of the security equation or towards active physical security at regional airports?

Mr Dubois—It is a difficult question to answer. If the security threat could be analysed a lot earlier, you would not need to undertake the screening of passengers at the actual port. Once

again, it is a bit of a chicken and egg situation: if you can control your security access and your threat analysis more easily, it eliminates the necessity to have the infrastructure in place at the actual port.

Mr CIOBO—Thank you.

Mr JOHN COBB—Mr Dubois, we were told earlier—and it was my understanding previously—that nobody could fly out of Sydney having come from an airport such as Tamworth or Dubbo and that they were very confident that that procedure would hold up. Given that and what you have been told—and I accept that you can only respond to what you are given from the various security forces—do you believe that what you have in place at Tamworth is sufficient for what you understand to be the threat at the moment?

Mr Dubois—I believe our existing security arrangements are more than adequate for the threat assessment that is placed on passengers who are travelling between Tamworth and Sydney. They are under control after they get to Sydney: they are put onto a bus and taken to an unsecured part of the airport where they are virtually discharged into the public area. There is no intermingling at Sydney airport between unscreened passengers from Tamworth and others once they get to Sydney.

Mr JOHN COBB—Discounting the terrorist side of it for a second and talking about regional airports in general, unless we were to spend absolute millions on putting up security fences right around airports and employing a regime of guards, do you believe there is any way, apart from what is currently happening—that is, taking notice of who is wandering around the airport; are they familiar and are they part of a regime—of really taking note of what is happening around the airfield, the hangars, refuelling, whatever?

Mr Dubois—Similar to what Coffs Harbour said in their submission, we have a very stable work force in Tamworth. Most of the people that are there now have been there in excess of 13 or 14 years. Everyone gets to know one another around the place. If anyone wanders into an area where they should not be, they are normally challenged by the people who work there—simply because they have that safety and security culture. They are very protective of their own facilities; for example, Qantas have two large maintenance hangars and, if someone wandered into that hangar who was not known, they would be very quickly challenged by one of the staff members. So, unless we are prepared to spend a lot of money to really tighten the place up, I believe our current regime is quite adequate.

Mr JOHN COBB—It is hard to see that happening without an obvious effect upon the number of people who use the service.

Mr Dubois—Very much so. The major regional airports like Dubbo, Tamworth and Coffs Harbour have a financial infrastructure in place which could wear some of those costs, but some of the smaller regional airports like Moree and Narrabri that have RPT services between their ports and Sydney would find it very difficult to fund that out of their existing financial regimes.

Mr JOHN COBB—Thank you.

Senator HOGG—Your risk minimisation comes about because of your remoteness, your size in terms of the small number of people who physically work on the site and the size of aircraft that come in, given that none of those are commercial jet aircraft. Is that a fair summary of the advantage that you and other regional airports have?

Mr Dubois—That is correct, yes.

CHAIRMAN—It has been said to us, Mr Dubois, that, for a terrorist act to take place, three elements are required. The first is intent, the second is capability and the third is training—particularly if you are talking about explosives or the use of surface-to-air missiles. If we had to try to totally secure general aviation throughout Australia, would we be able to afford it?

Mr Dubois—I do not believe we could, simply because Tamworth is an airport that operates 24 hours a day. We have general aviation that operates during those hours. We have restrictions on where they can go in terms of our main apron area—and they are normally pushed into one particular area—but we have no idea who flies aeroplanes into and out of our airport until they actually land at the airport.

CHAIRMAN—Thank you very much for treating us so well yesterday and thank you for coming to talk to us this morning. You have not neglected to tell us anything you should have?

Mr Dubois—No, Mr Chairman, I have not.

CHAIRMAN—Thank you very much. If we have any further questions, can we put them to you in writing?

Mr Dubois—Certainly.

CHAIRMAN—Thank you once again.

Mr Dubois—Thank you for the opportunity, and I am glad we had the opportunity to show you around a regional airport.

CHAIRMAN—We enjoyed it and we learned a lot. Good on you.

[12.15 p.m.]

ELLIS, Mr Kimber Chisholm, General Manager, Bankstown, Camden and Hoxton Park Airports, Bankstown Airport Ltd

CHAIRMAN—Welcome. Thank you for your submission, which we have received. Do you have a brief opening statement?

Mr Ellis—Yes. I will make a few points to supplement our submission. There is no identified threat that we are aware of to general aviation in Australia. Bankstown Airport is not a security categorised airport, because there is no identified threat to the airport. The threat assessments have been done by a range of Commonwealth and state agencies, and they have not identified any specific threats. Bankstown Airport Ltd has, regardless of this, installed appropriate and affordable security measures across the airport based on our own risk assessments, with support from ASIO, the Department of Transport and Regional Services and New South Wales Police. The security measures are designed to prevent crime and to protect the aircraft and our assets from malicious damage and theft. They are also designed to prevent unauthorised access to dangerous operating areas on the airport and to support our security activities.

The general aviation industry is made up of numerous low-margin businesses, which are represented by in excess of 200 businesses on Bankstown Airport. They do not have the revenue base to support expensive security measures, particularly at a time when the industry is very significantly affected by the downturn in tourism, by increased insurance costs, by a range of additional regulatory measures and by a reduced propensity to fly. Any low-level security measure needs to be affordable. Security measures only need to be mandated when there is an identified threat. Any high-cost security measure which is identified as a requirement as part of a national counter-terrorism activity should be funded on a national level—that is, by the Commonwealth government.

CHAIRMAN—Thank you. In your submission you said:

Bankstown Airport Limited were advised by the Department of Transport and Regional Services that there are no legal powers under the Air Navigation Act or Regulations to mandate security measures at Bankstown Airport. Also, there are no relevant provisions within the head lease between the Commonwealth and Airport Leasing Company.

Does that mean you cannot force airport tenants to take safety or security measures that you believe they ought to undertake?

Mr Ellis—That is correct. We have introduced a wide range of security measures in the last two years, including a complete person-proof fence around the aircraft operating areas with appropriate security key pad gates. We have in the past had some difficulty in convincing some of the longer standing tenants of the need to maintain that security perimeter, and we had no regulatory power to enforce that. Unfortunately, because we are not security categorised, there is no method under the Airports Act or the Air Navigation Act to enforce that. Fortunately, through our persuasive skills and a degree of security training, we have been able to convince the tenants

to maintain that security barrier, and we are now confident that it is actually secure. But there is nothing in a regulatory phrase that would actually support us in that.

CHAIRMAN—Do you believe it is necessary that DOTARS bring in regulations to an unregulated airport?

Mr Ellis—As the level of security changes, and it will always change in accordance with threats across Australia, there is a need for some form of power for airport owners or for the department of transport to enforce security measures where necessary. I do not think it has to be draconian. I just think it has to be a level of regulation which supports appropriate security measures on airports.

CHAIRMAN—Have you made that recommendation to DOTARS?

Mr Ellis—Yes.

CHAIRMAN—How have you been received so far?

Mr Ellis—They have taken the recommendation on board, but I have not seen any change in activity. I understand the regulatory process is a very slow activity, so we do not expect any sudden change.

CHAIRMAN—It is also very difficult, is it not: if we overregulate then we help grind the wheels of commerce to a close.

Mr Ellis—Definitely, but I believe there are processes where threat assessments done in a cooperative manner with the airport, the department of transport and perhaps ASIO and state authorities would allow a particular level of security to be agreed to for a particular airport, appropriate to the threat, and then to have some form of regulatory support which would allow that to then be enforced. It occurs at the regulated airports, like Sydney; why shouldn't it occur at those airports that are not regulated?

CHAIRMAN—Have you approached the New South Wales government with this issue?

Mr Ellis—No.

CHAIRMAN—So if not, why not?

Mr Ellis—Firstly, the issue is that we are Commonwealth land and the regulations and the acts that cover us are Commonwealth acts and regulations. My contact with the state government is more on an immediate and local measure, in relation to state policing on the site. I would not be asking them for regulatory or legal changes to cover the airports.

CHAIRMAN—Okay. You were here when we were talking to Tamworth and I asked: if we decided that the threat assessment was such that we had to regulate and secure every general aviation airport in Australia would we be able to afford to do that? You heard his answer. What is your answer to that question?

Mr Ellis—I will answer in perhaps a slightly longer way, if that is all right. Firstly, Bankstown Airport already has a very high level of security. We significantly exceed the federal requirements for an airport of our categorisation, with person-proof fences, with keypad gates, with regular security patrols. The next step for us to take it to a fully controlled airport—I use Sydney as an example of that next level, and I have heard in the media some discussion about Bankstown becoming Sydney level—is a significant step, and very expensive. It requires a range of background checks on staff coming onto the airport; it requires a very high level of electronic security devices, monitoring security on the airport perimeter and monitoring access control.

I was fortunate enough to have a number of years at Sydney airport being responsible for security and I have a good understanding of the level required. I could not offer you a definitive cost for doing that at Bankstown Airport, but it would run into the hundreds of thousands of dollars. It would not be affordable by the airport operating company and if it was passed on to the general aviation operators it would not be affordable by them.

Senator HOGG—Are you saying that as a one-off cost or as a recurring cost?

Mr Ellis—It is a combination of both. It is a one-off cost to establish the electronic security measures to control the perimeter and then it is an ongoing cost to establish the physical presence on site to ensure that that level of security is maintained.

CHAIRMAN—I am advised there was an article in the *Sun-Herald* on 14 September this year which implied that Australia's counter-terrorism high command—whatever that is—has identified Bankstown Airport in Western Sydney and regional airports in New South Wales as the 'gaping holes in the city's security fence'. Would you like to comment on that article?

Mr Ellis—As you can imagine, I have read the article a number of times. When that article was released we immediately contacted all of the security agencies that we had previously had contact with, and that includes a number involved with counter-terrorism, both at state and federal level, and the department of transport. There was no discussion at that meeting that raised Bankstown as a threat. As far as we can ascertain, that is just an element of media sensationalisation. There is no evidence to support that Bankstown was identified as a threat. There was no discussion about Bankstown at that particular meeting. And I understand the parties that were at that particular conference are quite annoyed about that particular report because it is not based on any fact.

CHAIRMAN—Thank you. That clears that up for us very nicely, and I thank you for that. That article did also suggest that they—whoever 'they' are—believe that a light plane from a local airport is more likely to be turned into a suicide bomb than an international jet travelling from an overseas destination. Do you have any comment to make about the statement?

Mr Ellis—I cannot comment on the basis of that particular comment. I can say though that I have worked in airports now for about seven years. I am not a pilot. I would have no more chance of getting into an aircraft and taking off and flying around than I would have of performing open-heart surgery. It is a very highly skilled activity. As for the light aircraft on the airport, you would have great difficulty in getting one of those into the air. They do not carry a great deal of cargo. That statement may or may not be correct, but I think there is a long gap between the concept and actually executing a terrorist act with a light aircraft.

CHAIRMAN—It is true that our regulatory system is based on number of passengers and not on fuel load—that is, jet planes not turboprops or propeller driven aircraft. Do you believe that is appropriate?

Mr Ellis—I understand that is the process and I understand that is based on threat analysis that says the threat is higher for passenger-carrying aircraft.

Senator HOGG—In your submission you say:

Commercial pilot training should include a security awareness subject developed by the Department of Transport and Regional Services.

What did you have in mind in particular? Should we go further than just commercial pilots? Should it be for all people, say, using Bankstown?

Mr Ellis—To answer the question in a roundabout way, we have a security training regime on our airports and we have a regular bulletin that goes out to all of our customers, and that includes both the property customers and in the order of 2,000 pilots that fly in and out of the airport. We provide them with a regular update on security matters. The issue for us is that that is a single airport doing that, and I know other airports have their own security training regimes and some of them are very comprehensive and very thorough. What we believe is missing is a national focus on that, someone like the department of transport providing a guideline of a series of issues that should be raised in training for pilots, issues such as the identification of threats, security checks for their own aircraft and understanding the sorts of threats that may occur for the aircraft. We have identified what we think is appropriate for Bankstown but we are not aware of what might be appropriate on a national level.

Senator HOGG—So there is nothing consistent out there in the marketplace?

Mr Ellis—There is no consistent level of training. It is only what is determined at a local or regional level.

Senator HOGG—The other issue you raised is on photo licences, and you say:

Flying Schools and charter operators should properly identify individuals requesting flight lessons or renting/purchasing an aircraft, by validating their credentials.

Who would you advocate would do that and how will they do it?

Mr Ellis—Currently there is a pilot licensing system run by CASA which gives to a pilot a small booklet that is his pilots licence. It contains his or her details and then a log for their pilot flying. There is no photograph in that licence. So when we challenge a pilot or talk to a pilot that arrives at our airport that presents us with a pilots licence, we have no way of determining whether that is a valid pilots licence, whether it is applicable for that individual or whether it has been borrowed to gain access to the airport. I believe that if CASA is currently managing what seems to be a very competent licensing regime for pilots, the addition of a photograph in the licence is not a big change to the current regime.

Senator HOGG—But it does get to the issue of validating the person's credentials, saying who they are. Who should have that responsibility and how should it be done and undertaken? The reason I raise this is that one of the things that happens in the Department of Defence is the need to establish security clearances for a lot of people within the Department of Defence. Let me assure you, having been involved in that area, that there is a huge backlog in terms of clearances. So I am interested in what you are advocating because it may well be that you end up with a logjam in just trying to give people the proper clearances and checks that would say that they are who they are when entering an airfield to pilot an aircraft.

Mr Ellis—Let me assure you that I am not advocating for general aviation airports a regime of security checks anywhere near what would occur in the larger international airports. I am simply saying that, when a person is granted a pilots licence, they have to prove their credentials and who they are to obtain that licence, just like you do when you get a drivers licence to drive a motor vehicle. Putting a photograph on a drivers licence has been accepted by, I think, all states as being a normal part of the process of getting a licence. It is a security measure to ensure that the appropriate person has the licence. I believe that should occur with pilots licences, simply to establish the bona fide applicants. It will not stop fraudulent use, but it will certainly go some way to assist the airports to identify people who come on.

We have also just introduced at Bankstown a photo identification system. Again, this is not a regulated requirement; it is one that we have introduced as our own level of security control. We have our own photograph machine. As long as you can prove who you are with a New South Wales drivers licence or some other form of photographic ID and you have a letter from your employer validating your requirement to get access to the airport, we will take your photograph and give you an ID. I certainly do not think it is appropriate, given the threat level, for us to then do background security checks.

Senator HOGG—Do you liaise with other airports that operate similarly to yours throughout Australia about the types of regimes that are in place, or do you act fairly independently? It seems to me that, if there is not some act in concert, everyone is just beating around the same bush but not coming up with the same solutions.

Mr Ellis—In answer to your question, we deal regularly with the other airports, and there is a lot of sharing of information and ideas and benchmarking of security levels at the general aviation airports. There is not a national or state wide scheme that formally brings together things like photographic access to general aviation airports. If someone turned up with a photo ID from Essendon Airport, unless we were suspicious, we would accept that. We would have no way of knowing whether that was a valid ID or not.

Senator HOGG—Should there be some national scheme?

Mr Ellis—My reservation with a national scheme is that you immediately add a significant cost. You require then some form of national link-up between those and some form of validation. I would be very cautious about providing a validation, again, for example, to Essendon airport, on someone who had access to my airport, without doing a much more detailed background check. I think there is a duty of care issue. I might have satisfied myself with that person, but whether I would be satisfied for them to go to another airport is another question. I think it is a much more significant step to go from a regional to a national level.

Mr JOHN COBB—Mr Ellis, you have no passenger services running out of Bankstown, do you?

Mr Ellis—No, no regular passenger services.

Mr JOHN COBB—What is the largest plane that lands at Bankstown?

Mr Ellis—The largest plane that lands routinely is an HS748. That is an ex-military reconnaissance aircraft from the Australian Air Force or a number of other air forces. It seats about 35 to 40 people, depending on its configuration. It is a twin-engine, propeller-driven aircraft and it is reasonably large, weighing around 18 to 20 tonnes.

Mr JOHN COBB—Is it about a Saab size?

Mr Ellis—About a Saab size, yes.

Mr JOHN COBB—That is the biggest plane?

Mr Ellis—Yes.

Mr JOHN COBB—No jets?

Mr Ellis—We have a number of small recreational jets.

Mr JOHN COBB—If you are rich enough to own them.

Mr Ellis—Yes. I will not bore the committee with the names of the people who operate them, but you could probably pretty much guess.

Senator HOGG—They are not terrorists.

Mr Ellis—No, they are definitely not terrorists. They are the ones who own the assets. We have had larger passenger jets land on occasions at the airport. The one that I recall from my 2½ years at the airport was a Fokker F100 bringing back Defence Force personnel from East Timor. Because we are close to Holsworthy, it is very convenient for the Defence Force to use our airport. But those types of aircraft do not represent any sort of security threat to us.

Mr JOHN COBB—I suppose there might be an odd occasion where you are used as a diversion if Mascot is out of—

Mr Ellis—Unfortunately not. We have certainly approached a number of the airlines. To have larger aircraft would bring us very good revenue. But our runway is only 1,450 metres long and we cannot take aircraft like a 737. It would only be diversions for Saabs or those regional aircraft. For a whole range of reasons, the airlines are reluctant to use Bankstown as a diversion.

Mr JOHN COBB—So you actually have no greater capacity than, say, Dubbo?

Mr Ellis—No greater capacity at all.

CHAIRMAN—You were talking about GA aircraft and a series of regulations that you have for training. Is that right?

Mr Ellis—No, I do not think so.

CHAIRMAN—We will go back and check the transcript. If we have further questions, would you mind if we put them in writing?

Mr Ellis—I would be more than happy.

CHAIRMAN—Is there anything that you should have told us that you have not?

Mr Ellis—Not to my knowledge.

CHAIRMAN—Thank you very much, Mr Ellis.

Evidence was then taken in camera, but later resumed in public—

[2.01 p.m.]

BENNETT, Mr Warren Allan, Executive Director, Board of Airline Representatives of Australia

CHAIRMAN—I now welcome Mr Bennett, the representative of the Board of Airline Representatives of Australia, to today's hearing. Thank you for your submission and for coming to see us today. Do you have a brief opening statement that you wish to make?

Mr Bennett—Nothing of any great consequence. I would merely like to reiterate that, from our point of view of representing international airlines operating to and from Australia, we believe that the aviation security system in operation in Australia is one of the best in the world. It does not exhibit any signs whatsoever of systemic failure in any aspect and we do not think that there is a great deal that needs to be addressed in terms of making major changes to that system.

CHAIRMAN—Mr Bennett, have we gone further than we needed to?

Mr Bennett—Given the current threat assessment against aviation in Australia and worldwide, I think in general terms no, we have not gone further than we needed to. It is a delicate balancing act to make a judgment about how detailed an aviation security regime has to be but certainly in particular areas we may have gone a little bit too far, such as for items that passengers can carry on board aircraft. There may have been a bit of a hiccup there. We were a little bit out of kilter with other jurisdictions but generally speaking, no we have been more or less consistent with the approach of other jurisdictions in aviation security.

CHAIRMAN—Your submission says:

Airlines acknowledge that dual responsibilities exist for aviation security operational functions. An appropriate division of aviation security responsibilities between industry and government stakeholders is:

- (a) industry stakeholders should be responsible for who and what enters an airfield and boards an aircraft, and
- (b) government stakeholders should be responsible for border protection, police services and any counter terrorism functions.

As you well know, in Australia the cost of aviation security is placed on the airline operators and it winds up in the price of a ticket. Do you believe that is appropriate?

Mr Bennett—No, we do not. We believe that just as there are dual responsibilities for the delivery of aviation security services, there is a natural division for the payment of the delivery of those services. As stated in our submission, we believe that industry is most appropriately held responsible for putting in place those security arrangements which they control and to oversight the entry of people and goods onto an aircraft or the airfield. That would include things like passenger screening, checked baggage screening and the new AAA baggage reconciliation system that is being put in place.

But the policing requirement associated with aviation security is an integral part of the wider national security regime that, most appropriately, is funded by government. So the division of payment there would be that the government should pay for the counterterrorism first response function that is provided at airports and, similarly, the air security officers program.

CHAIRMAN—Doesn't it?

Mr Bennett—No, it pays for some of the CTFR function, the counterterrorism first response function. Some of those officers are budget funded. It pays for the training of ASOs, but the industry has to meet a very substantial cost in that program in providing the seats and the passage of those officers.

CHAIRMAN—So what you are saying is that the Commonwealth ought to pay for seats for the air security officers?

Mr Bennett—Yes, that is right. That is what we believe: the Commonwealth should pay for the seats.

CHAIRMAN—That is not self-interest there, is it?

Mr Bennett—The Commonwealth has put in place various security regulations relating to the protection of the cockpit in aircraft. It has put in place various regulations relating to what items can be taken onto an aircraft. There is a suite of aviation security requirements that, perhaps, could be looked upon as making ASOs superfluous—they are not needed on the aircraft any more given the sorts of security arrangements that are in place. If the government chooses to have them there as an extra layer of security contact or response then it should be the government's choice to fund that.

CHAIRMAN—Have you or any of your members, to the best of your knowledge, evaluated the Taser stun gun?

Mr Bennett—No, we do not get involved in that sort of detailed technical analysis.

CHAIRMAN—In your submission you say:

Security and criminal checks are conducted for all persons working at airports. All contractors entering the airport are subjected to these security measures. All passengers and guests and their hand baggage entering the sterile area of airport terminals are screened. The passenger screening function is the responsibility of the organisation that manages the terminal used by the passengers. The function is generally performed under contract by private security organisations.

Again, the employees involved receive specialist and accredited training for the job. They are also well paid by international standards.

So those employees are well paid by international standards?

Mr Bennett—Yes, that is our understanding. We pay the screeners and other people involved in security operations at airports reasonable levels of remuneration. The levels of remuneration for those sorts of jobs at many overseas airports are very much lower.

CHAIRMAN—You identified a number of proposed regulatory provisions that are of particular concern to airlines, including regulations related to the carriage of persons in custody. What are you talking about there?

Mr Bennett—That refers to people who government border agencies or police forces bring to the airport and place on aircraft for removal from the country. The international airlines represented by BARA believe that is probably one of the greatest threats to aviation security that we face, outside of a terrorist attack, of course—but next to that it is a very serious security threat. The border control agencies and police forces in Australia are very reluctant to provide the airlines with sufficient information to allow the airlines to make a risk assessment about whether or not that person should be carried and whether or not the person should be carried with an escort.

CHAIRMAN—You sit on bodies which examine risks and potential terrorist threats, or potential safety threats, to airlines and their operations. Do you debate this issue in those fora?

Mr Bennett—Yes, we do. We do not get a great deal of positive response from the government agencies though; they tend to not want to provide us with the sort of information that we are seeking. They do not recognise that it is the responsibility of the airline to make a reasonable risk assessment about the person who they are demanding be carried on the aircraft.

CHAIRMAN—How does that compare with overseas practice?

Mr Bennett—I am not sure.

CHAIRMAN—Don't you think you should be sure?

Mr Bennett—I do not give a damn what they do overseas; all I am worried about is the safety of the aircraft leaving Australia. That is a very serious issue so far as the airlines are concerned in Australia.

CHAIRMAN—You did say that we have one of the highest security ratings of any country in the world.

Mr Bennett—Yes, and I also said—

CHAIRMAN—Then you turn around and say that we are making a very bad mistake. I fail to understand why you do not know what other jurisdictions do. Could you have a look at that and come back to us?

Mr Bennett—I can but, as I said, I am concerned about the safety and the security of aircraft that are leaving this jurisdiction. That is a very serious failing in the government's participation in aviation security in Australia.

CHAIRMAN—If you screen those people going on the aircraft, how are they more of a threat than you or I might be?

Mr Bennett—We do not know. They could be criminals. We have had instances where murderers have been put on aircraft. We have had instances where paedophiles have been put up the back with the unaccompanied minors on aircraft and the airlines did not know about it because the agency did not tell them.

CHAIRMAN—That one bothers me.

Mr Bennett—It is a big bother.

CHAIRMAN—Are these convicted murderers?

Mr Bennett—They are people who are going back for trial for murder and people who are convicted paedophiles. Another instance was a person being transported back to another country for a murder trial.

CHAIRMAN—Is the person who is being transported back on their own?

Mr Bennett—Yes.

CHAIRMAN—They are on their own, unaccompanied and you are not told about it?

Mr Bennett—The government agency even went so far as to not book the flight for that person. They made the person book the flight themselves so that the airline was not aware that it was a person who was being escorted out of the country.

Ms PLIBERSEK—That is extraordinary.

Mr Bennett—It is. It is ridiculous.

CHAIRMAN—Who paid for it?

Mr Bennett—The airline has to cough up the seat.

CHAIRMAN—For free?

Mr Bennett—Yes.

Senator HOGG—Is that part of an agreement somewhere?

Mr Bennett—It would be part of the ICAO agreement, I guess.

Senator HOGG—That you provide a seat free of charge under those circumstances?

Mr Bennett—Yes.

CHAIRMAN—If a potential refugee or a potential immigrant boards one of your members' aircraft at an overseas location, comes to Australia and your member airline has not properly checked their identification or were fooled or tricked or whatever by false documents, and they arrive here and the Australian authorities reject them and say, 'Out; go back,' who pays for them to go back?

Mr Bennett—The airline does but most people would have a return ticket anyway, so they would already have paid for that.

CHAIRMAN—Does the airline accept that responsibility?

Mr Bennett—Yes, it does.

Ms PLIBERSEK—I would like you to explain again what you were saying about people travelling unaccompanied to face criminal proceedings. You are not made aware that they are travelling?

Mr Bennett—Not in all instances, no.

Ms PLIBERSEK—Have you raised with the authorities why you were not told about the instances that you have mentioned?

Mr Bennett—Yes, we have raised it with the authorities and they tell us that it is up to them to decide what information they want to give us. Sometimes they do not have the full information that we would like, but what we seek is the information they do have available. From our point of view, it looks like sheer bloody-mindedness on the part of the government agencies that they will not tell us.

Ms PLIBERSEK—What explanations have they given to you for not telling? Is it just that they do not have to?

Mr Bennett—They do not have to.

Ms PLIBERSEK—I am really struggling with this.

Mr Bennett—We have been struggling with it for years.

Ms PLIBERSEK—That they would put somebody convicted of paedophilia onto a plane with no warning to you. They have been convicted of a crime already, they are going to face further charges and they do not let you know that they are getting on the plane?

Mr Bennett—It does not happen in every case but it does happen.

Ms PLIBERSEK—How often would you say it has happened?

Mr Bennett—We probably have a dozen or so instances a year of people telling us that a government agency has demanded that they take a person back to an overseas jurisdiction and not told them what the person is going for, what the reasons for the deportation are and any real details about the person themselves.

Ms PLIBERSEK—Have you ever had people in that situation who have become agitated during the flight?

Mr Bennett—Fortunately, no, not that has been reported to me anyway. Generally, it has been without incident but that does not mean that it could not happen.

Ms PLIBERSEK—No. In fact, most of the instances of security breaches on Australian aircraft have been nothing to do with terrorism. They have been people who have had a nervous breakdown—

Mr Bennett—All of them.

Ms PLIBERSEK—All of them, exactly. It is a circumstance in which someone being flown somewhere to face criminal proceedings would have every chance of becoming agitated or taking extreme action like that fellow who carried the sharpened pieces of wood onto the flight to Launceston.

Mr Bennett—It is certainly possible.

Senator HOGG—I will follow on from this. I understand that there are arrangements for Australians convicted of a crime overseas to be returned here to serve their sentences here.

CHAIRMAN—With some jurisdictions.

Senator HOGG—Yes, with that qualification. But, where that occurs, are those people unaccompanied, as well?

Mr Bennett—I would have thought they would be accompanied if they were coming back to Australia.

Senator HOGG—But if someone is going the other way—

Mr Bennett—They do not necessarily have to be accompanied.

Senator HOGG—they are not necessarily accompanied by an Australian minder, if we can use that term.

Mr Bennett—That is right. Sometimes they are; sometimes they are not, and we are not given sufficient information to be able to make up our mind about an appropriate risk assessment of the potential for that person to cause disruption to the aircraft.

Senator HOGG—How many of these uplifts are there per year?

Mr Bennett—I do not know the exact figures. It could run—

Senator HOGG—Could you take that on notice and give us, let us say in the last financial year, how many uplifts there were and, of those uplifts, how many were not properly disclosed to members of your organisation?

Mr Bennett—Yes.

Ms PLIBERSEK—Would it normally be the Federal Police or the state police who would contact you?

Mr Bennett—It can be the Federal Police, the state police or the department of immigration. They are the principal ones.

Ms PLIBERSEK—Or Corrective Services—the state departments?

Mr Bennett—It is mostly DIMIA or the police forces.

Ms PLIBERSEK—I want to ask you about the consultative process not undertaken by DOTARS in relation to the aviation security legislation. We have had evidence that there was no consultation before the legislation was introduced but that there has been some subsequent consultation on the regulations. You are obviously not satisfied with the situation because of the lack of consultation before the legislation. Do you believe that the subsequent consultation and the regulations have done something?

Mr Bennett—Yes, certainly the consultation process has improved now. It has been a rocky road, though. The initial interchanges between the department and the industry in relation to the regulations, in particular, were not particularly good. They would have been better off just explaining to us that they did not have regulations for us to look at and presenting to us a program for providing that and allowing us to make informed comment on what they were proposing. But, instead, they fed through to us a series of discussion papers, drafting instructions and things like that that really only raised more questions than they answered, so it generated a feeling that we were not getting an appropriate response to our concerns in particular matters that we had identified in the legislation.

But certainly since then things have improved. We are slowly working through that, and we are getting to a level of detail in the new regulations that gives us some comfort that the sorts of comments that are being made by the industry have been taken on board. There have still been problems with getting messages relating to the regulations through to the draftsmen, and not all of the instructions that have flowed from the department to the drafter have been taken up. That is a cause of frustration, but it is not a problem in relation to the consultation that has occurred between DOTARS and the industry. Certainly, since those initial rounds of discussions when we were not getting anywhere—we were just going around in circles—the nature and content of the consultation have improved.

Ms PLIBERSEK—Would the legislation have been better if they had consulted in the first place? Are there gaps in it?

Mr Bennett—Our problem was not that there were gaps in it. Our problem, mostly, with the legislation—which fundamentally is fairly sound—was that it was introducing concepts that were foreign to the aviation industry.

Ms PLIBERSEK—Can you give an example?

Mr Bennett—The areas and zones in the airport was the main one. That was something that did not match up with industry and customer practice over many years, as reflected in the ICAO agreement. The other one was the demerit points system. They were the two main problems that caused us a deal of concern. There appeared to us to be a fundamental disconnection between what the demerit points system was actually doing and the security outcomes that were being sought through having some sort of system in place to impose a penalty for a failure of an aviation security outcome.

CHAIRMAN—Did the part of the legislation dealing with demerit points occur after the audit report or before?

Mr Bennett—As far as I am aware, it was after the audit report.

CHAIRMAN—So do you think perhaps it was a knee-jerk reaction?

Mr Bennett—Far be it from me to say that, but it was certainly seen to be—

CHAIRMAN—You can say what you like; it is just on the public record. I do not have to answer for what you answer.

Mr Bennett—I think it was seen by the regulator as being an appropriate response to matters that were raised in the ANAO report. So far as the industry was concerned, we did not see it as achieving the security outcomes that perhaps the regulator was trying to achieve.

CHAIRMAN—You are talking about all this in the past tense. Is it now forgotten?

Mr Bennett—No.

Senator HOGG—They have not kissed and made up yet, Bob.

Mr Bennett—Not quite.

CHAIRMAN—That is what I am trying to find out.

Mr Bennett—The demerit points system is still in the legislation, and we have been advised that it will remain in the legislation. We have been advised that there probably will not be any regulations introduced in the immediate future in relation to the demerit points system, however. That means we will be on trial for a period, so far as the regulator is concerned, to determine

whether that sort of system might need to be introduced at short notice in the future. And that is probably a reasonable outcome.

CHAIRMAN—You can accept that?

Mr Bennett—Yes, we can accept that.

CHAIRMAN—What about the other issue—the sterile areas versus aircraft areas?

Mr Bennett—That is going to cause disruption in management practices at airports of airport operators and airlines. It is something we can work around, but it is an additional complication to the security system we have in place at the moment. We do not know how the regulations are going to be phrased or structured to make sure that we can operate that part of the airport reasonably efficiently. Certainly, in the early stages of looking at regulations related to that, it appeared that all passengers in a domestic terminal going past a screening point would have to be accompanied by someone wearing an ASIC. That was the end result of the regulations. That is obviously blatantly ridiculous, so there are matters that have to be resolved in relation to those areas and zones in terms of the content of the regulations and how that will affect the operation of an airport terminal.

CHAIRMAN—Is what is proposed in the legislation in place anywhere else in the world?

Mr Bennett—With respect to areas and zones, most other places in the world, as far as I am aware, follow the ICAO standards or divisions in terms of what are sterile areas and what are security restricted areas, what is landside and what is airside. There are internationally accepted definitions which have been fiddled with somewhat in this legislation.

CHAIRMAN—So you are of the view that we are breaking new ground.

Mr Bennett—Yes, we are. To what end and to what benefit is not immediately clear.

Ms PLIBERSEK—Would we be better off using the existing definitions?

Mr Bennett—From the airlines' point of view, the answer would be yes. We would prefer to adopt the normal definitions that the international aviation industry adopts.

Ms PLIBERSEK—In your submission you said:

... DOTARS has the necessary industry experience to audit industry security programs.

We heard evidence earlier today of some concerns that the department had lost some expertise recently with people moving into other areas of the department. There was also a strong suggestion that they could do with more resources in this security area. Can you tell us about that?

Mr Bennett—I think BARA would probably agree with the notion that the department, in its regulatory function in aviation security, could probably benefit from additional resources. It is a question of balancing the funding requirements of the department with the requirements for their

regulatory functions. But certainly, if the government suddenly put up its hand and said, 'We're going to throw more resources at the department of transport to look at aviation security,' we certainly would not object and say it is a waste of money, depending upon the sorts of additional resources that were thrown there.

Certainly there has been a restructuring in the department of transport, and people have been moved from areas that were directly related to aviation security to other areas that are more broadly related to transport security. Those resources have not been lost to the department; they are in a different area and people within the department do talk to each other. So, whilst in the initial consultation phases for the new regulations associated with the legislation, there was a deal of frustration because the people who were conducting those consultations did not know the minute detail of aviation security and the operations of an airport or an airline in meeting those security arrangements. It did not mean that they were not able to learn very quickly what the issues were that we were trying to highlight to them. It slowed the consultation process down somewhat and, again, caused a little bit of frustration but there is quite clear evidence in the development of the regulations as they are progressing that the people who are responsible for that operation in the department now have a much better understanding of what the issues are.

Ms PLIBERSEK—Do you think it is a problem that so much of the security at airports is contracted out?

Mr Bennett—No, because the industry has been intimately involved in the development of training packages, at least those associated with passenger screening. The airlines cooperated with airport operators and the security companies in the development of training packages to be implemented via the TAFE process to ensure that there was adequate training of the people who are responsible for it. In some instances, at least so far as international airlines are concerned, you have to step back and say, 'Here is a process integral to the security of our airline that we do not have a direct control over,' but certainly there is a great deal of cooperation between the airport operators and airline representatives in considering the effectiveness of that function in the first instance, the cost of it, the training associated with it and the number of resources that are associated with it. So there is a fair amount of confidence that the system we have in place, at least for that part of it, is pretty good even though, as you say, the labour is contracted out and the airlines do not have direct control over the input.

The other area that is mostly contracted out is the CTFR function—the Australian Protective Service input into that. We would prefer that that function was government funded so that the Australian Federal Police Commissioner could direct the use of his resources in the way that he felt was the best and most effective use of those resources. At the moment they are the subject of—

Ms PLIBERSEK—Can you tell us what you mean by that?

Mr Bennett—At the moment the CTFR function and the direction of resources for the performance of the CTFR function are constrained somewhat by a contractual arrangement that exists between the Australian Protective Service and the airport operator. The deployment of resources associated with counter-terrorism first response should be undertaken on the basis of intelligence that is available to the Federal Police and that is not available necessarily to the operator of the airport. The resources should be deployed in a way that the Federal Police

Commissioner feels is best to meet any threat that might arise as a result of that intelligence that is accessible to him.

At the moment that is not necessarily the case. There are certain requirements within the contracts—which were entered into quite a number of years ago now—that require the APS to be doing certain things at certain times or at certain intervals; for example, patrolling the perimeter of the fence and patrolling the roadside access. It could be that the intelligence that is available to the Federal Police Commissioner indicates that resources should not be deployed at this particular airport but at that particular airport for a period of time, because there seems to be an indication that there is a threat level at that airport. It is just not the most efficient way of deploying the resources. But, if the industry is paying for the deployment of resources at a particular point in time under a contract, we want those resources there, because we are paying for them. If the government were paying for it, they could undertake that CTFR function based upon the best intelligence available to them.

Ms PLIBERSEK—Do you think that, on top of the sort of security you have now—with the APS contracted to provide these services at particular times in particular places—there should also be a dedicated police team at major airports like Sydney?

Mr Bennett—The APS function at airports is often disrupted by them attending to community policing requirements at airports. The airports are just giant shopping centres. Giant shopping centres have crime, and so do airports. Because state police are not necessarily deployed at airports, it falls to the APS officers to step in. They do not have to, but they do because they are there. They see a crime in progress or someone behaving in a socially unacceptable way, and so they step in and render assistance. It might brighten up their day a bit, but it is really not the function that a counter-terrorism first response team should be providing. We have been trying for some time, in consultation with the airports, to get state governments to agree to have a state police presence at airports.

Ms PLIBERSEK—Do you believe that state police forces would have adequate access to intelligence about potential terrorist threats?

Mr Bennett—I am not privy to all the intelligence that floats around regarding terrorist threats, but my understanding is that the Federal Police and the government security agencies in Canberra share that sort of information with state police forces.

Senator HOGG—How good is the screening at the international terminal?

Mr Bennett—It is as good as the technology that is available. The technology that is available at international airports has limitations. It is not inferior technology; it is the same sort of technology that is used all around the world. But, certainly, it has limitations.

Senator HOGG—What are those limitations, if you can say on the record?

Mr Bennett—Obviously, one is that the screening devices at the airport detect metal; they do not detect pointed wooden sticks.

Ms PLIBERSEK—Or sharpened plastic knives.

Mr Bennett—That is right.

Senator HOGG—The reason I ask that is that some airlines have a second level of security prior to going onto the aircraft at the international terminal. What makes that level of security any better than the first? Why couldn't that be at the point of entry to save the duplication in terms of those travellers?

Mr Bennett—The technology that is used at the second screening point is no better than that which—

Senator HOGG—It is very rudimentary. It is a hand search of your luggage and a wand over your body or even a pat search.

Mr Bennett—The only additional element in that is simply the hand search of the baggage. While at the initial screening point it just goes through the X-ray machine the hand search is a little more intrusive and at a higher level of security operations. We introduced explosive trace detection analysis as from 1 October, I think—or was it November?

Ms PLIBERSEK—Yesterday, it was.

Mr Bennett—That is an additional security component that has been implemented at screening points around Australia.

Senator HOGG—I accept what you are saying but it seems to me that when they are at the international terminal at Sydney, where there are two different levels of security—admittedly it is only in respect of certain airlines—it implies that there is a failure in the first level of security that might cause concern, or is that part of the risk?

Mr Bennett—I would not say that it implies there is a failure. People have probably been telling you ad nauseam that the security arrangements in Australia have a layered approach and are based on risk assessment. Obviously airlines which are required to implement additional security measures at the boarding gate have been airlines where the risk assessment has been that the chances of unlawful interference with a certain aircraft are higher than for other flights. Usually it is flights to the UK and USA that fall into that category. As a result of that, it is felt that given the relatively higher risk, albeit maybe slight, an additional security element is imposed. That is where you get the requirement for those other searches to be undertaken. But it is not a failure of the first level; it is simply a recognition that we have a layered approach and that different risks are treated in different ways.

Senator HOGG—My only other question relates to your satisfaction with the security and criminal checks that are conducted on persons working at the airports. You referred to that in your submission. What is your view?

Mr Bennett—The security checks that are done are only as good as the information that the employee provides and the database that is held by state and federal police. Given those limitations, the outcome is a fairly thorough analysis of the person involved.

Ms PLIBERSEK—Unless they lie!

Senator HOGG—Does that increase the risk at the airport?

Mr Bennett—That is possible.

Senator HOGG—Yes, unless they lie. I accept that—it is very much on the cards—but is that one of the weaknesses in the system currently?

Mr Bennett—They can lie but when they are applying for a position they have to provide identification anyway. There has to be an adequate mechanism for them to identify who they are to allow them to have that criminal check—and the PMV check when that comes in—undertaken adequately. We use all of the mechanisms that are available to us to check on the people who are working at the airports but, again, no system is perfect. There can be people who slip through the net.

Ms PLIBERSEK—Can I ask a follow-on question to that?

CHAIRMAN—You certainly may.

Ms PLIBERSEK—That is more of a danger, isn't it, if you have security companies subcontracting work out?

Mr Bennett—No, because those people are also subject to criminal and, in the future, PMV checks. The same procedures will be in place for employees who are subcontractors as those who are directly employed by the airlines and airports. It should not be a weaker link in the system.

Ms PLIBERSEK—Does that apply to casuals as well?

Mr Bennett—Yes.

CHAIRMAN—You said that Australia has achieved world-class aviation security outcomes over many years and then you turned around and, in answering Ms Plibersek's questions about whether DOTARS's level of expertise was still as good as it once was, you said that DOTARS has moved people from aviation security to transport security. You have already said that aviation security is at an extremely high level in Australia—world class, AAA, five star, whatever.

Mr Bennett—It was AAA. There is an entirely different connotation.

CHAIRMAN—Would it be reasonable, if we have achieved a very high level of security in Australia and if there has not been a credible threat of terrorism that we are aware of in this country, to start looking at other areas where terrorists might act, other than turning jet aircraft into flying bombs?

Mr Bennett—Yes, that is quite correct. We have commenced a new consultative forum amongst industry aviation representatives called the High Level Group on Aviation Security. That is made up of senior officers of relevant government departments and senior managers of organisations represented in the aviation sector. It is looking at what the threats might be in the

future, based upon intelligence advice that is given to the group by the Commonwealth government intelligence agencies. We are moving beyond simply looking at day-to-day security functions at airports. We are looking at what, in the future, might be the source of different threats to aviation.

CHAIRMAN—I am not just talking about aviation. You said in answer to the question that the department had moved some of the aviation specialists to transport security generally. I would assume that might mean that ports, rail, even the trucking industry or whatever might logically be targets. If one sits around in a think tank and thinks of what the terrorists might think next—and since September 11 we have instituted all these procedures to prevent there being another one anywhere in the world—it would be reasonable that we need to move on in order to think, perhaps, like they thought. Does that make sense?

Mr Bennett—Certainly it does. The aviation industry has no objection in particular to people who are expert in security matters related to aviation transportation being able to direct that expertise to other areas of transport—road, sea and rail—as well. As I said, the expertise of those people within the department is still within the department—it has not been lost. The fact that they are directing their most immediate attention to other transport modes may slow the learning process of the new people, but it does not stop the learning process altogether. The new people who are addressing aviation security are facing a very steep learning curve, and they are moving up it pretty quickly.

CHAIRMAN—When we had our first public hearing, the *Australian* ran a page 1 article about aviation security. On page 2 they had a photograph of a Qantas jet with a SAM headed towards it, which I thought was highly inappropriate—but, in any case, they did it. We were told that in terms of risk assessment there was much more likelihood of a surface-to-area missile being fired at a white kangaroo on a red tail at an overseas location than there was anywhere in Australia. Does that make sense?

Mr Bennett—We have to rely on the intelligence advice that is provided to us by the likes of the Federal Police and ASIO. My understanding is that that was the assessment that they came up with. They do understand what is happening in terms of weapons being moved around terrorist groups. Their assessment was as you described it, that it was probably more likely at an overseas port than at an Australian one.

CHAIRMAN—I will repeat what I have been saying all day, because one of the things they did say at that hearing was that to use a surface-to-area missile like that in that configuration would require, firstly, intent; secondly, capability; and, thirdly, the training to use the thing. And for all three to come together would be quite an event for Australia.

Mr Bennett—There is a fourth one, and that is actually having the weapon out there in the community to be able to be used in Australia. We rely again on our police forces and security agencies to keep us advised on that possibility.

CHAIRMAN—I would have thought that was part of capability. If you have not got the weapon, you can have all the intent—

Mr Bennett—Yes, you are right. I am sorry, I was thinking of the training, of being able to point the thing and fire.

CHAIRMAN—I move too quickly for you!

Mr Bennett—It has been a long day.

CHAIRMAN—It has for me.

Mr Bennett—And me, too.

CHAIRMAN—I would like to go back to your concern about the demerit points system. You said it is a denial of natural justice because the demerit points will accrue against the holder of the security program rather than the individuals that actually made a mistake. What do you propose in lieu of what is there?

Mr Bennett—If there is going to be some sort of penalty system in place for a failure to abide by a security requirement then the individual who fails to abide by that security requirement should be the one who incurs the penalty.

CHAIRMAN—Such as?

Mr Bennett—A fine, dismissal—depending upon the nature of the failure.

CHAIRMAN—I think I have exhausted credible questions, Mr Bennett. We thank you very much for your submission and for coming and answering our questions. If we have further questions you will not mind if we put them to you in writing rather than ask you to come back again?

Mr Bennett—Not at all; that will be fine. And I will certainly go back and look at the information we have available about persons in custody.

CHAIRMAN—I would appreciate that. Could you tell me if there is anything you have not told us which you should have?

Mr Bennett—I think we have covered just about everything if you include what I have said today and the written submission.

CHAIRMAN—Thank you.

[2.47 p.m.]

LAWRENCE, Mr Jeff, National Secretary, Australian Liquor, Hospitality and Miscellaneous Workers Union

CHAIRMAN—Welcome. Thank you for your submission, which we have received and published. Do you have a brief opening statement—and I emphasise brief—that you would like to make?

Mr Lawrence—Yes. What I thought I might also do is distribute another couple of documents which our union has produced.

CHAIRMAN—Would you like us to receive those documents as evidence?

Mr Lawrence—Yes, I would.

CHAIRMAN—There being no objection, that is so ordered. They are now public documents.

Mr Lawrence—Those documents summarise some of the major points that our union has been pursuing as part of a campaign in relation to airport security for a couple of years now. I should point out that our union is the union that has coverage of the employees of the contractors who provide screening at Australian airports. As the chairman has said, you have a copy of our submission so I will not go to all the points in that submission but simply make some points about our general approach to this issue. I thought I might also deal with the announcement yesterday by the Deputy Prime Minister with respect to new technology designed to try and expose plastic explosives, as I guess that is a rather topical issue.

Our position has been, and continues to be, that there should be a uniform and consistent system of airport security in Australia. Our major criticism of what has happened or what has not happened over the last couple of years is that although there have been a number of initiatives taken to improve airport security, by and large they have been pretty ad hoc and not part of an overall plan or review. Essentially, we believe that the federal government should develop and enforce a uniform and consistent system. That basic premise has a number of consequences. First of all, we believe that there should be uniform standards and regulations with respect to equipment, training and staffing. Our preferred position would be that the federal government should let contracts for those companies that provide screening.

There are other consequences of that. We believe that there has been an issue with respect to the adequacy of the wages and conditions of employees in this area. To an extent, that has been addressed by actions of the union but we believe there is more work to be done. And there are a range of work force issues in terms of morale and training that are very important. There are also questions about the employment of casuals in this very sensitive area, and rostering and staffing. Our submission goes to those particular issues in a bit of detail.

We have argued that it is the federal government's responsibility to ensure compliance by airport owners, screening authorities and individual contractors. One of the problems of the

system as it operates is its complexity. Contracts are let by a range of bodies and there are a range of organisations around Australia who are responsible for the letting of contracts, the maintenance and provision of equipment, and the provision of training. In many cases the responsible organisation is Qantas or a range of airport authorities. In some places, including Sydney, there is a mix of organisations. We think that is a difficulty. We have been involved in discussions with Qantas that have been quite productive. We have a dialogue about issues such as the provision of equipment, training and so on, and Qantas has taken steps to upgrade equipment and to address training. But I do not think that has happened in other areas—certainly not uniformly. The question of there being a more hands-on role by the federal government in letting the contracts, setting the standards and enforcing the standards is very important.

The submission goes to the extent to which the question of the employment of casual staff and staff turnover are problems. They are problems that exist in the security industry generally and there is no reason to think that companies that operate in airports would be inherently different to the rest of the industry. Those questions have to be addressed. The employment of casuals, high turnover and people not being properly remunerated will detract from people's professionalism, their ability to do the job and so on. There have been issues with respect to the employment of people in those areas.

We think that there is a greater role for the auditing and checking of screening equipment by the department of transport. At the moment the department of transport, as I understand it, directs its attention mainly to the employees who operate the screening equipment and there is little emphasis on ensuring that airport screening authorities are meeting minimum standards in the provision of equipment or the training of staff. And there is no overall review of what can occur there.

On the general issue of uniformity, one of the questions that has excited the interest of the press in this area—particularly the country press, as you would expect—is the inconsistency of standards and provision of security at country airports as against that at major city airports. We think that is an issue and, to the extent to which there is a hole in the system, that can have implications for the whole of the system. It comes back to our general point about the need for consistency, the need for uniformity and the need for the federal government to have a hands-on approach in dealing with these issues.

The other thing I should mention that comes out of the submission is the question of what is described as airport rage. The fact that there are increased delays at Australian airports now because of increased security has had implications for our members. There have been a number of instances in various airports that have been documented of our members being confronted by members of the public who have decided that because they have to wait in line or do certain things they do not particularly like, because of increased security, they will take that out on the security guards. We think that is an issue that has not been properly addressed. One of the issues that I think arises from the announcement of increased measures to deal with plastic explosives is that very issue because there will be, presumably, increased delays as result of that.

I would like to briefly deal with yesterday's announcement by the Deputy Prime Minister. I think that it exemplifies the sort of problem that we would say exists generally, and it is a perfect example of the lack of coordination that exists in the system. This was a measure that was announced yesterday. The union was not advised about it. On a central basis it involves new

equipment, yet no information has been provided to employees on the nature of the equipment or its accreditation. As I understand it, there is to be random sampling of people, so that has implications for the discretion of people to address that, and it is going to lead to delays.

In terms of training, I understand that at Sydney airport—and this is supposed to come into operation next week at the latest, I think—less than half of the screening work force has been trained so far and there is a lack of appreciation for the implications of that. At Melbourne our members have been told that only one in four of the airport screeners will be trained to operate the technology, and the training that is actually being provided is being done in house rather than by some independent and certified trainer. At Sydney, the people who have had training have been given four hours training and, as I understand, in Melbourne there was one week of training for those people who have actually been trained. I give that as an example of the general point that there is a need for an overall review of the system, a need for uniformity and a need for the federal government to be more involved in the setting and enforcement of standards. Thank you.

CHAIRMAN—Mr Lawrence, one of the supplementary exhibits you gave us says:

Security officers are UNDER-PAID and OVER-WORKED.

I direct you to the submission of the Board of Airline Representatives of Australia whose submission says:

... the employees involved receive specialist and accredited training for the job. They are also well paid by international standards.

Mr Lawrence—That is not right, as I understand it.

CHAIRMAN—Is yours an ambit claim or is it based on international evidence?

Mr Lawrence—Clearly what has happened in countries that have addressed this issue in a more serious way than Australia, such as Canada, is that there have been significant increases in pay. In Australia what has happened is that there has been an increase for security officers in airports of 97c an hour, which was an increase that has flowed throughout the system through the Industrial Relations Commission, and then there is a range of additional enterprise agreements. Despite that, security officers are still amongst the lowest paid workers in airports, yet they are charged with the very important responsibility of ensuring that our system is a safe one. So our submission states that they are underpaid; they are underpaid compared to people who are doing the same work in other countries as well.

CHAIRMAN—The Board of Airline Representatives said in their submission, and discussed with us just before you came on deck here, that the new legislation, for which regulations are not yet fully developed, introduces a demerit points system for airline companies and/or airport operators rather than further penalties against individuals who operate the screening or security equipment. You said there is a need for more rigorous monitoring of security contractor outcomes and for penalties on companies for noncompliance. The companies are saying that, if there are going to be penalties, the penalties ought to be for the failure of individuals. You are saying it should not be for the failure of individuals but the failure of companies.

Mr Lawrence—It is the employer's responsibility to ensure that there is an appropriate system in operation, and it is the federal government's responsibility to ensure that the employers are carrying out their job that they are contracted to do. Obviously there can always be human failings, but the major issue to address is the system of work. To the extent to which people are not trained well enough or they are not paid well enough or they have rostering systems that put onerous burdens on them, that is going to detract from security. So the major way that you address that is to look at the system of work.

CHAIRMAN—You said the use of labour hire security employees should be prohibited at all airports and that contractors should also be prohibited from any subcontracting of security services. Why would airports be different from other major infrastructure around Australia in terms of that sort of security level?

Mr Lawrence—Our general position would be that security companies, particularly in sensitive areas, should not be allowed to subcontract out or to have franchised employees and that the use of casuals should be minimised. That would be our general position. I think that is particularly important in airports for the reasons that we all appreciate. The extent to which you have got a high turnover and you have got casuals detracts from the utility of training that might be provided. I think this is a particularly sensitive area in terms of security. It is not the only sensitive area, but it is a particularly sensitive area.

CHAIRMAN—Couldn't you make the same point about our ports?

Mr Lawrence—You could, and we would. But this is an area that, for obvious reasons, has been in the public spotlight. I think it is particularly important in this area that those objectives are pursued. There has been some improvement in that area as a result of the activity of the union. I might say that if you look at airports around Australia there are three contractors to whom contracts are let. Qantas in particular have made their position clear. They think in this area it is appropriate that contracts go to the major contractors; they are not going to let contracts to people who do not have the resources and the infrastructure to actually do the job. But there is a task in making sure that those contractors keep up to the mark.

CHAIRMAN—You are not saying that they are not?

Mr Lawrence—I think there are always issues about that. That is the nature of the industry.

CHAIRMAN—I understand your position. But is it unreasonable to expect that just because it is a contractor, rather than Qantas itself, employees are going to be any less adequately training or any less competent?

Mr Lawrence—No, and that should not be accepted. If I understand your question—

CHAIRMAN—Chubb does the work for Qantas.

Mr Lawrence—In some places.

CHAIRMAN—In most places.

Mr Lawrence—Not in Sydney, for example. It is SNP in Sydney.

CHAIRMAN—Okay. But they are a specialist security firm.

Mr Lawrence—Yes.

CHAIRMAN—Operating in the security area.

Mr Lawrence—Yes.

CHAIRMAN—Whereas Qantas are not a specialist security company, they are an airline company.

Mr Lawrence—Yes. We accept the reality that this area is going to be operated by contract security companies. The issue, though, is to ensure that those companies do provide a proper level of service and training and so on. It is an area which does have to be monitored. We are saying that it is the responsibility of the federal government to ensure that there is a proper system in place that ensures that that is done. From what I have seen of what has happened elsewhere, the best model is Canada, which went a different route to the United States but has taken a much more active role in ensuring that the contractors that are involved in security are coordinated. Standards are set and standards are enforced. What has happened in Australia is that that has been done in a very ad hoc way by this government.

CHAIRMAN—Your submission indicates that you think we have inadequate training in the security area.

Mr Lawrence—Yes.

CHAIRMAN—Have you evidence of that?

Mr Lawrence—There have been a number of instances where the union has had to raise issues of training. We have raised issues with Qantas. As I said before, Qantas have taken some steps to address that issue—I could provide further information—but there have been a range of instances where issues have been raised about lack of training. The one that I have just referred to with respect to this latest initiative just over the last day or so is a good example.

Ms PLIBERSEK—Do you think that there should be a national system of training accredited by the department?

Mr Lawrence—Yes.

Ms PLIBERSEK—You mentioned earlier that you think that training differs quite substantially from airport to airport. Isn't most training provided through accredited training courses to start with anyway?

Mr Lawrence—I do not think so. It is a mishmash. In the areas where Qantas are directly responsible I understand they have in fact introduced a range of courses and ensured that people

take those courses. Other airport authorities have not provided that. There is a mixture of training.

Ms PLIBERSEK—Some of the screeners have told us that they do an additional unit on their security guards course that they do at TAFE to teach them about screening. It is provided on site. It is about 40 hours of supervised work where they are actually supposed to be picking things. Do you believe that standard varies from airport to airport and that they are not doing that at every airport?

Mr Lawrence—As I understand it Qantas have provided some additional training over and above that. That has not been provided at other places, for example.

Ms PLIBERSEK—You also mentioned that security officer members were concerned that they have to continually monitor performance of poorly trained casual personnel. Can you give us some examples of where that has been a problem and where it might have led to security breaches? Is that a common occurrence?

Mr Lawrence—There have been issues. The main area that comes to mind is at Sydney airport where the union has had quite a long-running campaign about the use of casuals by SNP. There has been some improvement in that area but there are still some issues about the policies that the company adopts there. There have been issues also at Melbourne and Tasmania. I can provide some specifics in terms of some of those incidents in the past if the committee needs that further information.

Ms PLIBERSEK—When you are talking about casuals employed in this area, are they casuals who would rotate between workplaces or would they be casuals who worked only at the airport, or might they work in all sorts of different environments and they are just on the books of the security company?

Mr Lawrence—It could be a combination. At Sydney airport, for example, people also rotate between the international and domestic terminals—or at least they used to. So, yes, it could be a combination, and I would suggest it would vary from place to place depending on the company.

CHAIRMAN—What are some of people you are talking about, because Sydney airport does not employ the screeners—they are employed by Qantas.

Mr Lawrence—They are employed by SNP.

CHAIRMAN—Yes, but it is a Qantas responsibility; it is not Sydney airport's responsibility.

Mr Lawrence—Yes.

CHAIRMAN—So when you are talking about people moving from the domestic to the international terminal, you are talking about people who are contracted or who work for Qantas, are you?

Mr Lawrence—No, who work for SNP.

CHAIRMAN—Well then they are contracted to Qantas; they are not contracted to the airport.

Mr Lawrence—No.

Ms PLIBERSEK—He was not saying that.

Mr Lawrence—I was not saying that.

CHAIRMAN—That was why I was asking.

Mr Lawrence—Sorry, I think we were at cross-purposes.

Ms PLIBERSEK—So really the weakness in that is that, if you are only working on an X-ray machine or a screening machine once a week or once a month or once every six months, even if you have done training on it, you are unlikely to have the level of expertise or experience that is necessary to pick up what can be quite difficult to see.

Mr Lawrence—Difficult to see and done in an environment of pressure, as you can appreciate.

Ms PLIBERSEK—And well hidden. We have seen photographs of the types of weapons that are concealed in belts, jewellery, plastic knives and those sorts of things. If you are looking at those things once a month, there is a big chance that you would not pick them up, wouldn't you say?

Mr Lawrence—Yes.

Ms PLIBERSEK—The previous evidence that we had said that it was irrelevant whether people were subcontractors because they would undergo the same background checks as employees of the company that initially won the contract. Is that your experience? Do your members have to undergo stringent enough background checks, in your view?

Mr Lawrence—I am not aware that the question of background checks is such an issue. It may be, but the issue that we have been more concerned about is the level of training and supervision and so on, which leads to a lack of results at the end of the process. Maybe there has been, but I am not aware that there has been such an issue of people in Australia having been exposed of having some sort of record. There have been issues like that in the United States.

Ms PLIBERSEK—There was one in the baggage handling area not so long ago and there was a report that showed that there were several people who had substantial criminal convictions, including drug importation convictions, and there was one person who had a relationship with an extremist organisation.

Mr Lawrence—That is not an area that we cover.

Ms PLIBERSEK—No, it is not your area. I am just saying that if you had, in similar circumstances, someone with, say, a drug importation conviction, it would not be ideal employment for them to be screening baggage. There should be a distinction, shouldn't there,

between people who are employed by a security company and employees of subcontracted companies? If the security company starts subcontracting work out to another company, are the security checks that the second company is doing of a high enough standard? Do you have knowledge of that area?

Mr Lawrence—The only thing I can say is that that is the reason why subcontracting should not be allowed, because the longer the chain gets the harder it is to control.

Ms PLIBERSEK—We went to Tamworth and Coffs Harbour yesterday. Tamworth does not have screening of carry-on baggage, while Coffs Harbour does. You have said in your submission that there should be equal security standards, irrespective of the airport the passenger is boarding. Do you think that that would put too great a strain on small regional airports where they have only a few flights a day and those airports are struggling as it is in many respects?

Mr Lawrence—I think it is a difficult issue practically. But where there is a gap in the system it can potentially flow on to the rest of the system. The distinctions that are being made now, as I understand it, were based originally on aircraft of over 100 or something like that which could land at particular airports. I think the only answer really is that the federal government has to provide some additional resources to support that. There can be significant damage done by aircraft who are flying out of or into those airports as well.

Ms PLIBERSEK—Thanks.

Mr CIOBO—You made a statement at the outset of your evidence that there are a number of countries that have addressed the security issue in a much more serious way than Australia. Which countries are you referring to and what is the basis of you saying that?

Mr Lawrence—Obviously the United States has put a lot of resources into a change in its system. Some of the material that I have read in recent times is quite critical of what the new transportation security administration has done. But clearly the United States has put a lot of resources into it and has focused a lot on it. The other area that we have looked at is Canada. As I understand it, they have gone down the path of accepting the reality of private contractors, but they have introduced much more stringent central administration and supervision. So they are the two areas we have mainly looked at.

Mr CIOBO—Have they adopted a model that is similar to what you propose, where there is not subcontracting of security services?

Mr Lawrence—They have provided for a model where the federal government, as I understand it, has had a much more hands-on role in supervision, setting of standards and so on.

Mr CIOBO—By its framework or in terms of direct employment of staff?

Mr Lawrence—No, a compliance framework.

Mr CIOBO—As I understand it, at the moment in Australia the compliance framework—and I could be wrong in saying this; it is only my understanding—in terms of accreditation of security staff et cetera is governed by state government legislation. Is that right?

Mr Lawrence—In general terms? Do you mean of security officers generally?

Mr CIOBO—Sure.

Mr Lawrence—Yes, and there is a mixture of systems that operate there. There are some states, like New South Wales, that have a licensing system and others that do not have any.

Mr CIOBO—With respect to airports, what is the interplay between licensing and accreditation as a security officer and your ability to function in that role at an airport?

Mr Lawrence—You are required to have the normal state government requirements, and on top of that the department of transport has additional requirements, as I understand.

Mr CIOBO—So you are after an increase in the state government imposed standards—is that what you are seeking?

Mr Lawrence—Generally the union have been campaigning for a licensing type registration system wherever we can. But at the moment they do not exist in all the places. In this area we are saying that the federal government needs to establish a special system of regulation and accreditation.

Mr CIOBO—Just for airport security officers?

Mr Lawrence—That is right.

Mr CIOBO—I am confused about—if you would not mind clarifying it—your position with regard to subcontracting. That is because the chairman made reference to the fact that Qantas is an airline and not a security company, and that perhaps specialisation best lies with companies like SNP and Chubb. I am just not certain. Are you saying that you do not want subcontracting or are you saying that you see subcontracting as a part of the process and accept it?

Mr Lawrence—When we are talking about subcontracting we are talking about Chubb or SNP as the major contractor letting another contract to another company.

Mr CIOBO—So it is not who Qantas is contracting to. You are talking about people subcontracted to those security companies.

Mr Lawrence—Yes—those security companies actually subcontracting out their work.

Mr CIOBO—It is not actually a problem with Chubb or anyone?

Mr Lawrence—No.

Mr CIOBO—I appreciate you clarifying that. Also with regard to some of the claims in this document you provided as evidence today, given that September 11, the Bali bombings and the general threat environment have led to a very significant downturn in tourism and passenger movements, and given that the fact that Qantas is one of only 10 per cent of airlines in the world making a profit, what do you see as being the implications of adopting some of the claims that

you have in here in terms of the ongoing viability of the airlines and the contracts that are at the core of running airports?

Mr Lawrence—Some of the things in the submission have cost implications but the federal government has made a range of decisions—for example, in terms of the sky marshals, which I think is a pretty marginal decision—that have recognised that this issue has to be addressed. There clearly are cost implications but they always have to be balanced against the need to have adequate security. I know there is a tussle between the government, Qantas and airport operators as to who pays for what but I think the Australian public accepts the need for some additional costs in order to ensure that there is a proper level of airport security. When we have taken this issue to people—and we distributed these boarding passes at airports on a couple of occasions during the course of last year—there has been a pretty universal recognition of the need to address it. Sure, people do not like to stand in queues and be delayed at airports but they also understand that this is an issue that has to be addressed. I think there is a need to meet reasonable costs that arise from this.

Mr CIOBO—Would that be in terms of some kind of government subsidy or something else?

Mr Lawrence—A combination of the two. Our central argument is that initiatives such as the sky marshals—or even these devices that monitor plastic explosives and so on—are really peripheral and ad hoc initiatives. The fundamental issues that need to be addressed to improve airport security are: the standard of the work force, their training, their job conditions, the equipment they have to monitor people, and the question of screening hold baggage—or ‘checked baggage’, as it is called—which is a very mixed situation in Australia.

Mr CIOBO—I raised with Sydney Airport Corporation this morning paragraphs 3 and 4 of your submission where you said:

... we believe that the airport owners and screening authorities should also be held responsible for any non-compliance with security standards allowed by the individual contractors.

Their view—and I do not profess to speak on their behalf but to paraphrase what I thought their evidence was—was that they rejected that on the basis that it diminishes the need for an individual to take responsibility for doing a good job. Given that reaction, do you take the view that this would act in isolation, where the airport owner would be responsible, or would you see it as a two-pronged approach where the airport owner and the individual would be subject to potential liability and punishment—in whatever form that might be?

Mr Lawrence—I think it should be looked at more positively. I do not think it is a question so much of punishment; it is a question of the system that operates. There are a number of bodies that have their fingers in the pie here: the federal government and the airport owners or the screening authorities who are letting the contracts to these particular companies. As I said, one of the problems is that that can be Qantas or the airports—so it is a mixture. Both of those have responsibilities. The companies have a responsibility. Each employee has a responsibility to do their job.

The question is what systems are in place to ensure that employees can do their job? Are they properly trained and are they well paid? Have they got a good and safe system of work that

encourages them to do their job properly? Those are really the issues. You cannot just leave that to the particular contracting companies because there needs to be a system in place to ensure that the system is actually working.

Senator HOGG—Firstly, I want to go back to this issue of casual employees and the high turnover that you referred to in your submission. Can you put a figure on what the high turnover is? If you cannot could you take it on notice and give us some indication as to what constitutes the high turnover?

Mr Lawrence—I would have to take that on notice. It is going to vary from place to place but I could get some further material to you on that.

Senator HOGG—That would be interesting, because my next question would be: if there is a high turnover is that contributed to by the nature of the work or by the casual employment or by both?

Mr Lawrence—Probably both. The security industry is an area, as you would know, like other industries where there is generally a high turnover. In areas where there is a fair bit of pressure, that increases it. It is a combination of the two.

Senator HOGG—The point that I am leading to, of course, is the fact of the cost of the turnover, because if security is a cost to the industry and a cost to the traveller then high turnover of itself is a major cost. Are you able to quantify that for us in some way?

Mr Lawrence—I can do some work on that. It clearly would be a cost because there are additional costs of training new staff and so on.

Senator HOGG—I have heard figures—these were a number of years ago—in the industry from where I come that the cost of replacing a casual was somewhere in the order of \$2,600. I do not know if that is an accurate figure today or a good figure to work by, given the nature of the security industry. But every time someone is turned over, as you say, there are replacement costs such as training costs, just the paperwork to put someone through the system and so on. There are induction costs. So could you give us some idea because it seems to me that if you could limit the turnover and make the job more appealing and more attractive that would make it less of an expense for the traveller. The second thing I want to raise is that on your card you state:

SOME SCREENING EQUIPMENT IS SUB-STANDARD

Is that still the case?

Mr Lawrence—I think it is, but I must say this was produced about 18 months ago now. In the areas that Qantas is responsible for, the last time I looked at it, there had been some significant improvements. I could do another check but I would be surprised if we could not come up with areas where we would say that the equipment is still substandard.

CHAIRMAN—Passenger screening and other new technologies may have implications for privacy related issues for travellers. Is that a concern for your members?

Mr Lawrence—It is. There is a need to address some of these issues. For example, at Sydney airport there was an attempt to get some of our members to do body searches of passengers and that is an example as to where there needs to be a common standard that sets out guidelines for these sorts of things. Our view would be that it is not appropriate for our members to be doing body searches. That is an example of an obvious invasion of privacy but one where there needs to be some accepted and universally communicated standards.

CHAIRMAN—Thank you very much for your submission and for coming in and answering our questions. You are going to get back to us on a couple of issues. If we have any further questions we will put them to you in writing. As a last question is there anything you should have told us that you have not?

Mr Lawrence—I am sure there is but I cannot think of it now.

CHAIRMAN—Thank you very much.

[3.33 p.m.]

ARMSTRONG, Mr Paul, Director, Policy, Office of the Federal Privacy Commissioner

PILGRIM, Mr Timothy, Deputy Federal Privacy Commissioner, Office of the Federal Privacy Commissioner

CHAIRMAN—Welcome. We have not received a submission from you. Do you have a brief opening statement that you would like to make?

Mr Pilgrim—Yes. Thank you for the opportunity to appear before the committee today. I hope that we can provide some useful insight into the issues relating to privacy in the context of airport security. By way of opening remarks, I would like to say that our office clearly recognises the need to ensure that the public are confident that their safety while travelling is of the utmost importance to those organisations responsible for aviation security. At the same time, the community also have an expectation that their personal information—which they may hand over as part of their travel arrangements, for example—will not be misused and will be protected.

In saying that, we note that there are often calls for privacy to be compromised in the interests of greater security. Our office would suggest that you do not need to give away privacy to ensure security, that an appropriate balance can be achieved. A quick example would be building systems in a privacy enhancing way—and we could build on that, should the committee wish. Having said that, I am sure that the committee is aware that our office’s remit is around information privacy, sometimes known as data protection. In this context, our starting point in achieving the balance I have referred to is through the use of what we refer to as the ‘four As’ framework.

Those four As are: analysis, which is what the issue is and whether the solution is proportional to the problem; authority, which is under what circumstances the organisation will be able to carry out its powers and who will authorise their use; accountability, which is what safeguards are put into the solutions for the problems, who is auditing and oversighting, and what reporting mechanisms there are; and, finally, appraisal, which is what review mechanisms have been introduced to ensure that the measure has delivered what it promised. We believe that if this framework is used as a starting point then it will aid in the development of good outcomes for the community in this important area.

CHAIRMAN—Thank you very much for that. Could you tell me if your office has any working relationship with the Department of Transport and Regional Services?

Mr Pilgrim—In a strictly regulatory sense, the department does fall under the control or regulation of the federal Privacy Act. Of late we have not had any direct contact with that particular department.

CHAIRMAN—So you have not had any input into the recent legislation or regulations?

Mr Pilgrim—As far as I am aware we have not been asked to comment on any legislation coming out of the Department of Transport and Regional Services.

CHAIRMAN—Do you have reservations or concerns about the privacy implications of the current arrangements for passenger and baggage screening?

Mr Pilgrim—It is a very important area, as I said earlier, about ensuring security for the community when they are travelling. I think the appropriate balance needs to be achieved between ensuring that security but still allowing the individual to have some control over the personal information that may be collected as part of it. We would like to see systems introduced that take that balance into account. If there is going to be the collection of personal information to allow for the assessment of either individual people travelling or their belongings that may be travelling with them, we would like to see it ensured that individuals are made aware up front that information on them is going to be collected, that the processes are transparent, that they are aware that their baggage may be searched or the like and that they do know that they have the right of recourse if they believe that as part of that process their privacy has been infringed.

CHAIRMAN—Have you travelled internationally any time recently?

Mr Pilgrim—About 12 months ago.

CHAIRMAN—And have you travelled to the United States?

Mr Pilgrim—Two years ago I travelled to the United States. In fact, it was the end of September in 2001.

CHAIRMAN—A bit early, I suspect. I suggest you try it again and tell me if you read anywhere on your ticket or in the airport that your baggage is going to be completely searched and that every article in it may be examined and looked at by some security officer.

Mr Pilgrim—Without having the benefit of that most recent travel I would assume that there would be many places around the world where there would not be that sort of information. But we would hope that good practice standards, which we would hope to see being implemented in this country, would ensure that there are means by which members of the community would have a right to know that those practices are going to be undertaken.

CHAIRMAN—How should we go about informing the community?

Mr Pilgrim—If we look at what happens quite regularly in Australia at the moment—and I believe you have been travelling domestically recently, quite a bit—when your bookings are taken, for example, quite a lengthy privacy statement often comes out from Qantas about what is going to happen to your personal information. It is quite lengthy—I would be the first to say that it is possibly too lengthy in some cases—but it is important that that is where people start to learn about what is going to happen to their personal information and, in some cases, their personal items.

CHAIRMAN—There would not be anybody in Australia that would think they could get on an aircraft today without having their in-cabin baggage examined.

Mr Pilgrim—I agree entirely. I think it would be very surprising to find anyone who would not think that that was going to happen. But the degree to which other examinations, if you like, of their items are going to happen might surprise some people in some cases.

CHAIRMAN—It did me in the United States once: somebody started playing with the zoom on my camera! The submission from Sydney Airport Corporation Ltd mentions information based passenger screening that uses personal information to assess the security risk of passengers, which is referred to in the SACL submission as ‘passenger profiling’. A proposed system in the United States, a computer assisted passenger prescreening system, has been criticised by privacy and civil liberties advocates. Can you tell me what concerns you have about information based passenger screening?

Mr Pilgrim—From a more general perspective, one of the areas that we would want to see considered if there is going to be profiling of this information—and I do not wish to sound too repetitive—is that the individual, when they are booking their tickets or making their arrangements to travel, is told about what information is going to be collected on them in the first place and how that will be used. Our view would be that where organisations, be they in the private or the public sector, are going to do profiling of this nature they need to be clear up front that that is going to happen. What they then need to do is make sure that the information they are getting is relevant information. There is a question around how much information you need to do that profiling.

There is anecdotal information from around the world that would suggest that the information being collected, as I understand it, through that system is extraordinarily broad and is not necessarily going to be useful for the task that they are seeking to solve through collecting that sort of information. So we would like to see—as I think would a number of the commentators on that process—that the information is fairly well targeted so that you are not just collecting huge amounts of information that may not be relevant in the long run. That is one area that comes to mind immediately.

CHAIRMAN—The Board of Airline Representatives of Australia, in their submission to us and in evidence to the committee, said that individuals being returned to country of origin to face civil or criminal trials and people who had come in with false documentation are put on an aircraft and the aircraft owner and operator are frequently not told that that individual perhaps is going back to the country of origin for a murder trial. They insist that it be required by regulation—I assume set by DOTARS—that the airlines be advised when those procedures are implemented. Your view?

Mr Pilgrim—It is hard to give an immediate review on something which would have a huge degree of variation in context alone, in different situations and different circumstances. The Privacy Act as it stands does recognise the legitimate disclosure of information to organisations where it is done through the authorisation by another law. For example, if someone is being removed either because they are illegally in the country or because of some criminal activity in the country, it could be that the law enforcement agency that is seeing that they leave the country could probably allow that information to be disclosed as it is because there may be a relevant law authorising them to do so. So our starting point would be that if there is going to be provision for disclosure of that sort of information we would prefer to see that it is done through some authorisation—that is, that the parliament has given it due consideration either through a

change to a relevant law or through regulation. That way it allows for public scrutiny and debate by the parliament.

CHAIRMAN—We will consider that.

Ms PLIBERSEK—Do you think that the new aviation security regulations that are being developed by the department of transport at the moment are the appropriate place for regulations about persons in custody being notified to airlines? Is that the place for it?

Mr Pilgrim—That is a difficult question for me to answer. I am not entirely familiar with the bill—I have heard the name of course, but have not had a chance to examine it. I would suggest that our starting point would be an open, transparent process by which the community gets to debate that issue. As long as there is clear authority to do so, where it actually sits I think is not something I could answer immediately. But we would want to see that initial public debate to make sure that the processes are seen to be open and transparent.

Ms PLIBERSEK—But you agree that passengers on an aircraft would want to know. If someone is being deported for overstaying their visa, they are probably not a particular security risk, but we had evidence earlier today of a convicted paedophile being sent alone on an aircraft down the back of the plane with the unaccompanied minors. You would think people would want to know that, wouldn't you?

Mr Pilgrim—My immediate response to that question would be that I would hope that the relevant authorities that are organising the transfer of an individual, for whatever crime it may be and if they have been convicted of a crime, have taken the appropriate measures to ensure that, if they are in fact dangerous, they will be secured and there is no likelihood of them offending. I would not automatically assume that the entirety of the plane—be it a small regional plane or a large 747—need to know the exact details of the person travelling with them. But, getting back to the main point, I think they would like to know—

Senator HOGG—It would have to be disclosed to the aircrew; that is the point.

Ms PLIBERSEK—And it was not.

Mr Pilgrim—Sorry, I was picking up on the comment about all the people on the plane, so I was wondering whether you were inferring that that included everybody on the plane, including the passengers. If we are talking about relevant staff of the airline, if there is any threat of danger, then, yes, I think they probably would need to know.

Ms PLIBERSEK—I would not even say that anyone would need to know if the person were travelling with a security guard or a police officer—I am not arguing that. But if someone is unaccompanied in circumstances like that, that, in my view, presents a serious risk.

Mr Pilgrim—If there is a serious risk, I would agree that, certainly, people should know that that is happening. If I am sounding vague, it is only because there is such a large spectrum of what the circumstances could be.

Ms PLIBERSEK—Of course.

Mr Pilgrim—But where there is a perceived threat or a serious risk, then there is a legitimate case for the organisation—be it the airline—to know.

Senator HOGG—But taking the case that Tanya has just referred to, even if the person were accompanied, surely there would have to be some declaration to the aircrew that person A is an officer of the AFP, for example, and the other person is being accompanied by person A. That would surely be reasonable.

Mr Pilgrim—I think in many cases, particularly where it is of such a serious nature that they are being accompanied, I would see it as being reasonable that the airline be notified.

CHAIRMAN—Nobody is going to fight about air security marshals, are they? Does that impinge upon your privacy, when you get on a domestic aircraft?

Mr Pilgrim—That depends on individual aspects of privacy. If I wanted to have recourse to the act, I could say that the act is very specific and that would not be an area we would be able to comment on. I think numerous people have different views of what constitutes privacy in the first place.

Ms PLIBERSEK—In terms of threats to privacy, I think we all probably agree in this room that profiling is the area that would be of the most significant concern. Would the sort of information that is contained in any system that is built to aid in the profiling of passengers be a concern, in your view?

Mr Pilgrim—Yes. If you take strictly the reading of our act and what our responsibilities are under regulating the act, it is related to the collection of data and personal information that is going to be stored in databases or systems. So our interest is around what types of information are being collected and in what circumstances, and that is why we are so interested to see what is happening in this area to make sure that, where we can add value when we are asked, we will, and to make sure that organisations are actually responding to a threat appropriately and, in the case of collecting information, it is not just a grab for huge amounts of information, as I said earlier, which may not be entirely relevant to what it is they are trying to find out about an individual.

Ms PLIBERSEK—Obviously this inquiry was prompted by September 11, 2001 and so on, but it is apparent to us that the greatest threat to aviation security might not necessarily be from terrorism; it could be from someone—

Senator HOGG—Someone who is mentally disturbed.

Ms PLIBERSEK—Yes. Do you think it is reasonable for airlines to have information when they are checking passengers in such as, ‘This person has presented intoxicated in the past’ or ‘This person has not been allowed to board aircraft in the past for making threats to other passengers’. If they have had some other relatively minor infringement in the past, do you believe that airline staff have a right to know? That is the sort of thing they would put on this system: ‘This person abused the check-in staff last time.’

Mr Pilgrim—Again, it is a fairly difficult question to answer too specifically without getting into some broader concepts. I suppose initially we would come back to the responsibility of the organisation—in this case, the airline—to ensure that the flight is safe for the passengers travelling with them. If an individual had regularly presented with problems like that—if they had been abusive or intoxicated on a regular basis—the airline may decide that it does need to keep that information, and I am talking in this area about private sector organisations.

In that case, from a purely data management perspective, we would expect to see that the organisation has somewhere where the individual, if they are worried about what information is being held on them, can check to see whether that type of information is there. So there is an access requirement. If an organisation is going to note details about individuals, whatever they are, it needs to have a privacy statement that clearly sets out the types of information it may be collecting on its customers and how those people can go about seeing it. So, at the end of the day, an organisation in that circumstance will not necessarily be restricted by the Privacy Act in collecting that information. What we would want them to do though is make sure that their systems are transparent enough so that, if you were worried that you may be noted down as being recurrently intoxicated on flight, you get a chance to see your record and dispute it if you think it is incorrect, particularly if it impacts on your ability to access the service.

Ms PLIBERSEK—Most people who behave badly—for example, when they visit our offices—come back two weeks later and would deny that they behaved badly the last time they visited. That does not reassure my staff. They are used to dealing with people who sometimes lose their tempers or even become violent but do not necessarily have a memory of that behaviour or do not remember it in the same way.

CHAIRMAN—They do not want to remember it.

Ms PLIBERSEK—You said that people have a right to see the information held on them. If they do not agree with the information but the airline asserts that their view is the correct one, where does the balance lie?

Mr Pilgrim—As it stands in the Privacy Act now, yes, there is certainly a right to access information about yourself wherever it is held, in most circumstances. So in the case of an airline the individual would, in most circumstances, have the right to see that information. They also have the right to get it corrected if they believe it is wrong.

Ms PLIBERSEK—Is that if they believe it is wrong or if they can prove it is wrong?

Mr Pilgrim—If they believe it is wrong, they can seek to have it corrected. However, if there is an ongoing dispute about whether it is right or wrong, as a minimum if that cannot be resolved the individual has a right to have their file annotated to say that they do not agree with it. It does not necessarily have to be totally expunged from the record unless there is a more formal process gone through where it can be formally demonstrated that it is incorrect.

Senator HOGG—Since September 11 has advice been provided either to industry groups, the government or unions about privacy issues surrounding security issues by the Office of the Federal Privacy Commissioner? You may well need to take that question on notice.

Mr Pilgrim—I will probably take that on notice just to confirm. At this stage I could say that I am not aware of any in relation to security issues specifically.

Senator HOGG—None of them have come to you and said, ‘We now are entering a new era of security; we need advice on security’? I am not asking what the advice is at this stage. This is whether it is the government, industry or unions.

Mr Pilgrim—I will take it on notice. One thing I could say is that, naturally, through the course of the normal development of many different types of bills that the government has introduced over the last two years to address security issues, we would have been involved in providing comment on those at various stages of their development. That would be the normal process that you would be familiar with. Separate to that I would have to take it on board and check.

Senator HOGG—If advice has been given—not going specifically to the actual verbatim advice—can you give us some idea of the nature of the advice so that we have a feel for the sorts of issues that are of concern if they have been raised by any of those sectors who have an interest?

Mr Pilgrim—I will certainly take that on board and see what we can produce. As you can appreciate, we will have to take issues into consideration such as at what stage in the development process they were, are they cabinet-in-confidence comments et cetera.

Senator HOGG—I accept all that but, even given that, could you give us some idea without breaching the advice that is given to cabinet?

Mr Pilgrim—Certainly, I will take that on notice.

Senator HOGG—But there are also industry groups and unions involved as well. They may well have sought your advice.

Mr Pilgrim—I will take those areas on notice as well.

Senator HOGG—I do not want you to do an exhaustive search which takes hours. Someone in your area would obviously know if something was there.

CHAIRMAN—Thank you once again for coming and for your answers. If we have further questions, you will not mind if we put them to you in writing rather than asking you to come back again?

Mr Pilgrim—We will be happy to respond to any further questions.

CHAIRMAN—Is there anything you should have told us that you have not?

Mr Pilgrim—There is nothing that I can think of, no.

CHAIRMAN—Thank you.

Resolved (on motion by **Ms Plibersek**):

That this committee authorises publication, including publication on the parliamentary database, of the proof transcript of the evidence given before it at public hearing this day.

CHAIRMAN—I thank our witnesses and I thank those who have attended the hearing. I thank my colleagues, I thank the secretariat staff—and, as always, God bless Hansard! I declare this public hearing closed.

Committee adjourned at 3.57 p.m.