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JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT

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JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT

Monday, 24 November 2003

Members: Mr Charles (*Chair*), Senators Colbeck, Crowley, Hogg, Moore, 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: Mr Charles, Mr Cobb, Ms Grierson 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

WITNESSES

GEORGE, Mr Alexander John, Group General Manager, Group 4 Securitas Pty Ltd 1

GOODYEAR, Ms Alisa Robin, National Aviation Manager, Chubb Security Australia Pty Ltd..... 1

**McKINNON, Mr Michael John, Executive Director, Chubb Security Personnel, Chubb Security
Australia Pty Ltd..... 1**

**TONGUE, Mr Andrew, First Assistant Secretary, Transport Security Regulation Group,
Department of Transport and Regional Services..... 21**

**TURNER, Dr Andy, Assistant Secretary, Aviation Security Regulation, Department of
Transport and Regional Services..... 21**

Committee met at 9.41 a.m.

GEORGE, Mr Alexander John, Group General Manager, Group 4 Securitas Pty Ltd

GOODYEAR, Ms Alisa Robin, National Aviation Manager, Chubb Security Australia Pty Ltd

McKINNON, Mr Michael John, Executive Director, Chubb Security Personnel, Chubb Security Australia Pty Ltd

CHAIRMAN—The Joint Committee of Public Accounts and Audit will now recommence 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 final public hearing scheduled for this inquiry. The committee will hear from three witnesses: two security firms involved in providing aviation security services, and a second appearance of the government regulator, the Department of Transport and Regional Services.

The final hearing will tackle several issues, particularly those which are relevant to the regulator. Those issues include the effect of the new legislation and associated regulations concerning aviation security, the department's consultation practices with industry stakeholders and the procedure for the carriage of passengers in custody. At the recent hearings in Brisbane the committee received evidence about gaps in aviation security arising from a lack of coordination between agencies. One of the keys to improving aviation security will be tightening up the processes involved so that everyone is efficiently and effectively working towards the same goals.

The issue of costs has also been of great concern to many aviation stakeholders throughout this inquiry. Security is essential but implications can be dire for regional and remote airports. Ultimately, many of the increased costs will be passed on to the travelling public through increased fares. The committee will be considering how best to make use of the resources available to ensure best practice and greatest effect for the taxpayer's security dollar.

Before beginning, I advise witnesses that the hearings today are legal proceedings of the parliament and warrant 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 a contempt of parliament. The evidence given today will be recorded by Hansard and will attract parliamentary privilege. Finally, I refer any 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 the committee's statement are available from secretariat staff.

I welcome representatives of Chubb Security and Group 4 Securitas to today's hearing. Thank you for your submissions and for coming today. Do any of you have a brief opening statement?

Ms Goodyear—Yes, we do.

CHAIRMAN—When I say 'brief', I mean ultrabrief, please—two to three minutes.

Ms Goodyear—Okay, no problem. Chubb decided to provide a submission to the joint committee following statements made by the Australian Liquor, Hospitality and Miscellaneous Workers Union, which we believe to be inaccurate, based on a lack of understanding of the aviation industry and our businesses. Accordingly, our submission was based on some of the issues raised and also incorporates Chubb's position on the status of aviation security in Australia. Specifically we have concentrated on passenger and baggage screening, of which Chubb provides specialist services. As outlined in our submission, Chubb believes that the Australian model for passenger and baggage screening replicates world's best practice.

With this model we at Chubb believe we accomplish the desired security outcomes for air travel whilst incorporating high customer service standards. Our opinion is based on a number of factors, some of which are: (1) Australian screeners receive formal, outcomes based training, in compliance with the national standards; (2) the Australian government has the responsibility for regulating and auditing the passenger and baggage screening programs and does so with vigour; (3) our work force is made up mostly of permanent workers who receive an additional allowance for aviation work and who have a comfortable and pleasant work environment; and (4) the industry—that is, the regulators, airlines, airports and suppliers—works in a spirit of cooperation for the betterment of aviation security and upholds the principles of continuous improvement.

CHAIRMAN—Thank you. Mr George?

Mr George—Thank you for the opportunity to be here. I endorse the comments just made by our competitors, Chubb, and reiterate what I wrote in my paper; that I believe we have world's best practice in Australia. I am even more convinced of that—or as convinced as ever, I should say, having just returned from the world conference, along with Alisa, only last night. I would like to reiterate a couple of points. Firstly, the training standards in aviation security in Australia, as far as passenger and check bag screening are concerned, are of the world's highest order. That includes initial and continuation training.

Secondly, our use of casual labour, as referred to in the ALHMU's paper, is strictly controlled. I can report that the best statistics available in my company indicate that six per cent of the total hours worked each week are worked by casuals. As suspected, our turnover of labour is some 50 per cent of the norm in our industry, which traditionally has a high turnover of labour due to the nature of the business. It is a fraction under nine per cent in aviation security whereas elsewhere it is just over 20 per cent.

Also referred to in the ALHMU paper are the rates of pay. There is always room, of course, to review rates of pay, but I think at the moment they are fair and equitable and reflect the duties and responsibilities. The statistics in my company show one incident of air rage in the last 12 months, and it was not really air rage because it was on the ground. The situation with aviation screening is little different to other situations undertaken by security officers across the board.

Performance measurement does exist with most of our contracts and there are penalties—and very odd rewards, but mainly penalties—which are invoked by the screening authorities in relation to our performance.

I would like to comment on perhaps having the public sector take over from the private sector in the provision of aviation screening duties. Obviously we have a commercial interest in ensuring that does not occur, but I would like to make a couple of points. One is that it gives the screening authorities at the moment the freedom of choice and it creates competition. I know there are three major providers of aviation screening services in Australia, two of whom are public companies and represented here today. The third is SNP Security.

I know full well that if I do not perform for my customers—the screening authorities—to the standard they expect, I will have both competitors breathing down my neck looking to take over the business. I think what that does is enhance the outcome. I am not sure that we would get that if we handed over to the public sector—in fact, with my knowledge of the public service, I suspect we would not get that.

The last point that I would like to raise is in relation to public accountability. I did raise, in the paper, people attempting, deliberately or otherwise, to take prohibited items into the sterile area. At the moment there is no individual accountability for that. As we seem to do everywhere else in Australia, somebody else is responsible for one's actions. I think we need to review that.

Ms PLIBERSEK—I am sorry, I do not understand what you mean.

Mr George—At the moment, the total responsibility for prevention of a prohibited item entering the sterile area rests with the screening authority via the screeners. There is no real accountability on the part of individual passengers or other parties who enter the sterile area to ensure that they do not attempt, deliberately or otherwise, to take items into the sterile area.

Ms PLIBERSEK—Do you think a person should be fined or prosecuted for trying to take items into the sterile area?

Mr George—Yes, I do. In my opinion, we should attempt to categorise prohibited items into those that are genuinely dangerous to the public and those that are not. For example, explosives, firearms are genuinely dangerous to the public; little old ladies' crocheting scissors or knitting needles are not.

Ms GRIERSON—You mean at the point of detection. They should not get through, should they?

Mr George—No, they should not. It should be the same as when you come into Australia: there is a requirement to declare any items which are prohibited or over your limit for Customs.

Ms PLIBERSEK—If someone finds a knife or an explosive item in your baggage, if it is a prohibited item you can be prosecuted under normal criminal law, can't you?

Mr George—You probably can, for some items.

CHAIRMAN—And you are.

Ms PLIBERSEK—But you are saying that it does not happen.

Mr George—Not to my knowledge.

Ms PLIBERSEK—If a baggage screener finds a flick knife in your bag, what happens—nothing?

Mr George—It is confiscated.

Ms PLIBERSEK—Nothing happens to the person carrying it?

Mr George—No.

Ms PLIBERSEK—Even it is a prohibited weapon?

Mr George—In the case of a weapon, probably.

Ms GRIERSON—What do you mean by ‘probably’?

Mr George—It is not up to us to decide. It is a police matter. We would report it and then it would be up to the police to decide what action they are going to take.

Ms GRIERSON—You would not detain the person?

Mr George—We would not, no. We would hand them over to the APS.

CHAIRMAN—I want to give you a pat on the back first, and then we will start asking our questions. Throughout this inquiry we have been told—except by maybe a couple of vested interests—that our aviation security generally comes up as five-star internationally, or something like that, and recently we have increasingly been told that the courtesy of our screeners exceeds that of any other country, and that has been my personal experience. I want to relay the experience I had at Brisbane Airport on Wednesday afternoon, 12 November. My toilet kit evidently in my carry-on bag had a pair of nail clippers, so they very kindly said, ‘Would you mind if we had a look?’ They showed me on the screen and said, ‘I think we see a pair of nail clippers,’ and I said, ‘Indeed, you do. I forgot. I usually take them out. It has the nail file broken off.’ They said with a smile, ‘That’s good, could you just show us, please?’ I did, and they thanked me very much. I then told them who I was and what we had been doing all day, and I congratulated them and I now put it on the public record. They get top marks.

Mr George—Could I just remind our competitors that that was our screening point?

CHAIRMAN—You do not need to do that. Your competitors, I think, are at Melbourne Airport?

Ms Goodyear—Yes.

CHAIRMAN—Last night I accidentally touched the side of the magnetometer as I walked through and it sent off a beep and I got a very nice smile and they asked me if I would mind going through again; that touching the side sends it off. So you get accolades as well.

Mr George—Was that the international or the domestic?

CHAIRMAN—Domestic. Who is at Coffs Harbour?

Ms Goodyear—Chubb is at Coffs Harbour.

Mr McKinnon—I was there on Friday.

CHAIRMAN—We spent some time with them when we went on inspections. We were quite impressed by the degree of training and dedication. They certainly impressed me that they took the issue of security seriously. Chubb noted that the only reason we received a submission was because of the ALHMWU. Did you not think this inquiry was important enough to give a submission before you were blasted by the union?

Mr McKinnon—No. We responded on the basis that it was misleading in some regards and showed a lack of understanding. We thought our clients—the airport operators and the airlines—were in a good position to put their cases. We are effectively their representatives when the contract is made and let, so we are just a service provider. We took that view. When the record was not accurate, we believed it needed to be corrected and that is why we put in a submission.

CHAIRMAN—You have just returned from an international conference. We have been told by one respondent to this inquiry, who happens to be an equipment manufacturer, that we are miles behind in terms of aviation security because we do not have all the bells and whistles that they have in Europe. Would somebody like to comment on that?

Ms Goodyear—I would not necessarily agree with that statement. From my experience in my travels, in addition to my experience in being at particularly this conference—and I attend these conferences regularly, as John does—I do not think we are miles behind in respect of equipment or any of the bells and whistles, as you call it. In fact, if you particularly look at the screening points in Australia that are run by Qantas—they have upgraded their equipment very recently—they are state-of-the-art, very modern technology. I am surprised by that comment.

Mr George—I endorse what Alisa is saying. Equipment is developing all the time, in terms of its capability, and obviously there is a cost impost to continually update your equipment. We saw examples where in one particular case the equipment was in a closed environment, rather than on public display, because it is so modern. We viewed that. It is like the whole screening process. We have been screening for over 30 years and it has been an evolving process. The two components are equipment and people and there will always be the likelihood of failure in one or the other. When the two come together, like the old Swiss cheese model, you can end up with an issue. The way we supervise the use of that equipment and our people, I think, is what matters.

Mr McKinnon—I have never seen anywhere else in the world the trace explosive equipment that was recently introduced. It has been very well received here.

CHAIRMAN—John and I noticed in Bangkok at the international terminal 1 that Thai Airlines would screen baggage before it was checked in. Do you think that is a good idea? In fact, if I remember, that happened to me somewhere else.

Ms Goodyear—Yes, that is right. In Bangkok you do have your baggage screened prior to check-in. That is exactly what happens there.

CHAIRMAN—I think that happened to me in Mexico City, too.

Ms PLIBERSEK—That is hold luggage?

CHAIRMAN—Yes, before you can check in.

Ms Goodyear—Providing you can maintain the integrity of that bag once it has been screened and once it gets checked through the process. You would not want to have it screened and then have a breach of the integrity of the security so that somebody has access to it and can put something into it.

CHAIRMAN—I have been through one procedure in the United States where you went to check in and you took your baggage with an attendant from the airline. Your bag went through this huge X-ray machine-cum-explosive detection device at a million miles an hour: bang, out it comes and the other bloke puts it back on a trolley and away you go. You go back and the two of you are together when it goes through the gate and down the conveyor. It seemed to me a very expensive way of doing things.

Ms Goodyear—It is a very labour intensive and expensive process of doing checked baggage screening.

Mr George—The explosive trace detection—we have been doing it on some airlines, Singapore Airlines and flights into the US, for over a year; in fact, since September 11—has only come into general application in the last few months. We have had 627 positive tests, but none have been a threat situation.

Ms GRIERSON—How do you know that?

Mr George—There are levels. There is the initial test and then there are a number of things that happen after that. There are a number of levels in the testing process.

CHAIRMAN—They can pick you up if you are handling fertiliser.

Ms Goodyear—Yes, or nitroglycerine.

Ms GRIERSON—I was tested yesterday coming through Newcastle Airport. As you know, we have been doing a trial with DOTARS for some time. I was free of any traces, but what would happen if I had traces? The security people started to explain what would happen but my plane was called. If I had a trace, one that showed, what would happen?

Ms Goodyear—You would be retraced with the equipment, just to do a second check of the system. If you were still showing positive, then there would be a series of questions that you would be asked, to try and determine whether or not there was some legitimate reason why—for example, you mentioned fertiliser or nitroglycerine, or you might work in a fireworks factory.

Mr JOHN COBB—Could firing a rifle in the recent past explain it?

Ms Goodyear—Yes. You would go through that process and, depending on what the outcome of that interview was, you may be matched up with your checked baggage and that would also have to be searched. There are a lot of protocols.

Ms GRIERSON—My baggage that had gone through already would have to be recalled?

Ms Goodyear—Yes.

Ms GRIERSON—And I would be detained?

Ms Goodyear—Yes.

Mr George—For a hand-search of the baggage.

Ms Goodyear—And then the bag would be opened. Again, there are certain protocols and levels that have to be followed.

Ms GRIERSON—Would APS or police be called?

Ms Goodyear—Possibly, depending upon which level you were at.

Ms GRIERSON—Do either of your firms do the Newcastle airport?

Ms Goodyear—Yes, we do.

Ms GRIERSON—It seemed that there was an extra person on to do that. Do you know if that is the case?

Ms Goodyear—That is correct, yes. There has to be, because it is random continuous the machine has to be in operation at all times, so you do need an additional person there.

CHAIRMAN—One of the things that we have heard in this inquiry is that in framing the most recent legislation, DOTARS did not consult widely with industry and has been criticised roundly for that, but that since the legislation was tabled, along with the regulation, consultation has been wide and very satisfactory and has resulted in amendments to the legislation which most players seem to think are positive. Could each of you comment on that degree of cooperation and your participation in industry-wide discussions on aviation security.

Mr George—We have been involved in a number of committees and discussion groups within the industry, mainly those related to the screening authorities, but also with DOTARS. We did not get involved with the formulation of the legislation and I have not seen the new legislation.

CHAIRMAN—Really?

Ms Goodyear—We do participate in an industry working group that is reviewing the current manner and occasion of screening instrument in the Navigation Act, which you are probably familiar with.

Ms GRIERSON—I would like to ask about that group. You do participate in that group.

Ms Goodyear—Yes.

Ms GRIERSON—Has it made any recommendations?

Ms Goodyear—Yes.

Ms GRIERSON—Has it had any outcomes? Has it made changes?

Ms Goodyear—Yes, it has. We are just about finished. We have been meeting for well over a year on that. It has been a very long process; nothing happens too quickly.

Ms GRIERSON—Meeting on a regular basis?

Ms Goodyear—Yes, on a regular basis. We attend about every two to three months. We have been going through the manner and occasion of screening. We have finished that. We have made our recommendations. There are two parts. The first is the review of the manner and occasion and the second part is the review on the instrument of screener training. The first meeting on the second part was last week.

Ms GRIERSON—Those reviews have been set up to be put in place?

Ms Goodyear—Yes, absolutely.

Ms GRIERSON—You said review of training. What was the other review?

Ms Goodyear—Manner and occasion of screening. Our view is that the industry involvement has been rather significant and rather good with respect to that project.

Ms GRIERSON—Are DOTARS always represented on that group?

Ms Goodyear—Absolutely, yes. They chair the group to a certain extent, or co-chair the group. With respect to your question, we have not been involved to any large extent in those consultation processes.

CHAIRMAN—Do you think you should be?

Ms Goodyear—I am not sure. It is difficult.

Mr George—I think we should be. We walk a fine line here, of course, because we are suppliers to our customers, who are the various screening authorities, so we have to be very careful we do not cross the boundaries. We do not want to be in conflict with our customers, but

when it comes to the framing of legislation it has a wider impact on the community, and I think then it should be free for all to comment. We would certainly like to be more involved in that.

Ms Goodyear—We were involved with some of the road show sessions, for example, with respect to the demerit points and those sorts of consultations. We were invited to be involved with those, which we were very thankful for, because obviously those are some issues, as John refers to, which will have some consequences for us down the road should those things come about.

CHAIRMAN—Did this conference you have just been to offer any advice or lessons that you should be feeding into the equation—or are you still jet-lagged!

Mr George—It is difficult to be specific. We picked up on a number of things. To quote one, we looked at a system in a place in the UK for selecting screeners, which we are yet to get more information on. Both Alisa and I had a look at that, and I think there is some potential there to improve the quality of the outcome, but we need to look at it more closely. We also heard presentations on a number of models, in particular the Canadian model, which is one way of doing it. I am not sure that we would be entirely supportive of that; I think it is overregulated. I think there is some more soul searching as a consequence of the conference, but there was nothing that occurred in that conference that would make me think that we are any less than world's best practice at this time.

Ms PLIBERSEK—You were talking about how quickly new equipment is developed. Is there a market for second-hand equipment? What happens to the equipment?

Mr McKinnon—It goes to the graveyard.

Ms Goodyear—There is not a significant market for second-hand equipment because it does change regularly and it does get better and better.

Ms PLIBERSEK—It just gets chucked?

Ms Goodyear—Yes.

Ms PLIBERSEK—I was thinking about the regional airports that cannot afford the new state-of-the-art equipment, and if you have a turnover of equipment every few years—

CHAIRMAN—That's lateral thinking!

Mr George—I think there is a danger, though. Are you are saying it is okay to have second-rate screening at regional airports?

Ms PLIBERSEK—No. I am saying that there is a much greater risk at a major international airport than there is at Tamworth of prohibited goods being taken on board an aircraft, and what you have is a situation where local councils are saying that if they have to go out and buy new state-of-the-art equipment and employ the staff to run them, then their airports will go out of business. The situation that they are facing at the moment is a choice of having some screening or none—a choice of the Commonwealth government paying for it or not having any screening.

Mr McKinnon—In relation to a regional airport, probably the main issue is cost. It is not the equipment itself; it is the infrastructure of the building. It just does not have the facility to handle it, and it would require extensive capital works, not just the equipment to drop in there. And the big cost, over time, is the manning of it. Second-hand equipment would help but—

Ms PLIBERSEK—It does not make that much difference.

Mr McKinnon—it would not make a massive difference in the scheme of things, to the overall cost.

CHAIRMAN—I want to follow up on that statement, because Qantas and Virgin—and I know there are others, but the major airlines domestically in Australia—have asked that we recommend that the Commonwealth pay at least part of the capital cost of the checked baggage equipment because of the installation. It is not just the equipment. It is the reconfiguration of the airport behind the firewall that is so expensive. They said, ‘We recognise that security is our problem,’ to the extent that, if they have an incident, the bottom line gets affected very badly. The morning of the second day we held this public hearing, there was a photo on page 2 of the *Australian* of a Qantas jet and a SAM missile tracing it. We are told technically that the photo was highly inaccurate because the missile was too close, but I thought it was very provocative. We are assured that there needs to be intent, capability and training, and in Baghdad obviously training let them down again. While they had intent and capability, they did not have any training, did they, because they did not arm the thing properly?

Mr George—During the conference there was quite a lot of discussion from a number of presenters in relation to the responsibility of government and how it should pick up all or part of the costs associated with protecting the air. I do not know that there were any conclusions reached but certainly there was a feeling that the government had a responsibility in respect of national interests to support it. Whether that is done through cash grants or some tax incentives or whatever—there have to be multiple ways of doing it—it is a heavy burden. Sure, the flying public should accept some of that burden at the end of the day, but there is also a national accountability there.

CHAIRMAN—We are also told, though, about the antithesis of that. Take the United States, for instance, where the federal government has paid for a lot of the capital costs and even some of the operational expenses; the culture is completely different to that of Australia. You are involved in the culture side of it, intimately. Have you any comment on that?

Ms PLIBERSEK—Don’t you think there is a completely different airline culture in the United States anyway? The check-in staff are rude as well. It is not just the security staff.

Mr McKinnon—Going back to your original point with government funding, I think aviation has been overly singled out as a risk, comparative to the risk. Certainly our trains would be a much easier target and it would do just as much damage, and probably to more people, in one go. Take any shopping centre, for example. There are many places and infrastructures that could be attacked, and the response to aviation so far has probably been disproportionate to the risk today.

Ms GRIERSON—Who is paying for the trial of the trace equipment at Newcastle?

Ms Goodyear—It is Newcastle Airport's responsibility.

Ms GRIERSON—They are picking up the funding for that?

Ms Goodyear—Yes.

Ms GRIERSON—That requires an extra staff member?

Ms Goodyear—Yes.

Ms GRIERSON—At just peak hours?

Ms Goodyear—All times, all hours of operation.

Ms GRIERSON—Fortunately, that it is just in the daytime.

Ms PLIBERSEK—Mr George, there was a report on Thursday, 9 October in Brisbane that a security worker was sacked because, according to the union, he had been in the job for eight years, he reported a breach of security due to construction work on the terminal and apparently was sacked on the spot for reporting that breach.

Mr George—That is union hype. I am not across the specifics of the situation but I am aware that a person was terminated. We do not terminate people like that. We are a responsible public company and I can assure you that the person was not terminated because he reported a breach. That would be contrary to the way we operate. I am happy to come back to you with the circumstances of that, but we have heard that hype.

Ms PLIBERSEK—It seems unusual that someone would be working for you for eight years and on the day that they report a breach they get sacked.

Mr George—Exactly. There would have been other circumstances. In fact, there were, but I just cannot recall what they were.

CHAIRMAN—You will come back to us?

Mr George—Yes.

Ms GRIERSON—I would like to know more about training. How many registered training organisations are providing specialised security training? Has it been the private sector that has taken it up, or the public, or the TAFEs, or what?

Mr McKinnon—Certainly aviation security is not as broad as general security. Are you talking of the general security industry or specifically aviation?

Ms GRIERSON—No, particularly these certificate IIs and IIIs. What are they called?

Ms Goodyear—Certificate II is special applications aviation security.

Mr McKinnon—I can speak for Chubb. All ours is done in-house. We are a registered training organisation and all our training is done in-house by our people because a vital part of it is on-the-job training and you simply cannot do that unless you are an employee.

Ms GRIERSON—Mr George, yours is all in-house?

Mr George—Ours is a mixture. We are a registered training organisation but we also employ a reputable training organisation, a third party which we have used for five or six years, which provides an excellent quality of training for us. All the on-the-job training is done internally.

Ms GRIERSON—The outcomes seem pretty good, but how is that audited or checked? What sorts of quality assurance processes are in place for that training? Are there any specific ones?

Ms Goodyear—For a certificate II? There are two ways you can obtain a certificate II. I will not go into all the details.

Ms GRIERSON—Is there anything different from ordinary group trainers being accredited et cetera? Is there anything different for aviation security?

Ms Goodyear—Yes. Once you are assessed as competent for your certificate II, you then have to go through 40 hours of on-the-job training—and I have listed them in the submission. You have to be assessed. You have to have annual recurrent training. You also have to have dangerous goods awareness training, which is recurrent every two years.

Ms GRIERSON—Because you are both doing in-house training, how do I know that you are maintaining standards?

Ms Goodyear—That is a very good question. There are a number of ways. One is through the use of TIPS. I am not sure if the committee is familiar with TIPS. That is one means of not only providing a training and recognition tool for screeners, but also assessing their performance and looking at how they are performing. There are also Department of Transport and Regional Services audits or a systems test, where they try and get things through screening points.

Ms GRIERSON—We will ask about that later.

Ms Goodyear—Our clients also perform similar tests and Chubb has—and I am sure Group 4 does as well—an internal auditing program where we also try and test the system on a regular basis and we report that to our client. Those are some of the things that are additional to aviation security.

Ms GRIERSON—You both have a program of your own internal audit?

Ms Goodyear—Absolutely.

Ms GRIERSON—That is all documented?

Ms Goodyear—Yes. We also do regular audits of our screening points that include much more than just a systems test. They include such things as training records and SWOT assessments on staff. At schedule 1 airports we do those quarterly.

Ms GRIERSON—I am assuming that is not to conform to any specific regulations; it is internal.

Ms Goodyear—It is a quality assurance, yes.

Ms GRIERSON—You anticipate that new legislation would formalise some of those processes?

Ms Goodyear—Some of those processes are already formalised with respect to the DOTARS systems testing. That is already a formalised process.

Mr George—The manner and occasion of screening is very explicit.

Ms Goodyear—With respect to recurrent training, that is also very clearly outlined in the manner and occasion; and dangerous goods training as well.

Mr George—Can I just add to that by saying that the best test of the quality of training is the fact that there have been no serious breaches in this country other than that one with Qantas, which was not a breach of the screening process.

Ms GRIERSON—I did say that at the beginning. I would just comment that we do travel a lot and I think we see a cultural change happening. At first there was a great deal of tension in screening and the staff were not comfortable. I do not mean relaxed and comfortable. I mean there were seen to be some tensions.

CHAIRMAN—They did not smile.

Ms GRIERSON—No, they did not smile, did they? It was very tense. Now it seems to have become more professional and efficient. There is always the danger that complacency can set in but I have not experienced any, although I would say that in Sydney the speed at which your hand luggage and handbags et cetera are screened would concern me. That is perhaps just peak time when you cannot put enough people on. But I have seen that worried look on a screener's face when they have screened a bag and let it go through; they were not quite sure. I am sure it is difficult to screen very rapidly the things that people carry in their hand luggage. You talk about the trace detection systems. How much do they cost? I am just interested, particularly as we have one at my airport.

Ms Goodyear—I can give you an approximate figure.

Ms GRIERSON—Yes, approximate is fine; and I can ask the airports.

Ms Goodyear—I think they are approximately \$80,000 to \$100,000.

Ms GRIERSON—It is a significant cost. And then the staff cost would be?

Ms Goodyear—The cost of one additional person for all hours of your operation, and that is assuming that you only have one piece of equipment.

Ms GRIERSON—How would you feel about that becoming compulsory?

Mr McKinnon—Another significant cost is consumables. You saw the little tag thing they swipe over you. Then they put it in the bag. There is a chemical thing in there that actually tests it. That is quite expensive as well; it is a big cost.

Ms GRIERSON—I suppose it is airports that will notice it, and airport operations.

Mr George—The screening authorities put it on.

Ms Goodyear—I think that in consumables you would be looking at about \$20,000 a year for a busy airport.

Ms GRIERSON—You talk about having an industry imperative to maintain private operators in the screening operations. You say you think the watchful eye of the regulator is sufficient. Would you like to comment on that? Is the watchful eye of the regulator very watchful?

Mr George—There are several watchful eyes. One is the regulator.

Ms Goodyear—That is just one. We know he is there.

CHAIRMAN—Big Brother is watching you!

Mr George—In the last year—I do not know how many times we have tested—we have had eight breaches where we have failed DOTARS tests. I imagine our competitors would be somewhere near the same, because they are good tests.

Ms Goodyear—They are rigorous.

Mr George—If we were not getting any breaches, then I would probably have a concern. It helps to keep people on their toes, I guess.

Ms GRIERSON—Yes, and get that feedback.

Mr George—Then we have the screening authorities who conduct their own testing regime—they have measurements and penalties to accommodate that—and then there is our own accountability, particularly as public companies. That is adequate. We do not need to be more regulated and we certainly do not need more policemen.

CHAIRMAN—To clarify that: do you operate at international airports as well?

Mr McKinnon—Yes.

Ms GRIERSON—You talked about retention rates of the security personnel, and that is a concern we have raised through the inquiry, and you mention an aviation allowance. Can you tell me what the pay rate is and what the allowance constitutes?

Mr McKinnon—The base salary is about \$500 per week for a permanent, before you get shift penalties. Then you get night penalties, Saturdays, Sundays, public holidays; I think it is triple time and a half in Victoria. The average earnings at Chubb for a permanent employee would be about \$38,000 a year for a security screener.

Ms GRIERSON—What is the aviation allowance? Let us be honest; that is not a lot of money.

Mr McKinnon—It is basically a dollar an hour—97c an hour—extra.

Mr George—I have some statistics. The average gross weekly wage for a screener working 40 hours a week—with two hours of overtime in that—is \$718.

Ms GRIERSON—Per week, average. Thank you. I think one firm said you did not use any subcontractors; one said you do occasionally.

Ms Goodyear—Yes, we occasionally do.

Mr McKinnon—We use subcontractors in regional areas—for example, Coffs Harbour. They are a subcontractor and do an outstanding job. I was up there last Friday and sat there for about an hour watching them screening the people, particularly using TIPS. The amount of interest that people had in TIPS was amazing. People line up; they want to do it. They are very keen.

Ms Goodyear—They are very keen, yes.

Mr McKinnon—It gets more questions than the other side. We use subcontractors in country areas like that, and we have some pretty remote places in Western Australia.

Ms GRIERSON—Do you train the ones that you privately contract?

Ms Goodyear—Yes. They are subject to all of the same training standards as we would have for our direct staff, and the same quality assurance programs as well.

Ms GRIERSON—You do not use any private subcontractors?

Mr George—No. But when we had Ansett, for example, we had the regional ports, some of which might have had subcontractors.

Ms GRIERSON—That is because you specialise in the major ones.

Mr George—You have no choice but to use contractors in those ports.

Ms GRIERSON—You are quite happy with the standard? You would not feel one is less than the other?

Ms Goodyear—No.

Ms GRIERSON—Do you think you need to do more rigorous checking of that contract that you have with the outsourced people?

Mr McKinnon—We have to do a lot more checks than what we do ourselves, because we have to make sure that they have current insurances, workers compensation; that their licensing is up to date. We have an audit program where we go and check the people there. We do not do that in-house, because we have our own in-house process. We extend everything we do in our own business to their business.

Ms GRIERSON—You say that the airline and airport operators have their own rigorous assessment system of your performance. Can you tell me a little bit about that?

Ms Goodyear—All of our contracts have very specific service level agreements, where we are tested—as we have mentioned; the systems testing. That happens. We report on such things as turnover rates. Is that the sort of information you were seeking?

Ms GRIERSON—Yes. Do you report that to your airline operator or the airport operator?

Ms Goodyear—To the screening authority who contracts us to do the work.

Ms GRIERSON—What interaction do you really have with the airline and airport operators on a formal level?

Mr McKinnon—With Qantas, for example, we have monthly meetings at a state level. At a national level, we have quarterly meetings, and the key personnel within Qantas and Chubb nationally meet together and discuss our performance and benchmarking with our competitors. They compare all of the airports, so they are all benchmarked in a number of categories.

Ms GRIERSON—How do airports compare?

Mr George—They meet regularly, too, and talk about their providers.

Ms Goodyear—They definitely benchmark us, yes.

Mr George—We are very conscious of that.

Ms GRIERSON—Sounds very chummy. No, no, it doesn't sound chummy at all.

CHAIRMAN—And above all that, Big Brother is sitting in the background.

Ms Goodyear—Exactly.

Ms GRIERSON—You talk about the need for some of your screeners and personnel to have conflict resolution skills and interpersonal training. Have you had any instances of litigation—someone who has been detained unnecessarily or manhandled, for example?

Mr George—We get letters of complaint about individuals and we investigate those. One thing that does concern me—and I mentioned this in the paper—in relation to potential litigation, and I know the union has a concern, is the body searches, pat-down searches. We have insurance to cover some of that, but it is a concern that there is no cover at the moment for the individual. I would hate to think that we would have a case where an individual who does not own much and has a huge mortgage is joined in litigation with the company. Our companies can withstand that sort of stuff but the individual will have a major problem.

Ms GRIERSON—Could you see yourself ever pushing that responsibility onto the individual?

Mr George—We would have no choice if they were co-joined. That is what I am saying. The company would be unlikely to do that, although the individual has to be accountable for their actions. It would depend on the situation. I think some sort of cover is needed for individuals who are required to undertake that sort of function.

Mr McKinnon—Chubb staff have had litigation outside of the aviation part of the industry. We support and pay their independent legal costs. We have our own representatives to defend us and we organise representatives for our staff and pay their costs.

Ms GRIERSON—Generally, did you recruit staff from your existing security staff or new personnel?

Mr McKinnon—Both.

Ms GRIERSON—You mention the importance of R&D because of changing technology demands. What do you spend on R&D in your companies? Do you invest money into R&D?

Mr McKinnon—We man the equipment; we do not purchase it.

Ms GRIERSON—You think it is other parts of the industry that contribute to R&D?

Mr McKinnon—Yes.

Mr George—It is worthwhile mentioning the nature of manpower contracts generally in the security industry, not only in aviation. We do not operate on margins of 20 or 30 per cent. Our margins are much less than 10 per cent.

Ms GRIERSON—You have talked about supposed penalties for passengers or an onus to declare. Do you feel uncomfortable about the fact that you confiscate a fair amount of equipment that may be inadvertently brought through? I have been with staff members who have had four cigarette lighters in their bag, from not clearing their bag out, I suppose. Most of it is just very inadvertent. Do you think there needs to be some behaviour training and do you think penalties would assist that with passengers?

Mr McKinnon—Nearly every case now is just inadvertent. The reason people have a smile on their face now, more so than maybe a year and a half, two years ago, is because we have largely an educated travelling public who are used to going through it now. They know what the procedure is; certainly the regular traveller does. John was talking about categorisation. No-one would be talking about prosecutions or fines for inadvertent acts; it is clearly where someone wants to try and make a big statement in deliberately trying to breach security areas.

Ms GRIERSON—Do your employees get a loading for the high-risk airports, or is it the same work at every airport?

Mr George—It is the same across the board.

Mr McKinnon—There is no risk association with airports. They either have screening or do not have screening. There are 29, aren't there?

Ms GRIERSON—They do have a category of risk. Some are categorised as high risk.

Mr McKinnon—Right. Correction, sorry.

Ms GRIERSON—The trial at Newcastle I find so easy now. I am so used to getting my photo ID out, and my ticket, to go in there. I know Sydney and Melbourne would hate it, but I find it an excellent measure that only the travelling passenger with their photo ID and ticket matched up can go into the departure lounges. That is an excellent move. It might be slower but people do become very used to it and they have it out ready as they are going through now. It has sped up quite a lot and I think it is a really good measure. I do not know what the trial will find, but I think it is going very well. Thank you, Mr Chairman.

CHAIRMAN—What disciplinary procedures do you have in place for breaches by staff?

Mr McKinnon—It will depend massively on what the breach is.

Ms Goodyear—Or on the circumstances of the breach.

Mr McKinnon—It will depend on the circumstances of the breach. Certainly in a situation where someone fails a secondary screen point, that simply is a requirement. When you go to the first one and you beep, you then go to the second machine and you just have to keep going through until you come through clean, otherwise you then go and have a physical search. Certainly if someone fails at that point, it is a serious misconduct, and in most cases would result in removal from aviation screening work. They would be relocated somewhere else within the organisation in most circumstances. In the examples of lesser breaches, it clearly is a retraining requirement where they have to prove their competency again in the area they have failed.

Ms Goodyear—Yes, a refresher and reassessment. That is a really important point.

CHAIRMAN—What led to this inquiry, this full inquiry by the way, was an audit report which was highly critical of DOTARS in their supervising of disciplinary procedures for security breaches. I notice that the new legislation brought in a demerit system, which everybody—or a big majority—has evidently complained vociferously about. Our advice at this point—and we

will ask DOTARS in a few minutes—is that it will stay in the legislation but not be implemented. I am not sure what that means. Do you have a view on the demerit system?

Mr McKinnon—Properly constructed, demerit systems are fine. You need some methodology to work out key performance indicators. Demerits are one way of doing it. What you do with that and what the corrective action is as a result of that is probably more the key. You need to make sure it is properly constructed in the first place and that accountability rests predominantly where the responsible person is. That may be the airline operator, it may be us as the employer, it may be the individual employee or it could be a combination of all of them.

CHAIRMAN—Is airport rage a significant problem or not for you as operators?

Ms Goodyear—No.

Mr McKinnon—Certainly not. In fact, statistics on people injured at work show much lower numbers at airports. We have a much higher proportion of women working at airports than in our general work force, which reflects the fact that it is a very good environment in which to work—most of the time.

CHAIRMAN—Yes.

Ms PLIBERSEK—When you get new equipment, like the trace equipment, who pays for the training of your staff?

Mr McKinnon—We will pay staff for the training. But ultimately that will be passed on to our client in some shape or form.

Ms PLIBERSEK—Is it over the course of your contract with your client, or do you bill them for specific training? If you are updating the training on a particular worker, do you bill them for that or is it just built into your costs?

Mr George—Normally in your costing for the job you would cost in an amount for continuation of training and replacement training and that sort of thing.

Ms Goodyear—But what if it is a one-off like trace detection—

Mr George—For special requirements like trace detection—and Qantas have a public relations training program going—then you negotiate with the client as to how that will be paid for.

Ms Goodyear—There is cost recovery.

CHAIRMAN—Thank you very much. I think you owe us one answer and if we have any further questions you will not mind if we put them to you in writing, rather than ask you come back again.

Mr George—No. I will get back to you.

CHAIRMAN—Thank you for finally responding to the inquiry. I, at least, found your submissions useful.

Mr George—I will get that to you by Wednesday.

CHAIRMAN—That would be good. Thank you again.

[10.39 a.m.]

TONGUE, Mr Andrew, First Assistant Secretary, Transport Security Regulation Group, Department of Transport and Regional Services

TURNER, Dr Andy, Assistant Secretary, Aviation Security Regulation, Department of Transport and Regional Services

CHAIRMAN—I now welcome representatives of the Department of Transport and Regional Services. Do you have a brief opening statement?

Mr Tongue—No. We appeared before, and I am in your hands.

CHAIRMAN—And I think you have heard every public hearing. You know what has been said.

Mr Tongue—Yes.

CHAIRMAN—One of the issues that we covered extensively in Brisbane—and it has been the subject of, I think, almost every submission except those of equipment suppliers, who in my view simply have a vested interest—is that, in development of the legislation, DOTARS did not really consult the industry. But since the legislation was tabled, and the regulations, you have consulted extensively and people are overall pretty happy with the degree of consultation. Why didn't you consult with the industry in the first place? Isn't their criticism justified?

Mr Tongue—I think industry, frankly, is a little bit precious about all of this. We are a regulator. We are not people who are meant to make everybody happy. We are meant to basically reflect government policy in legislation and then go and implement it. In terms of consultation on the legislation, I would be happy to come back to you with a detailed list of where we consulted, how we consulted and who we consulted. My feeling is that there has been extensive consultation. The real detail that industry needs is in the regulations, and there we have consulted ad nauseam—I would say excessively, because it slowed it down. I challenge the notion that we have not consulted as extensively as possible.

CHAIRMAN—Might not the legislation and the regulations have been better in the first place had there been some degree of consultation before you brought it down?

Mr Tongue—It depends on how you define better.

Ms PLIBERSEK—We define it as the opposite of worse!

Mr Tongue—Better is in the eye of the beholder. As a regulator, what I would like are some nice, clear, tough regulations that I could get out and implement. I am sure what the industry would like are some nice, floppy regulations that are not going to cost them too much money and that they can drive holes through. What I have found during my career in the Public Service in regulation making is that the more you consult the more you tend to get driven towards the

lowest common denominator. I am not sure in the current climate that that is what the community wants from us and, frankly, the community is not present at the consultations. It is us, as an industry department, talking to our industry. 'Better' is a tough one. Yes, certainly at the margin the more you consult the more you get the fine detail sharpened, but at the same time I worry that we get driven down.

CHAIRMAN—Just about everybody who has responded to the inquiry has, one way or another, had something to say about cost. I accept that there is a lot of vested interest here, too, but our most recent hearing in Brisbane was interesting in that both Qantas and Virgin argued—if I remember correctly—for at least some contribution by the Commonwealth towards reconfiguration for checked bag screening because of the very high capital cost. I think both of them accept that they have the basic responsibility for their own security, that the Commonwealth does not, and that for the Commonwealth to assume it would be less than brilliant anyway.

Let us face it, the day after you appeared, in that morning's *Australian* on page 2 was a picture of a Qantas jet and a SAM. You probably read that article. I was highly critical of it. I was driving to the airport yesterday afternoon and a Qantas jet was in the same attitude or position on take-off. I thought, 'Oh, my God, I can just see the missile headed towards it'—in my imagination—'and I will never get to Canberra this week unless I drive', and that would just about destroy the aviation industry. What is your view about the cost issue? Are you allowed, as a public servant, to express a view?

Mr Tongue—I would phrase it this way. My colleagues at the department of finance continually ask us who is the primary beneficiary of whatever it is that they are implementing. The answer usually is, the primary beneficiary is the travelling public; it is the people getting on the plane. That sort of thinking, I think, is behind the wider policy that the Commonwealth and the states have agreed on in critical infrastructure protection, which is that the cost is the responsibility of the owner-operator. Having said that, in aviation it has almost become the cipher for Australians' fears about terrorism, and the point was well made earlier that aviation is not the only target, there are a lot of other potential targets; yet we tend to focus only on aviation.

It comes down to: are aspects of aviation security a public good? It is hard to argue that check bag screening falls over into the category of providing any more protection than any of the other measures we have in the industry as public goods. Are we at a point with the industry where we are pushing up against the line? I would certainly say in regional aviation we are at a point where it would be very hard for us to maintain the discipline of the current policy position, simply because the economics are not there. But the big metropolitan airports—Sydney, Melbourne, Brisbane—with their high passenger throughputs, are as much shopping centres as airports; they have enormous financial capacity.

Sydney is going to have to do a lot of redesign anyway for the A380s, the new 500-seat planes. Brisbane is in continual development mode; Melbourne similarly. That is a bureaucrat's answer, saying I think the current policy position is sustainable as far as those big airports go. I think it is hard for them to mount a case that there is any more of a public good in checked bag screening than in trace detection.

CHAIRMAN—Considering that they had no plans in place for cargo screening, why is checked bag screening so important?

Mr Tongue—It is in part being driven by the US and their requirements for flights direct to the US. I note for the committee's benefit that last week the US Transportation Security Administration announced a significantly upgraded cargo security program, and that is one of the issues that we will now have to have a look at.

CHAIRMAN—On 4 September, Mr Tongue, I asked you a question regarding our committee's report—whatever number it was—in September 1999. Our recommendation No. 1 was:

The committee recommends that the Department of Transport and Regional Services and the Attorney-General's Department review arrangements for cooperation between airport authorities and police forces in dealing with criminal activities at airports.

That was before September 11 2001. I said, 'Why didn't you act on that recommendation and institute a memorandum of understanding?' You gave a long, rather non-detailed answer that tended to not really answer the question, and the next day we learned from the Federal Police that on 17 June you had signed a memorandum of understanding. Is that correct?

Mr Tongue—We have an MOU with the Australian Federal Police.

CHAIRMAN—And they, in turn, have agreements with state police.

Mr Tongue—That is right. But at the time I recall the way I interpreted the question was whether we had direct MOUs with, say, state police forces, which is something we do not do. There is certainly the MOU with the Australian Federal Police, yes.

CHAIRMAN—Are you happy with the degree of cooperation between the federal and the state police forces? In the hearing you would be aware we have had some criticism.

Mr Tongue—There are a lot of role and responsibility issues at airports. There are a lot of federal and state agencies that have a bearing on the security outcome at any given airport. My bigger worry, rather than any issue between, say, the federal police or ourselves and state police forces, is the relative absence of state police from our airports. As the Commonwealth has put resources in, particularly the counter-terrorism first response APS presence, it appears to us that we see fewer and fewer state police. An airport is no different to a shopping centre in terms of the community policing role, so my concern would be more that, as the states lecture us about aviation security, they spend a little bit more on getting state police to airports.

CHAIRMAN—I do not remember who it was, but we had one submission in the public hearing where one of the respondents noted—I thought fairly strongly—that an airport is just another part of the community, just like a shopping centre, but you never see the state police wandering around airports any more. The APS, representing the Australian Federal Police, have taken over the role but we might be better served if we had some state policemen wandering around as well. Do you have a view about that?

Mr Tongue—Certainly at the big airports there is just the flow of people and our concern is about the security of the aircraft, and the counter-terrorism first response function is, similarly. APS officers are not police officers. They have limited powers. I would love to see some more state police wandering around and making it evident to people that they are there and there is law enforcement at the airport. I would argue that is not a role of the Australian Federal Police. They play a role here in Canberra, a community policing function under a specific contract with the ACT government, but their role is a different role. I would certainly like to see more state police at the airport.

CHAIRMAN—Is that another vested interest argument? The states argue that the Commonwealth should pay more of this bill and take more responsibility. Are you then arguing to put some of it back on the states?

Mr Tongue—I look at my wider transport security responsibilities, including maritime security, where there is a similar issue. Security ultimately is a shared responsibility between the Commonwealth and the states. There are some things the Commonwealth adds into the pie where we have significantly increased resourcing, such as in intelligence; there are some things the states add to the pie and that is, in part, community policing—the policing function. The other thing is that state economies derive enormous benefit from airports in terms of the number of people employed and the sheer volume of economic activity. I would have thought they had a vested interest in preserving security in and around airports.

Ms GRIERSON—I would see that in places such as airports where many people gather together, the police have a crime prevention role in visiting them. I do not see that they have a front-line security role. I have some sympathy with the state governments' arguments. If they are not having a crime prevention role and community policing in those venues, then that is an issue; but for me, I would have thought specialist training in security was needed, and I know police are having more of that these days. It really has not been their role. Their role is crime prevention and incident management and incident control. Airport security would always be one of those, but I do not have a lot of sympathy for that unless state police now take on a wider role. I personally feel there is a bit of work to be done in delineating who does what and who the money is paid for.

Ms PLIBERSEK—Is it not right that Sydney Airport is the biggest single economic entity in the whole of New South Wales?

Mr Tongue—Pretty close to it. Last time I checked, it was the fourth biggest shopping centre in the country, taken as a whole.

Ms PLIBERSEK—It has the shopping centre part of it and then it has the additional services of letting planes take off and land as well.

Mr Tongue—Aviation. Yes, 50,000 people a day or something like that.

Ms PLIBERSEK—Your argument that the major beneficiary of the upgrades of security we are talking about is the flying public, and the people that collect the money from them are the airlines, is exactly the same argument for who provides the security in terms of the policing. Obviously far and away the biggest economic benefit goes to the Macquarie Airports

Corporation. Why is there some barrier to them providing their own security? Why shove it back onto a police service which has to make decisions about whether it does a bit of community policing in Redfern, or whether it sends the police out to the biggest single economic entity in the state of New South Wales to subsidise their private profitmaking?

Mr Tongue—It is basically that if you need to arrest somebody, you need a policeman.

Ms PLIBERSEK—But if you need to arrest someone at Westfield shopping centre you call the police and they attend. They do not hang around there all day.

Mr Tongue—But they will do, particularly in areas where they perceive that there is a risk of crime or some security risk. They will take a proactive approach and patrol and move through whatever the venue happens to be. I am certainly not suggesting that the state police have a constable on every corner at the airport. What we are worried about is having a patrol that walks through from time to time, and having community policing. If somebody steals something from one of the shops, they are there promptly, an arrest is made and it is that notion of what their powers are. Our concern is that the Commonwealth takes a fair bit of stick from the states about aviation security. The point I make is that there are aspects of aviation security that are a shared responsibility. We have been very reserved in our discussions with the states about the extent of their responsibility, but one area is definitely community policing.

Ms PLIBERSEK—But the example you use is of someone shoplifting and the police being there promptly. Unless you have a police presence permanently at the airport, they are just as likely not to be there as to be there, even if they are doing regular patrols.

Mr Tongue—And I say that at Sydney, Melbourne and Brisbane particularly, I would have thought there are ways of arranging policing, where a key focus is the airport precinct—not just the airport but the wider precinct—which the Commonwealth security regime does not encompass; it encompasses a wider area. I think there must be ways of organising that.

Ms PLIBERSEK—You think there should be a full-time police presence?

Mr Tongue—Yes.

Ms PLIBERSEK—Of how many officers?

Mr Tongue—I think if you were saying domestic and international together, you could chew up half a dozen quite easily.

Ms PLIBERSEK—There would have to be more than that, really, wouldn't there? If you are running an airport, you have an eight-hour shutdown period in the middle of the night but you still have people present in those eight hours. If you do not have a police presence then, you have it only 16 hours a day. You cannot have three staff working 16 hours a day.

Mr Tongue—There would be six at any one time and you would have to do the shifts and everything else. It would be a significant investment. I am not denying that. It comes down to that roles and responsibilities argument.

Ms PLIBERSEK—So the Commonwealth should not pay for screening equipment or staff or any of those things but the states should pay for policing?

Mr Tongue—Yes.

Ms PLIBERSEK—It is a curious argument, it seems to me.

Ms GRIERSON—It sounds very selfish, doesn't it?

Ms PLIBERSEK—It is not a surprising argument, but I do not think it is one that stands up to a lot of scrutiny.

Mr Tongue—The point I would make, though, is that the Commonwealth is paying for the intelligence; it is paying for the regulatory role; it is paying for a number of other activities including our capacity to deploy the SAS, say, in siege hostage situations et cetera. The Commonwealth's contribution is a very significant one if you talking of security generally. In terms of aviation, one of ASIO's largest tasks is looking at the intelligence around transport security.

Ms PLIBERSEK—Intelligence is a Commonwealth responsibility. There is no surprise about that really.

Mr Tongue—Yes.

Ms PLIBERSEK—Can I ask about ASICs, please. You mentioned on 4 September that you were looking at major reforms on the reissuing of ASICs.

Mr Tongue—Yes.

Ms PLIBERSEK—That is something that has come up quite a lot in the evidence that has been before us. A number of people have mentioned that it is very difficult to retrieve ASICs once someone leaves employment; that it is not always clear from the cards which areas or zones people have access to; and that temporary passes are often issued to people who would be better off with an ASIC because they are making, for example, regular deliveries to the air side of an airport. Can you tell us a little about whether changes have been made or are still to be made?

Dr Turner—Some of the confusion lies around two major sorts of reform. The reform that was introduced with effect from 1 November is essentially about a reissue of existing ASICs, which has added additional background checking. There is now politically motivated violence check as well as a police record check.

Ms PLIBERSEK—How far back now? Have you changed the period?

Dr Turner—I would have to check the details. At the moment there are variations, depending on when you got an ASIC. For anybody who is getting a new ASIC, I think it is back 10 years.

Ms PLIBERSEK—Could you check that for us?

Dr Turner—Yes, sure. As well as more background checking, the physical production of the card is different so that the information it displays is different. We have put a lot of work into the technology to make them harder to forge. They are tamper proof. We are reissuing cards to people who have ASICs now. We are making a more extensive background check and we are making them harder to forge. There are some provisions in the new bill, which is still before the parliament, which will extend the coverage of ASICs. The number of people and the places that they will be required to have an ASIC to gain entry will change, assuming the legislation goes through the parliament as it currently is. The extension of the ASIC system is not yet in place. We are just reissuing existing ASICs.

CHAIRMAN—Do either of have you any objection to the television camera rolling?

Mr Tongue—No. I just look awful on TV!

Resolved:

That the radio and television broadcasting of this public hearing be authorised.

Ms PLIBERSEK—Can you tell us a bit more about physically what areas it is being extended to?

Dr Turner—I would expect it to be extended to more airports but also to more areas around an airport. Currently we are only regulating access to the security regulated area of the airport. There are other facilities around an airport—such as control towers, fuel farms and the like—and we are now seeking to background check people with access to those.

Ms PLIBERSEK—You did not need an ASIC to get access to the control tower previously.

Dr Turner—No. Only the SRA, the security regulated area, of the airport. Previously the issue has been about protecting aircraft.

Ms GRIERSON—All the support services were not covered?

Dr Turner—If they did not have access to a security regulated area of the airport and the aircraft—basically the apron of the airport where the aircraft were stored. We are now making it more extensive.

Ms PLIBERSEK—Take your average Qantas tradesperson, for example—I do not just mean maintenance crews; I mean the sort of people that keep the plumbing going in the hangar. Would they have needed an ASIC previously?

Dr Turner—If they were going to the SRA, yes. If they were not going to the SRA, no.

Ms PLIBERSEK—One of the major issues was the return of cards when a person ceased employment. Have you included any measures for dealing with that?

Dr Turner—We are certainly working with the ASIC issuing authorities, the large airports and airlines, about measures that they may put in their programs for how they are returned. Each

issuing authority has a different view about how it might go about that. For example, I am aware that there was a good deal of evidence given about ASIC control at Melbourne Airport. We have done our own audit of their ASIC management since that evidence was discussed and I understand there is some correspondence on its way back to you about all that.

Initially I would make the distinction between the security risk of an ASIC that has not expired as against an ASIC that has expired. Whilst the ideal outcome we are looking for is that there should be no ASICs floating around out there, there is a far greater security risk from a still valid ASIC not being returned, compared with an expired ASIC. To take the specific example of Melbourne—and I am only doing that because it has been given in evidence; we do not have a particular concern about Melbourne—I am not unhappy with the arrangements for the return of expired ASICs. It is less than two per cent. It is not ideal but we do not live in a perfect world.

Ms PLIBERSEK—Is less than two per cent a recent improvement or has that been the case for some time?

Dr Turner—I think that is fairly stable but I would have to check the facts. At that level we have no particular justification for changing our intervention.

Ms PLIBERSEK—The failure to return is less than two per cent of active cards or of any card?

Dr Turner—Of active cards.

Ms PLIBERSEK—You are not including expired cards in the statistics.

Dr Turner—The recent figures that have come out of the audit that we did since the Melbourne evidence is that the non-return of expired cards is up around 15 or 16 per cent. That is much higher than we would like it, to put it mildly. As I say, from a security risk viewpoint, I stress the ASIC is only an identification card. If the ASIC provides access of some form, it is an arrangement that the individual ASIC issuing authority makes. Once the person has left, our expectation is that those access requirements would be cancelled.

Ms PLIBERSEK—Did your audit include any work on whether the arrangements are generally cancelled?

Dr Turner—We are satisfied with what Melbourne and other ASIC issuing authorities do. Those that provide access controls cancel the access controls when the member of staff leaves or moves on. We do not have any particular concern about that. We are concerned that there are some issues about control over visitor cards needing to be strengthened. It is an issue we are looking at with Melbourne and other issuing authorities following that audit.

Ms PLIBERSEK—On the issue of area specific ASIC cards, is there a visual identification of where people should be allowed to go with an ASIC?

Dr Turner—The new system that came into effect on 1 November uses colour coded cards. If you have access to the SRA I think it is a red card. Other parts have grey cards. The coloured cards are very visible from a distance. Again I stress that the ASIC is an identification card.

Possession of an ASIC by itself does not give you access to particular parts of an airport. You have to have the identification card and a legitimate reason to be there. For example, you may have an ASIC which has the right colour and, if challenged, you could say that you have a legitimate reason for being there today. You may have the same ASIC tomorrow but you may not have a legitimate reason for being there. The colour of the card in and of itself is not conclusive proof that you can be there. We still need that challenge culture that goes with the access control.

Ms PLIBERSEK—I have a question on another area. We heard in Brisbane that the department has abandoned plans to implement the demerit system, although it remains in the draft regulations. Is that the case?

Dr Turner—At this stage we have taken development of the demerit regulations off the table because of significant concern in the industry that we would not be able to make it work.

Frankly, at this point, we are just so desperate to get the regulations and the legislation done and in, that having a kick-down, drag-out fight with the industry really was not in anybody's interest. I still have a personal interest in demerit systems because I think as a regulator we need some tools at the lower end rather than just immediately moving to sanctions like, 'You can't fly any more.'

Ms GRIERSON—Unless you resource at a much higher level, you will not have very much on your side.

Mr Tongue—That is right, so at this stage we have taken it off the table. It remains in the bill and we will continue to do work with the industry. They have some legitimate concerns about it. They do not want DOTARS officers wandering around saying, 'It's a point for that door and two points for that pass.' They would like some sort of surety that we are going to deploy it in a responsible way, so we have to do more work around it.

Ms GRIERSON—I probably have a different view from you on the primary beneficiary being the flying passenger. If it were not for September 11, this inquiry may not even be happening. Obviously that was a general risk and general damage done to a community. It must have cost billions. That risk versus cost makes aviation security more important; therefore someone does have to bear the cost. We have just had those two security firms, and you were here through their evidence. You do not have much direct interaction with the actual security firms, do you, in terms of training their personnel? Isn't your interaction more with the airport operators and airlines?

Mr Tongue—Our interaction is much more with the regulated entities, which are the airports and the airlines. One of the issues we deal with is the number of parties that want to be our interlocutors over aviation security, but our primary legal responsibility is to the airports and airlines.

Ms GRIERSON—I had the impression they talked up a great deal that they are regulated, but that is probably not true.

Dr Turner—I would not say they were not regulated. From the evidence I heard, it is definite that we have much more interaction with major airlines and airports, but we do have some

interaction with Group 4, Chubb and the others. As they indicated in their evidence, they are members of some of the operational working groups that we have, which are working out the details of how to implement many of the regulations.

The chain of responsibility is that we would go back to, for example, the screening authority and get the screening authority to take the corrective action because they have a contractual arrangement with Chubb, whereas our regulatory relationship is with the screening authorities. We tell the screening authority, 'That's not up to scratch. That's not good enough.' As they said, we conduct systems tests. When we have conducted a systems test and tried to get something nasty through a screening point and we have succeeded, most often sitting around talking with Group 4, Chubb, or whoever it happens to be, we explain what went wrong, what should have happened and what did not happen.

CHAIRMAN—When the Yanks come in and test us and they tell you what they found, do you tell Group 4 and Chubb?

Dr Turner—For sure. The last time the Americans came and did their audit, they were full of glowing praise for us, so we were only too happy to pass that on.

CHAIRMAN—Did you tell them that?

Dr Turner—We have told them that but, to be fair, we do not yet have the official report from the Americans.

Ms GRIERSON—We talked about the roles of police and security personnel. One would hope that intelligence gathering and intelligence presence within aviation security would have changed dramatically. We have very little feedback on, and understanding of, that. It is not a very visible thing. What is your view of change in that area?

Mr Tongue—We are certainly working closely with the security agencies. A lot of effort both globally and domestically is going into terrorist related intelligence. We are also looking at working with the Federal Police, Protective Services, Customs and others about how we might enhance what I call operational or daily intelligence, because airports are shopping centres, they are border control points. There are all sorts of players with intelligence that goes beyond our specific interest, which is about protecting aircraft. We are certainly looking at how we can improve that daily intelligence cycle, which is an area where we have identified we need more effort.

Ms GRIERSON—So you think it still needs some attention. You say that the new legislation may have some frisk powers extended to on-the-spot screening. Have you discussed that with the industry? How do they feel about that extension of powers?

Mr Tongue—We have discussed it with the industry. It is basically designed to protect all the players in the system. In the past it has occurred and there has not been that legislative cover, so we have discussed it with the industry.

Ms GRIERSON—Does that mean if I am going through and the alarms go off and you cannot find what caused it, you could frisk me and find what it is?

Mr Tongue—We could ask your permission to frisk you.

Ms GRIERSON—Under the legislation, that is possible?

Dr Turner—It is the current situation. The proposals in the bill as it currently stands—and it may change—do no more than codify the existing arrangements, which are that it is a consent arrangement.

Ms GRIERSON—So it will be as is, still consent?

Dr Turner—Yes. The powers in the bill at the moment do not propose any extension of the frisk power which currently exists.

Ms GRIERSON—Good. I am pleased to hear that.

Dr Turner—That is for protection. Some people going into a sterile area actually request a frisk search of something like an artificial limb, or if they are concerned about their pacemaker or whatever. The legislation, in our view, provides protection for everybody concerned in making clear the powers and conditions under which those things are done.

Ms GRIERSON—There was some suggestion in the submission that America is reconsidering its secure cockpit approach, which surprised me.

Dr Turner—The cockpit door?

Ms GRIERSON—Yes, the cockpit door. Do you have a view on that? I do not know why—it is just a comment in the submission—but they are now reconsidering that.

Dr Turner—There have been some supply problems. The US was at the top of the queue for cockpit doors. It is more than the hardened cockpit door, which is of itself an excellent security measure, because it changes the dynamic in the aircraft when it is in the air, enormously. It is more than the door. There are also the training of the crew and the pilots and a set of operational procedures. Stephen McHale, who is deputy in charge of the Transport Security Agency, was out here recently and we discussed with him progress on cockpit doors. The US are in a continuing cycle of how they improve it and extend it. There are some aircraft, for example, that you cannot fit them to. There are some aircraft where there is a cabin and, when you fit them, you change the weight distribution of the aircraft and create some safety issues. They are working through all of those issues.

Ms GRIERSON—We have also had submissions from Israeli based security firms talking about smart cars that your frequent flyers get, and if you have the right skin colour and ethnic origin, you get a faster passage through airports. These verge on a national identity card situation. Do you have a view on those measures? Do you ever see those sorts of measures being necessary in Australia?

Mr Tongue—There is some interesting technology that involves an electronic boarding pass. When you go to the counter you get issued an electronic boarding pass rather than the card. A similar pass goes on your bag. Then you can track people as they move around the airport. You

could also issue such passes to employees. In terms of what we call domain awareness, systems like that make you much more domain aware.

People are talking about biometrics. They are talking about biometrics, say, in the passport context. One of the concerns is that you do not want too many biometrics. You do not want people running around with a biometric in the passport, a biometric in their boarding pass and a biometric to get their car out of the car park. It would be nice to standardise all of that.

One of the points I would make is that, in dealing with the sort of threat that we are currently dealing with, sometimes these people do not present as being anything other than people like us. It is a problem. You need something to key in on, to say, 'That's a bad guy.' In all of these systems, we are really looking at how you can introduce it in a cost-effective way, what is the real security benefit, how might it roll out nationally, is it based on international standards, and so on. It is all just a little bit too new.

Ms GRIERSON—It is not an area you are exploring?

Mr Tongue—We are certainly watching the technology, yes.

Ms PLIBERSEK—One of the reasons that the security firms were trying to hawk this technology was that it was so time efficient. Instead of lining up for hours to get properly checked, you can just have your 'frequent flyer' card or 'trusted flyer' card, or whatever it is called, but I do not think that that is a response to what is happening in the Australian airport situation. People are not queuing up for hours to be manually searched. In peak hour at Sydney airport, the longest queue you will see is probably 10 people long. I do not think it is a response to what is happening here.

Dr Turner—To elaborate on what Andrew said, it is not true to say that we are not engaged in discussions, either with the industry or with other government departments, but I would add that, firstly, if security in Australia goes that way—and certainly security in a lot of places it is going that way—it is not my expectation that it will be restricted to aviation security. It has far broader ramifications—privacy issues et cetera—and we will only be one party involved in those discussions.

Secondly, from a security point of view, we remain very cautious about anything which relies on what I might call a trusted traveller arrangement, because of the potential for sleepers. The current bad guys have demonstrated, very clearly, enormous patience. Anything which reduces the size of the haystack in which we have to search is a good thing, as long as it is doing it accurately. What all that boils down to is that we remain involved in the debate, but it is much broader than just aviation security.

Ms PLIBERSEK—You were talking about reducing the haystack. If you had a trusted traveller arrangement, it seems unlikely to me that it would be cost effective to do the sorts of security checks that you would have to do. You would not do a 10-year background check on someone to give them a trusted traveller card, would you? If you did, you would have 20 trusted traveller cards out there, because it is not cost effective to do that sort of background search.

Mr Tongue—Say we went down that track and hit them for \$3,000 to do the background checks; you cannot know what sorts of pressures they might be under.

Ms GRIERSON—I think, when we originally toughened up security here, sometimes people were a bit liberal. At my own airport, they know me very well and I will not let them be liberal with me in any way.

CHAIRMAN—Of course not. You are in Labor!

Ms GRIERSON—Definitely, through and through! As you say, that person can be targeted and intimidated and, therefore, very easily used.

Mr Tongue—That is right.

Dr Turner—That is why we remain engaged in the debate. From our point of view, we want anything which helps us identify the bad people rather than the bad things, because I can carry something onto an aircraft and I can assure you I am not going to use it in a nasty way. Somebody else can carry exactly the same thing onto an aircraft and use it in a very dangerous and damaging way.

Ms PLIBERSEK—The killer nail clippers that we are also worried about.

Dr Turner—But we focus on the bad things, because we have no effective way of identifying the bad people. We are very interested in techniques which help us identify the bad people, but we are a long way short of being operational.

Ms GRIERSON—Following up on that point, did you get any information or a briefing regarding the French person who came into the country?

Ms PLIBERSEK—Willie Brigitte.

Mr Tongue—That is currently in the hands of ASIO.

Ms GRIERSON—We will leave it at that. I will not pursue it, but I hope you will pursue it.

CHAIRMAN—I understand from the press that we are going to develop a national security centre, I gather along similar lines to the national surveillance centre operated by Coastwatch. I assume that you have been involved in those discussions. Is it still a secret or can you tell us anything about the cooperative nature of how that will operate?

Mr Tongue—It is a national threat assessment centre, which will basically pool the resources of the security agencies from a number of different departments. We will also have some people in there. It will give the country the capacity to produce threat assessments 24 hours a day, seven days a week, 365 days a year. The reason we are putting people in there is that the Commonwealth regulatory system around aviation and future maritime will be built on the threat assessments, and that is how we tune the regulatory arrangement.

In terms of what it means for us, organisationally we are having to adapt so that we can receive and add value to the threat assessments so that we turn them into statements of risk that we can then take out to industry. The first thing that happens when you produce a threat assessment is that everybody asks, 'What are you going to do about it?' We have to tell people what to do about it.

CHAIRMAN—I have come to a conclusion during this inquiry that we have an entirely different culture surrounding aviation security at checkpoints in Australia than they do in the United States. Do you have a view as to why that is so? And in saying that, I am saying that ours is positive and theirs is terrible.

Mr Tongue—We have resisted going the US and Canadian route, which is federalising the screening work force, because it changes the pattern of incentives out at airports. Effectively, the US and Canadian approach has been to simply take a screener who was working for a private security firm and turn them into a screener who is working for the government. The screener's pay and conditions have improved—and that is good for them—but they are the same person doing the same work. It is just that, instead of working for somebody locally and having a local network of relationships, they now work for Washington.

Similarly, because the Americans and the Canadians have taken that approach, they have uncoupled from the airport the need to facilitate passenger movement. It is important that security remains up there, but if you get long queues at the front of the airport you have created another security vulnerability that you have to deal with. We think that the pattern of incentives and the set of relationships we have are about right, plus I think Australians have adapted now to what we are asking of them. Hopefully, we will not need to ask more of them.

From time to time I get a little annoyed with people who roll in inebriated late at night and joke that they have a bomb in their shoe and so on. It upsets the screeners, because we tell them that it is important that they pick these things up. The measure is there for a reason, and that is because the intelligence tells us it needs to be there. I get annoyed with people who make light of it, because it is not something to laugh about. We recognise that there are some things we need to unwind about—clippers and those sorts of things. It would be nice to have a look at a few of those issues. It is a good culture.

CHAIRMAN—Brisbane Airport criticised the lack of information flow between your Canberra based staff and your regional staff. They cited a number of times when Brisbane Airport staff knew of decisions before the regional staff. Can you comment on that?

Mr Tongue—It is a dispersed operation. We have recently instituted some new management arrangements to improve the flow of communications. It is true that the airlines and the airports operate a fairly significant lobby presence here in Canberra, and sometimes communications just outpace us, because they pay some very expensive people to do it for them.

CHAIRMAN—We also, through submissions, understand that the division between safety and security between CASA and DOTARS has caused delays in implementation of new policy.

Mr Tongue—We have certainly been talking to CASA, particularly about issues to do with pilots, licensing arrangements and so on. The Australian model is very much to separate safety

and security. They are different sides of the same coin, but they are different. I would not have said it was so much an issue between us and CASA that was causing the delay. It is a very complicated problem and I am hopeful that we are pretty close to solving it.

Dr Turner—I find it very hard to resist making one point about that. When we consult with other government agencies, industry criticises us for delay; when we try and move without consulting with the industry, we are seen to be doing something outrageous. I do not think we have delayed anything by consulting with CASA. I think we have taken the time to get it right by consulting with another government agency.

CHAIRMAN—Dr Carter and I were in Bangkok last week and we did observe that our baggage was screened prior to check-in—and I think this happened in a couple of places in the United States. Do you have a view on that as a procedure?

Mr Tongue—It was trace detected or put through a CT scanner?

Ms PLIBERSEK—It is like an X-ray.

CHAIRMAN—Yes, a full X-ray. I assume the machine had trace detection capability as well, although I could not guarantee that because it did not appear to be as large as the ones that I have seen in the United States which use both X-ray and trace detection simultaneously.

Ms PLIBERSEK—They have been doing that in Bangkok for a long time. They are not new machines.

CHAIRMAN—Then they probably do not have trace detection.

Mr Tongue—What has happened in the world's airports with all of this new check bag screening is that some of them do not have the space in the bowels of the building, and you will find at a number of US airports, for example, that the baggage gets screened before you go in simply because they do not have the space underneath to put it inline.

CHAIRMAN—That helps to clarify that issue. Thank you very much for your cooperation. We assume that all the public submissions we have had and the evidence we have taken has been useful to you as well.

Mr Tongue—It certainly has been, yes.

CHAIRMAN—That is one of the purposes of these kinds of inquiries—at least we think so. We think we add value. We hope you do. If you don't, well, there you go! The committee has told me that anything that we learned which we thought might pose significant risks should be passed on to your minister and to you immediately, and we have done that. It was not implied criticism in any way. We thought we were part of the responsibility chain, too. We should not take risks with public safety.

Mr Tongue—No, and we have followed up on anything.

Ms GRIERSON—Could I add one thing. I think we should seek more evidence from state police. We have had no presentations from state police, and perhaps a letter could be sent to them.

Ms PLIBERSEK—We did in Brisbane.

CHAIRMAN—I am sorry, we did.

Ms GRIERSON—You did in Brisbane? I did not attend that hearing. Do you think we have canvassed enough their presence in major airports? Have they changed their role? How do they see their role and resourcing?

CHAIRMAN—They all have MOUs. There is an MOU between the Federal Police commissioner and each of the state police commissioners.

Ms GRIERSON—You are satisfied that we have enough?

CHAIRMAN—Brisbane told us that it was a very active cooperation. But we can write to them.

Ms GRIERSON—That would be excellent.

CHAIRMAN—We will ask the secretariat to do that.

Ms GRIERSON—Thank you very much.

CHAIRMAN—I thank everybody who is here. I conclude by saying, ‘God bless Hansard.’ I declare this public hearing closed.

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

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

Committee adjourned at 11.32 a.m.