

Chapter 1

Introduction and background to the inquiry

1.1 On 4 December 2014, the Senate referred the following matters to the Rural and Regional Affairs and Transport References Committee (committee) for inquiry and report by 26 April 2015:

- (a) recent media reports on apparent breaches in airport and aviation security at Australian airports;
- (b) consideration of the responses to those reports from the Government, regulators, airports and other key stakeholders, and the adequacy of those responses;
- (c) whether there are further measures that ought to be taken to enhance airport security and the safety of the travelling public;
- (d) the findings of, and responses to, reports undertaken into airport security issues since 2000; and
- (e) any related matters.¹

1.2 Over the course of the 44th Parliament, the Senate granted a number of extensions to the final reporting date for the inquiry.

1.3 On 9 May 2016, the inquiry lapsed with the dissolution of the Parliament for a general election. On 15 September 2016, the Senate agreed to re-refer the inquiry to the committee with a reporting date of 1 December 2016.² On 10 November 2016 the Senate granted an extension of time for reporting until 7 February 2017.³ On 1 December 2016, a further extension of time was granted until 30 March 2017.⁴

Conduct of inquiry

1.4 The inquiry was publicly advertised online, including on the committee's website. The committee also directly invited submissions from a number of organisations and individuals with interests and expertise in airport and aviation security.

1.5 The committee received 21 public submissions. A list of individuals and organisations that made public submissions to the inquiry, together with other information authorised for publication, is at Appendix 1.

1 *Journals of the Senate*, No. 74, 4 December 2014, p. 1989.

2 *Journals of the Senate*, No. 7, 15 September 2016, p. 225.

3 *Journals of the Senate*, No. 15, 10 November 2016, p. 451.

4 *Journals of the Senate*, No. 23, 1 December 2016, p. 753.

1.6 The committee held public hearings in Melbourne on 6 February 2015 and in Canberra on 24 November 2016, details of which are referred to in Appendix 2. All public submissions and the Hansard transcript of evidence from the hearings can be accessed through the committee's website.⁵

Acknowledgements

1.7 The committee would like to thank the individuals and organisations who contributed to this inquiry by making submissions, as well as appearing before the committee to give evidence.

Background

Reliance on aviation transport in Australia

1.8 Aviation is particularly significant to Australia and its people, given the size of the Australian continent, the distances between towns and major cities as well as the distances to overseas destinations. This significance is reflected in a focus on aviation matters by the media, frequent reviews into aviation security and policy, as well as a particular interest amongst the Australian public in aviation and the security of our airports.

1.9 The Right Honourable Sir John Wheeler, who conducted an independent review of airport security in 2005, noted that the Australian public has an 'exceptional sensitivity to aviation and airport security and a concern that criminality may lead to vulnerabilities that could be exploited by terrorists'.⁶

1.10 The 11 September 2001 attacks were a major point of departure for current concerns regarding the safety of air travel in Australia. Since then, Commonwealth and state governments, and private sector stakeholders have invested significantly in the security of Australia's air transport networks and strengthened the relevant legal frameworks.⁷

Aviation security framework

International legal context

1.11 Australia has been a signatory to the Convention on International Civil Aviation since 1947, following its signing in Chicago on 7 December 1944 (the Chicago Convention). The Chicago Convention provides the foundations for safe and

5 See www.aph.gov.au/Parliamentary_Business/Committees/Senate/Rural_and_Regional_Affairs_and_Transport.

6 Rt. Hon Sir John Wheeler, *An Independent Review of Airport Security and Policing for the Government of Australia*, Australian Government, September 2005, p. ix.

7 Most notably through the *Aviation Transport Security Act 2004* and *Aviation Transport Security Regulations 2005*.

orderly international air travel. The regulation of Australian aviation safety is based on international standards and recommended practices and procedures adopted by the International Civil Aviation Organisation (ICAO).⁸

1.12 The Chicago Convention contains 19 technical annexures, detailing the Standards and Recommended Practices (SARPs) for international civil aviation. Of particular importance to this inquiry, Annex 17 provides for the management of security issues at airports. It requires all signatories to, among other things:

- control access to the airside areas of airports to prevent unauthorised entry;
- create appropriate Security Restricted Areas (SRAs) at relevant airports based on security risk assessments;
- ensure identification systems are established to prevent unauthorised access to airside areas and SRAs, with identification verification needed at designated checkpoints before access is allowed to airside areas and SRAs; and
- ensure background checks are conducted on persons granted unescorted access to an SRA.⁹

Australian legal context

1.13 The current Australian aviation security framework came into effect in March 2005 following the commencement of the *Aviation Transport Security Act 2004* (the Act)¹⁰ and Aviation Transport Security Regulations 2005 (the Regulations).¹¹ The Act provides a regulatory framework to safeguard against unlawful interference with civil aviation and to maintain aviation security. It also 'obliges certain aviation participants to develop, and comply with, aviation security programs'.¹²

1.14 The Chicago Convention requirements were given force in Australia through the Act. The Act reflects the requirement of Annex 17 of the Convention by detailing a range of requirements to safeguard passengers, crew, airport ground personnel and the general public in matters relating to unlawful interference with civil aviation.

1.15 Key measures of the Act and associated regulations include the designation of secure areas within airports including all major metropolitan airports (divided

8 Department of Infrastructure and Regional Development, *International Civil Aviation Organisation*, <https://infrastructure.gov.au/aviation/international/icao/> (accessed 13 December 2016).

9 Australian Government, *Aviation Safety Regulation Review*, May 2014, p. 117.

10 *Aviation Transport Security Act 2004*, <https://www.legislation.gov.au/Details/C2016C01100>

11 Aviation Transport Security Regulations 2005, <https://www.legislation.gov.au/Details/F2016C01035>

12 *Aviation Transport Security Act 2004*, division 2, s. 3(2).

generally into airside and landside zones, including 'sterile' landside zones). Following the events of 11 September 2001, aviation security assumed a high priority for the Australian government. It is an area that has been subject to ongoing assessment and review. As part of this ongoing process, the Act has been amended several times to improve its operation.

1.16 The Department of Infrastructure and Regional Development (department) is responsible for administration of both the Act and the Regulations, while airport and aircraft operators are responsible for delivery of security on a day-to-day basis. As part of its duties, the department is required to undertake compliance activities to ensure that industry participants comply with legislated requirements as outlined in the Act and Regulations. In December 2004, the Office of Transport Security (OTS) was created to enhance the administration of the Act.

1.17 Under the Regulations, all security controlled airports are required to complete and provide to the department for approval a Transport Security Program (TSP). The TSP details the measures and procedures undertaken by the airport to reduce terrorist threats and other unlawful interference, and how the airport will meet the requirements of the Act and Regulations. The department can test the effectiveness of TSPs through its National Quality Control Programme. This programme involves inspections and audits, which can identify non-compliance with regulation.¹³

The Australian aviation sector

1.18 Most aviation passenger movement in Australia occurs via the ten major airports across the country, being Sydney, Melbourne, Brisbane, Perth, Adelaide, Gold Coast, Cairns, Canberra, Hobart and Darwin.¹⁴

1.19 Regional and remote airports are also of vital importance to Australia's aviation sector. There are approximately 250 regional airports offering passenger services and a further 2000 smaller airfields and landing strips across the country.¹⁵ The impact of aviation security regulation on these smaller operators is considered throughout the report.

1.20 For the year ending 30 June 2016, there were 60.94 million passengers carried on domestic commercial flights (a 1.8 per cent increase on the previous year).¹⁶ An

13 Department of Infrastructure and Regional Development, *Submission 3*, pp. 5-6; Australian Airports Association, *Submission 17*, p. 4. See also Aviation Transport Security Regulations 2005, division 2.3.

14 Bureau of Infrastructure, Transport and Regional Economics, *Airport Traffic Data 1986-2016*, https://bitre.gov.au/publications/ongoing/airport_traffic_data.aspx (accessed 7 March 2017).

15 ACIL Allen Consulting, *Regional Airport Infrastructure Study: Economic Contribution and Challenges of Regional Airports in Australia*, September 2016, p. 3.

16 Bureau of Infrastructure, Transport and Regional Economics, *Statistic Report: Domestic aviation activity 2015-16*, 2016, p. 1.

additional 36.229 million international passengers travelled to and from Australia during the year, an increase of 7 per cent from 33.865 million in 2014-15.¹⁷

1.21 Recently all capacity restrictions were removed from Australia-China air service arrangements, allowing for open aviation between the two countries. The outbound Chinese tourist market is expected to double to 200 million by 2020.¹⁸

1.22 With nearly 100 million airline passengers travelling in Australia each year and utilising various airport facilities, the importance of aviation security becomes clear. Marked increases in the volume of airport patrons will require commensurate security responses.

1.23 While a number of global aviation security breaches since the 1970's have led to new security screening measures at airports, the terrorist attacks of 11 September 2001 had the most profound effect on Australia's aviation security policy and air transport infrastructure. Attacks against airports and airlines have the potential to cause massive damage and disruption through mass casualties, significant detrimental economic impacts and the creation of a climate of fear and anxiety amongst the travelling public. Owing to this, the aviation sector can expect continued attempts to subvert security measures as terrorists evolve their capabilities.¹⁹

1.24 It is clear from evidence received by the committee that there are areas of airport and aviation security that require significant improvement to guard against any possible breaches of Australia's air transport infrastructure, by individuals or organised groups.

1.25 The committee has considered the current security practices in operation at Australian airports to ascertain what measures should to be implemented by the Australian government to enhance the safety and security of the travelling public. It is in that context that this inquiry was undertaken, and these matters will be considered throughout the report.

Current security environment

1.26 In its submission to the committee, the Australian Security Intelligence Organisation (ASIO) noted that 'civilian aviation will remain a high-value terrorist target for the foreseeable future', with terrorists adapting to security measures already in place and subsequently changing and refining their methods.²⁰

17 Bureau of Infrastructure, Transport and Regional Economics, *Statistic Report: International airline activity 2015-16*, 2016, p. 8.

18 Minister for Infrastructure and Transport, the Hon Darren Chester MP, 'Australia and China agree open aviation market', *Media Release DC209/2016*, 4 December 2016.

19 Department of Infrastructure and Regional Development, *Submission 3*, p. 11.

20 Australian Security Intelligence Organisation, *Submission 10*, p. 2.

1.27 While a major aviation security event is yet to occur in Australia, there continues to be ongoing concerns about airport security and safety, as reflected by a number of media reports and in comments and analysis by industry experts.

1.28 In December 2016, the Australian Federal Police (AFP) released details of 2355 weapons seized in 2016 from bags and on people across Australia's nine major airports. This was an increase from the 2260 weapons found in 2015. The weapons included a BB air sport handgun, a hunting knife, pepper spray and knuckle dusters. The AFP considered that the high number of weapon seizures was evidence of effective airport security screening processes.²¹

1.29 More than 7000 prohibited weapons were seized by police across 10 airports over the past four financial years, with more than 500 offenders facing charges.²²

1.30 During 2015-16, the AFP charged 10 people for making false or threatening statements, 8 people for failing to comply with directions from airport or airline staff, and 76 people with offensive behaviour, including violent behaviour.²³

1.31 In a positive development, the AFP noted a marked decrease in the number of threatening or false statements being made at airport security points, such as bomb threats. In 2016 only 88 such incidents were reported across the nine major airports, in contrast to 1087 in 2015.²⁴

Investigations by the Seven Network into airport security breaches

1.32 Four news reports on security breaches at Australian airports were broadcast on the Seven Network between July and October 2014. These stories were based on documents obtained through Freedom of Information (FOI) requests made by Seven Network journalist, Mr Bryan Seymour, to the department.

21 Chris Johnston, 'The weapons Australians tried to smuggle through domestic airports this year', *Sydney Morning Herald*, 13 December 2016, <http://www.smh.com.au/national/the-weapons-australians-tried-to-smuggle-through-domestic-airports-this-year-20161212-gt9lo0.html> (accessed 16 December 2016).

22 Renee Viellaris, 'Organised crime, terrorism seek to infiltrate Australian airports', *The Courier-Mail*, 12 December 2016, <http://www.heraldsun.com.au/travel/news/organised-crime-terrorism-seek-to-infiltrate-australian-airports/news-story/b1bada45a9048508bc14dc47273e7752> (accessed 13 December 2016).

23 Emily Baker, 'Australian Federal Police seize 168 weapons from Canberra Airport', *Canberra Times*, 19 December 2016, <http://www.canberratimes.com.au/act-news/australian-federal-police-seize-168-weapons-from-canberra-airport-20161212-gt9c84.html> (accessed 19 December 2016).

24 Chris Johnston, 'The weapons Australians tried to smuggle through domestic airports this year', *Sydney Morning Herald*, 13 December 2016, <http://www.smh.com.au/national/the-weapons-australians-tried-to-smuggle-through-domestic-airports-this-year-20161212-gt9lo0.html> (accessed 16 December 2016).

1.33 A number of documents obtained by Mr Seymour detailed occasions between January 2012 and April 2014 when unauthorised individuals accessed secure areas of airports. Other documents outlined instances where passenger screening failed to detect prohibited objects, which were then discovered after the passenger had boarded a plane. Prohibited objects found in this way included knives, tools (such as screwdrivers and pliers), scissors and box cutters. Moreover, these breaches also included weapons, such as pepper spray, tasers and bullets.²⁵

1.34 On 25 October 2016, Mr Seymour reported for the Seven Network on continuing security breaches at Australian airports, particularly on the regular discovery of 'credit card' knives being undetected by screening programs.²⁶

1.35 The committee examined a number of issues with the passenger screening process, including the use of subcontracted security staff, inadequate staff training and the costs associated with security screening. These issues are discussed further in the report.

Notable reviews of Australian aviation security

1.36 The committee was particularly interested in prior reviews of Australian aviation security, including two reports by the Australian Customs Service (ACS) in 2002 and 2003, the airport security and policing review undertaken by the Rt. Hon Sir John Wheeler in 2005, and the 2016 Australian National Audit Office (ANAO) review of passenger security screening at airports.²⁷

1.37 The two ACS reports, 'Threat Assessment of Sydney Airport Screening Personnel' (2002) and 'Sydney Airport Air Border Security: Risk Analysis 2003', highlighted a number of serious security vulnerabilities in Sydney Airport, particularly regarding access to sterile areas and passenger screening undertaken by contract staff.²⁸

1.38 In the year following the introduction of the aviation security legislation, on 31 May and 1 June 2005 respectively, *The Australian* newspaper published two articles containing confidential material emanating from the two ACS reports. The confidential material had been leaked to the newspaper, and highlighted the security and criminal vulnerabilities of Sydney Airport.

25 Mr Bryan Seymour, *Submission 1* (Attachment 1), pp. 18-58.

26 This issue is discussed further at chapter 4 of this report. See 'Credit card knives' found at our airports' <http://au.news.yahoo.com/video/watch/32995538/credit-card-knives-found-at-our-airports/> (accessed 26 October 2016).

27 Australian National Audit Office, *Passenger Security Screening at Domestic Airports*, Report No. 5 2016-17, 31 August 2016, <https://www.anao.gov.au/work/performance-audit/passenger-security-screening-domestic-airports>.

28 Mr Allan Kessing, private capacity, *Committee Hansard*, 24 November 2016, pp. 2-4.

1.39 Soon after this unauthorised leak occurred, the Australian government announced an independent review of the air transport sector by the Rt. Hon Sir John Wheeler. The report, *An Independent Review of Airport Security and Policing for the Government of Australia* (Wheeler Review), was released in 2005 and confirmed many of the vulnerabilities noted in the ACS reports.

1.40 Following the Wheeler Review, a number of further reviews and reforms to aviation security have been progressed, including an audit of policing capabilities at airports,²⁹ 2009 Aviation and 2010 White Papers, several Parliamentary Joint Committee reports considering, in part, aviation security,³⁰ and ANAO performance audits.

Structure of this report

1.41 Chapter 2 examines the numerous reports and inquiries undertaken since 2002 investigating airport security issues, and the responses and actions that have been implemented following these reports. Of particular interest to the committee is the progress and implementation of the 2005 Wheeler Review recommendations.³¹

1.42 Chapter 3 examines a number of serious issues around passenger security screening at airports that emerged from evidence received as part of the inquiry, including the use of subcontractors for screening services at airports. It also considers reports regarding security systems in place at Sydney Airport, including potential vulnerabilities in Australia's aviation security framework.

1.43 Chapter 4 examines matters arising from the Seven Network television report on aviation security that led to the referral of this inquiry. In particular the chapter considers whether the FOI process that informed part of the media reports led to a decrease in the voluntary reporting of security incidents to the department by industry stakeholders.

1.44 Chapter 5 considers the Aviation Security Identification Card (ASIC), the numerous reviews and reforms undertaken of the scheme, and potential shortcomings of the card, with impacts on airport security. This chapter also examines the related Visitor Identification Card (VIC) and issues with this program.

1.45 Drawing on the evidence received by stakeholders and obtained by the committee as part of its inquiries, Chapter 6 considers the current programs underway to secure Australia's airports, and possible future areas for improved security measures. It evaluates whether, in light of incidents reported in the media and through

29 The 2009 Beale Review.

30 2011 Parliamentary Joint Committee on Law Enforcement report into aviation and maritime security measures.

31 Rt. Hon Sir John Wheeler, Australian Government, *An Independent Review of Airport Security and Policing for the Government of Australia*, September 2005, pp. xvii-xx.

various reviews of airport security, the current security framework is adequate. It also considers the costs that may be involved in amendments to that framework.

