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Group 4 Securitas Pty Ltd

ABN 14 001 375 186

Unit C1, 16 Mars Road

Lane Cove NSW 2066

Locked Bag 2078 Lane Cove DC

Sirius Road Lane Cove NSW 2066

Telephone: (02) 9428 0200

Facsimile: (02) 9428 0251

The Secretary
Joint Committee of Public Accounts & Audit
The Parliamentary Committee on Aviation Security
Room R1/108
Parliament House
Canberra ACT 2600

Dear Sirs,

Please find enclosed this Company's submission to the Committee.

We apologise for the late submission and look forward to being present at the hearing on 24 November 2003.

Yours sincerely

For and on behalf of
GROUP 4 SECURITAS PTY LTD

A handwritten signature in black ink, appearing to read 'John George', with a stylized flourish at the end.

John George, OBE
GROUP GENERAL MANAGER



**SUBMISSION TO THE
JOINT COMMITTEE OF PUBLIC ACCOUNTS & AUDIT
ON
THE REVIEW OF AVIATION SECURITY IN AUSTRALIA**

JOHN GEORGE, OBE

**SUBMITTED BY
GROUP GENERAL MANAGER,
GROUP 4 SECURITAS PTY LTD**

INTRODUCTION

Group 4 Securitas Pty Limited (Group 4) is a division of Tempo Services Ltd, a public company listed on the Australian Stock Exchange. Group 4 is the largest Australian owned security company. It operates in all States and Territories in Australia and currently provides aviation security (passenger and/or checked bag screening services) at 21 airports throughout the Country. Its experience in Aviation Security spans some 30 years. Group 4 has read with interest both the written submission to the Committee by the ALHMU, and the Proof Committee Hansard following evidence presented by the Union to the Committee.

PURPOSE

This submission will express the Group 4 Securitas view of Aviation Security (passenger and checked bag screening in particular) based on its experience as a contracted supplier to airport and airline operators over a 30 year period.

INDUSTRY REGULATION

The Air Navigation Act (ANA) and accompanying regulations which are underpinned by Annex 17 to the Chicago Convention have, since their inception, represented international standards. As a signatory state to the Chicago Convention in particular, Australian aviation has, we believe, endeavoured to achieve worlds best practice in its security regimes within the limitations of the threat environment at the time, financial impost and passenger/public (user) convenience.

Since September 11, 2001 where there was a perceived escalation in the security threat environment, especially to Aviation (given the New York Twin Towers incident) there has been a substantial number of Additional Security Measures (ASM's) introduced in order to counter the additional threat. However, contrary to popular belief, the improvement in Aviation Security Standards did not start, nor has it ended with September 11, 2001. Indeed, there has been continuous improvement over many years as the Aviation Industry has grown and stakeholders have become more conscious of the need for passenger (and crew) safety. It has been an internationally evolving process.

It is widely known that the ANA, is being re-written. This is both timely and necessary given the age of the current document and in the light of what is perceived to be a marked (threat) environmental change.

To the best of Group 4's knowledge there is no evidence to suggest the existing or future legislation is anything but adequate to ensure an acceptable level of public safety. Further, Group 4 believes in complying with existing and future legislation the Australian Aviation Community will continue to strive for and achieve worlds best practise.

Unquestionably there is an element of risk in air travel, as there is in any other activity where people, machines, systems and processes interact. While the greater proportion of risk can be treated and controlled through effective risk management practises, legislation in itself cannot totally remove risk from the environment. There are, and there will continue to be, limitations imposed by human factors, equipment and the somewhat unpredictable environment. The only way to totally remove risk from the Aviation Industry is to cease flying; this of course is impractical, and both commercially and socially unacceptable.

INDUSTRY COOPERATION

There is a wide variety of stakeholders within the Aviation Security environment. Critical to the thrust of this paper, however, are the following:

- Airport operators
- Airline operators
- Contract Security providers (manpower/electronics)
- Australian Protective Services
- Police agencies
- Security equipment providers
- Government agencies
- Unions

As best Group 4 can recall, there has always been and continues to be substantial cooperation between these stakeholders. This has become even more evident since September 11, 2001 where there has been a determined effort within the Industry to involve all the Industry practitioners and regulators in a collaborative environment.

Contract Security providers in particular have been encouraged by airline and airport operators to actively participate in the development of standards in training, equipment outputs, systems, techniques, processes and environmental design. Input to Government Departments has been less prevalent but even these doors have been opened in recent times. Cooperation between the APS and Police Agencies has always been of high standard.

While there has been an air of good will and cooperation with Unions over time, the interest on the part of this element has generally been focussed on wage demands. Little, if anything, has been offered constructively in respect to the raising of standards (other than when it could add weight to "hip pocket" demands) or public safety generally.

There is no doubt Unions have a role to play in the Aviation Security workplace as it does in any other workplace, however, they need to understand the total environment more fully if they are to make a worthwhile contribution; something other than emotion. It is both inappropriate and unhelpful to the Aviation Community and users of Aviation Security, for Unions to take the "big stick" approach that they have tended to do especially since September 11, 2001. The most recent example of this behaviour is in November 2003 when the ALHMU, without dialogue with stakeholders, including employers, instructed their members not to undertake pat down or physical searches at screening points. This of course exposes the public to even greater risk.

SELECTION/PROVISION OF CONTRACT MANPOWER

Contrary to the view of the ALHMU, the use of casual labour in Aviation Security, in particular passenger and check bag screening, is not widespread.

The nature of rostering in a labour intensive industry generally requires the use of an element of part time or casual labour. It is fair to say, however, that those part time or casual staff engaged on Aviation Security duties undertake these tasks on a regular basis; seldom, if at all, are there “one-off” assignments. Group 4 certainly operates in this way just as it does not employ sub contractors in the Aviation Security role, because it runs the risk of losing control over quality outputs. In Aviation Security in particular, the Industry is well aware of the associated risks and consequential liability exposure of the provider should the screening process fail, hence it must insist on the highest level of operator competence, which cannot be guaranteed with an excessive use of casual labour.

Perhaps with the very odd exception, all Aviation Security (passenger and check bag screening) in Australia is currently carried out by three providers, two of whom are publicly listed companies. All carry substantial “hard to get” Aviation Security insurance which, in the case of Group 4 is \$200 Million for any one incident. The cost of this insurance is not only substantial, it is beyond the reach of most security organisations.

Even with such insurance in place, this does not necessarily cover the entire risk, nor does it remove further liability from the supplier, Therefore, it is incumbent on the provider to ensure all operatives participating in the Aviation Screening process are adequately trained and experienced. Also, despite the transfer of some risk from the airport and/or airline operator, they too are not absolved of their total liability. It is also in their best interests, therefore, to ensure only appropriately trained and experienced operatives are engaged in the screening process; this they do by regular random audit.

Group 4, and to the best of its knowledge the other Aviation Security providers, are most conscious of their responsibilities in providing trained and experienced Security Screening operatives. Detailed records of training are maintained, and indeed are required under the provision of the DOTRS Instrument “Manner and occasion of Screening”. These records are audited by DOTRS on a regular basis.

Outspoken critics of Aviation Security (manpower) contractors often fail to realise that the current providers are recognised by the business community as “top end” professional organisations in their field. All are professionally managed by experienced and qualified people who understand the consequences of risk and take all reasonable steps to limit such risk. Group 4, for example, has in place exhaustive recruitment and selection procedures including psychological and aptitude testing, reference checking and a medical examination as part of the recruitment process. Assignment to Aviation Security duties requires further vetting. There should be little concern, therefore, that management of provider companies would expose themselves, their companies, their customers or the public to unnecessary or avoidable risk.

It is also worthy of note that almost all airline and airport operators who engage contract security for passenger and checked bag screening services have in place a rigorous performance assessment system. Key performance indicators (KPI) are established and measured on a regular basis, usually monthly. In some cases financial penalties are applied where the provider fails to achieve benchmarks. Unfortunately incentives for over achievement are non-existent.

The ALHMU raises in its submission to the Committee, staff turnover and wages as issues adversely impacting on the quality of Aviation Security outcomes. Group 4 refutes this argument:

- Turnover, while an issue for the Security Industry generally, is lower than Industry average at airports due to the pleasant and very tolerable environment, higher than average Industry remuneration and the more sociable hours than normal Security duties. Also the perception that the duties and responsibilities are greater than normal security duties assists in employee retention.

- Wages are certainly an issue but not one which could be considered major. While there has been some improvement in recent time there is probably room for further review, having regard to the level of competence, responsibility and workload at screening points. None-the-less wages and conditions are generally better than at non aviation sites.

In the opinion of Group 4, quality manpower is already provided to the screening authorities. Adequate selection and pre assignment vetting processes are in place as are methods for maintaining quality of outcome on the part of providers.

TRAINING STANDARDS

Training standards in the Security Industry throughout Australia were certainly questionable in the 1980's and before. In the 1990's, however, this deficiency was clearly recognised and acted upon to the extent where there are now well defined standards for operatives in various Industry employment categories under the Nationally accredited Asset Services Training Package (recently revised).

Under the Training competencies a person cannot be assigned to Aviation Screening duties until he/she has:

- Completed a Certificate III in Security Guarding with special application to Aviation Screening. This comprises of 11 core modules, plus 8 electives and a stand alone module specifically designed for Aviation Security. It should be noted that most Aviation Security stakeholders were involved in the development of the Aviation Security modules.
- Completed 40 hours on the job training at a screening point under direct (one on one) supervision.
- Been assessed as competent by a qualified Workplace Assessor and Trainer who is also a qualified Screener.

All three major providers of Aviation Screening Services are Registered Training Organisations in their own right and therefore meet the stringent training standards imposed by VETAB and the various Police/Government agencies.

Again, Group 4 believes those private (or contract) organisations who presently provide Aviation Security Services fully understand and accept their responsibilities to provide properly trained and experienced personnel to perform these critical functions.

In addition to the mandatory pre-assignment training qualification, Aviation Screeners must also complete a Dangerous Goods (recognition/treatment) Course, a First Aid Course and specialist training in the operation of certain equipments (eg: Checked Bag Screening Equipment, Explosive Trace Detection Equipment) as required.

Some airline and airport operators also require operatives to undergo extensive public relations training, defibulator training, dealing with the disabled training, etc.

Under DOTRS Instrument "Manner and Occasion of Screening" there are mandatory refresher trainer requirements which must be met to ensure training standards are maintained. This, coupled with the use of TIPS (Threat Image Projection System) which regularly and randomly tests competence on x-ray equipment, ensures competency levels are maintained.

In short, persons engaged in Aviation Screening duties in Australia are unquestionably trained to a level well above that of the average Security Officer. These training and competency levels meet worlds best

practise and are adequate, given equipment and human factor limitations, to ensure an acceptable level of public safety.

ALTERNATIVES TO CONTRACT SECURITY

Some elements of Government and the public generally express the view that the Aviation Security (screening) function should be one that is undertaken by a government or quasi entity (eg the APS). While such may clearly be an option, it is difficult to understand the reason why such a change would be seriously considered, and in particular what improvements it would bring to the process or outcome.

Since it is the Screening Authority (airport or airline operator, as the case may be) that is charged with the responsibility for “safe passage”, it is only reasonable that they should have choice in achieving the outcome. Presently this freedom of choice contributes to raising and maintaining standards in that the private contractors operate in a competitive environment which creates pressure on them to maintain quality or risk losing business to a competitor. If the sole provider of these services were to be a Government or quasi Government entity (where employment is pretty much guaranteed) then such pressure would not be maintained. This could result in a loss of competence or maintenance of standards.

Price is also a consideration. Persons employed by the Government at the level of a Security Officer will generally be better remunerated than their commercial counterpart. This will unquestionably force up the price of the service which will need to flow on to the travelling public; a further impost or which is already becoming a high “on cost” (eg taxes and other charges) area.

It may be argued that higher pay attracts a higher calibre of person, hence, the public sector option may appear attractive. Group 4 believes this not necessarily the case as in the private sector there is probably greater risk of termination of employment based on performance shortfalls; this tends to “motivate” employees, albeit perhaps for the wrong reasons. In the public sector, however, the loss of employment on performance is less likely so complacency is likely to result.

In summary, the engagement of private sector contractors is a proven model which works. There is no need for change to a public sector monopoly; indeed this could well be detrimental to the quality of outcome in Aviation Screening.

LIMITATIONS

Notwithstanding the ability of private security organisations to supply highly trained professionals for the conduct of Aviation Security (Screening) operations, there are, in the opinion of Group 4, some weaknesses in the Aviation Screening system; these are:

- Equipment limitations
- Human factor considerations

While state-of-the-art technology is used as far as practical by screening authorities, the equipment does have technical limitations in the detection of certain prohibited items in certain configurations. One recent example which involved on Group 4 as the security provider, was a speed loader with six rounds of .38 calibre ammunition going though a Melbourne Airport screening point undetected (on 2 occasions). In the opinion of Group 4 this failure was largely due to equipment limitations.

The second, but probably more prevalent, limitation is that related to human factors; the inability or failure of a screening operative to identify a prohibited item prior to entering the sterile area. There have been numerous papers written on this subject but the limitations are generally caused by a wide range of almost uncontrollable factors such as tiredness, personal stress, emotion, trauma, distraction by the environment, health, lack of physical or mental concentration etc. Any or all of these issues can and do cause prohibited items not being detected prior to entry into the sterile area.

Compounding this problem is a combination of the two – the “Swiss cheese model”. When all the holes line up there is a high probability of a disastrous consequence.

There is no easy solution to overcoming all of these problems. It does and will continue to take superior people management skills together with training, awareness, persistence and pursuit of excellence in both equipment capability and people.

LEGAL EXPOSURE/LITIGATION

Security operatives (Screeners) operate in a highly visible and often intense environment. They are continually confronted by verbal, and (infrequent) physical abuse with their temperaments continually tested. Fortunately, due to high training standards, there are very few occasions which result in unsavoury or unpleasant consequences.

The screening process today requires screening operatives not only to be astute in avoiding any form of conduct which could be interpreted as discriminatory, of an harassing or bullying nature, rude, offensive, etc, but not to perform actions which could result in unintended and unwanted physical contact with other persons. Such, however, could easily occur in the process of hand screening, Explosive Trace Detection and of course pat down or physical search.

While training regimes focus on addressing these issues there remains a reasonable level of risk which could expose the contractor and/or its staff to litigation. While companies deal with such matters “in their stride”, it is a concern that “innocent” individuals could be joined in action against the Company or be cited individually for an act or omission for which he/she had no intent. The degree of distress this could place on the screener and his/her family is immeasurable and of great concern

Group 4 is of the opinion that greater legislative cover should be given to provide reasonable protection for Companies (organisations) and their staff involved in Aviation Screening operations..

RESEARCH & DEVELOPMENT

Individual commercial entities have and continue to invest in research and development (R&D) related to Aviation Security, especially in the equipment area. This will likely continue while the market remains competitive.

Notwithstanding the current level of private investment, the question must surely be asked as to why R&D should be left entirely to Industry. With Aviation Security so high on the public agenda and with the potential of catastrophic outcomes in the event of an incident such as the Twin Towers in New York, there must surely be a case for public sector investment, especially given the level of public use of airline services.

Group 4 believes the Government has a responsibility to both encourage and support (financially) R&D in Aviation Security in such areas as:

- Environmental Design
- Technology
- Human Factors Research
- Systems Development

ONUS OF RESPONSIBILITY

At the present time the (total) onus is on the screening authorities via their contracted Aviation Screening provider, to prevent unauthorised access and or prohibited items entering the sterile area. There appears no onus of responsibility on the public.

Group 4 is of the opinion that some onus of responsibility should rest with the travelling public and others who enter the sterile area, not to attempt to execute, deliberately or otherwise, such entry with a prohibited item. This should apply in the same way as travellers entering Australia are required not to bring, or to declare certain items to customs/immigration. This would have the effect of reducing workload on Aviation Screeners, allowing them to focus more on the screening process (less pressure – more time).

The regime that might be considered is the classification of prohibited items into two categories, eg:

- Category 1
 - Explosives
 - Firearms
 - Knives of a certain type
 - Ammunition
 - Needles (other than proscribed)
- Category 2
 - Other items

Given that appropriate public awareness levels were maintained (signage, declaration, etc) individual members of the public should be held to account for any attempt, deliberate or otherwise, to take category 1 items into the sterile area. Penalties should apply.

There will undoubtedly be a view that such an approach is unfair and/or unreasonable but the question must be asked is “why should someone be held totally accountable for someone else’s actions”? Why should attempted importation of prohibited items into the sterile be treated any differently from the attempted importation of drugs (for example) into the Country – are they not both a threat to the community?

CONCLUSIONS

The level of Aviation Security in Australia, in particular passenger and check bag screening, currently meets International standards and is in accordance with world's best practice.

With the exception perhaps of Unions, the stakeholders associated with Aviation Security, in particular passenger and check bag screening, presently collaborate in the best interests of the Aviation Community and public generally to ensure a safe aviation environment.

Current providers of contract security labour for the undertaking of passenger and check bag screening ensure only thoroughly trained and competent operatives are engaged on such duties. There is minimal use of casual labour and where such is necessary providers ensure they are trained and competent to

perform the task to the standards required under the DOTRS Instrument “Manner and Occasion of Screening”.

These records are regularly audited by third parties including screening authorities and DOTRS.

Staff turnover in Aviation Screening is lower than that of the Security Industry norm.

Current training standards for Aviation Security are adequate to ensure a high level of public safety within the limitations of technology and indeterminable human factors.

There is no justification to move away from the private security contractor model in favour of a government or quasi government organisation assuming responsibility for this function.

There are equipment (technology) and human factors which can and do impact on the effectiveness of the Aviation Screening process. Government should support Industry in financing research and development to lessen the impact of these “negatives”.

There is a need to review legislation to provide some legal coverage for those involved in Aviation Screening in order to prevent or limit the effect of litigation against companies, and more importantly, individuals.

Consideration needs to be given to placing more onus on members of the public in attempting, deliberately or otherwise, to take certain prohibited items into the sterile area. Penalties should be applied for serious incidents.

RECOMMENDATIONS

It is recommended the Joint Committee of Public Accounts and Audit consider the contents of this paper giving particular attention to the conclusions which are reached herein.