Australian Government

Department of Transport and Regional Services

File Reference: **02005/0364**
Contact Name: Jessica York

Mr Bob Baldwin MP
Chair
Joint Committee of Public Accounts and Audit
Parliament House
CANBERRA ACT 2600

Subject: Review of Aviation Security in Australia

Dear Mr Baldwin

Thank you for your letter of 2 June 2005 to the Minister for Transport and Regional Services, the Hon John Anderson MP, inviting the Department of Transport and Regional Services to provide a written submission to the Joint Committee of Public Accounts and Audit review of aviation security in Australia.

Your invitation to the Department to provide a written submission is appreciated. I have attached a submission summarising DOTARS' role and responsibilities with regards to aviation security in Australia, as well as the significant reform that the aviation industry has undertaken in recent years and will continue to undertake into the future. The introduction of the *Aviation Transport Security Act 2004* and the *Aviation Transport Security Regulations 2005* has resulted in a strengthened aviation security regime for Australia, and the Department is implementing a number of new policies and measures to complement those provisions under the new legislation.

The Department will be happy to provide further advice on the issues associated with aviation security in Australia as required. Our contact for this and general Departmental involvement with this review is Andrew Lalor, Section Head, Regional Airlines and General Aviation Security. Andrew can be contacted on 6274 7952, or emailed at andrew.lalor@dotars.gov.au.

Yours sincerely

<signed>

Andrew Tongue
Executive Director
Office of Transport Security
15 July 2005

DOTARS' JCPAA SUBMISSION

Introduction

While international frameworks for addressing aviation security go back to the 1960s, the events of 11 September 2001 brought new focus and urgency to efforts to secure transport systems. It was recognised that transport targets are of high interest to terrorists as they are highly visible, and offer potential for mass casualties and significant economic impact.

Terrorist organisations have named Australia amongst a range of western countries as a potential target, and the events in Indonesia in October 2002 and September 2004, and in London in July 2005, reinforce that possibility. Australia is highly dependent on an efficient transport system both domestically and internationally to continue to underpin its economic growth. Accordingly, the Government has taken steps to seek to ensure that Australia's transport system has in place the appropriate measures to address security threats, and minimise vulnerability to terrorist attack.

Security arrangements for both the aviation and maritime transport sectors have been subject to recent detailed assessment, with arrangements for both preventive security and incident response having been reviewed. Following these assessments, a range of additional transport security initiatives is being implemented to further strengthen security arrangements.

Substantial works have been undertaken over a number of years on surface transport security. More recently, in the wake of the Madrid and London train and bus bombings, security arrangements for land transport including urban mass transit are being further considered, in cooperation with state and territory governments.

The regulatory frameworks providing for preventive security regimes for both aviation and maritime transport have been, and continue to be, subject to significant reform. The key principle underpinning the development of these preventive security regimes is that, regardless of mode, security measures must address identified risks. Risks are identified in the light of available intelligence, and measures to address these risks are developed and implemented because terrorists can be deterred from high value targets where the chances of success are diminished because of preventative security measures. In turn, these measures are subject to audit to ensure compliance, and to provide assurance that the appropriate level of security is in place for any given transport operation.

Scope of aviation security

Protective security is about mitigating the risks. Australia's government and aviation industry are, like their counterparts in other countries, addressing the need to implement increased security measures in order to minimise the occurrence of unlawful interference with aviation. These measures affect both international and domestic aviation, moving both passengers and cargo.

Domestic context
In April 2005, there were 3.42 million passenger trips on Australian domestic airlines, an increase of just over 11 per cent on April 2004 figures. In the 12 months to

30 April 2005, 40 million passengers flew on Australian domestic airlines, an increase of 12.7 per cent on the previous year's passenger numbers. These figures equate to, on average, more than 110 000 passengers flying domestically in Australia every day.[1]

In 2004, over 244 000 tonnes of air cargo were moved domestically in Australia, primarily through the main domestic gateways of Sydney, Melbourne and Brisbane.

International context
Australia's international aviation system carried 18.1 million passengers in the 2003-04 financial year, with incoming and outgoing passengers each representing 50 per cent of that figure.

International cargo movements by air in 2004 equalled 667 000 tonnes of cargo worth $69 billion, along with over 475 tonnes of mail.

Australia has aviation links with a number of countries in our near region. Not all of these countries have aviation regimes as developed as ours and accordingly may impact on our national security.

These figures demonstrate the importance of the development, implementation and management of an aviation security regime of the highest nature. Personal and business livelihoods are dependent on the ability to move people and items by air in a prompt and secure manner. Australia's government, through DOTARS and working with the aviation industry, continues to develop policies and measures to tighten the security of our aviation industry.

On 10 March 2005, Australia's new aviation security legislation took effect. The *Aviation Transport Security Act 2004* and the *Aviation Transport Security Regulations 2005* have been implemented to establish a regulatory framework to safeguard against unlawful interference with aviation by establishing a set of minimum security requirements for certain categories of civil aviators in Australia. One of the principle aspects of this new legislation is the need for aviation industry participants to work with the Department of Transport and Regional Services to devise and implement transport security programs for their operation.

Achievements under the new regime

The new regulatory regime provides:

- improved regulation of around 180 regulated airports and 170 regulated airlines
- regulation of over 900 domestic cargo agents
- greater controls over access to airport secure areas
- background checking for pilots
- anti-theft measures to be applied to powered aircraft.

[1] Bureau of Transport and Regional Economics, *Australian Transport Statistics, June 2005.*

This builds on other measures such as:

- hardened cockpit doors on passenger aircraft with more than 30 seats
- 100 per cent checked bag screening on international flights
- an increase in the number of airports where passenger and carry on screening takes place
- explosive trace detection at domestic and international passenger screening points
- $48 million worth of measures to increase security at regional airports through the Securing our Regional Skies program
- law enforcement enhancements including:
    - the deployment of armed air security officers on selected domestic services and international routes
    - an increased Australian Protective Service presence.

The newly strengthened Australian regime is as good or better than aviation security regimes in other parts of the world. The measures that the government has introduced have resulted in an aviation industry with tightened security requirements that put Australia on par with other industrialised nations such as the United States of America, the United Kingdom and Canada. Our regime is also significantly stronger than those of our immediate neighbours in south-east Asia.

The aviation security framework

The international context

The origin of the Australian Government's role in aviation security lies in the provisions of the 1944 Convention on International Civil Aviation (the Chicago Convention) for protecting civil aviation against 'acts of unlawful interference'.

International aviation security Standards and Recommended Practices (SARPs) are established by the International Civil Aviation Organisation (ICAO), the body responsible for administering the Convention and setting internationally agreed operational standards for the safe and secure operation of air transport throughout the world. Australia is a founding member of ICAO and has consistently been elected to its governing council as a 'State of chief importance in air transport'. ICAO currently has a membership of 188 contracting States to the Chicago Convention.

DOTARS represents Australia on the panel of experts (the Aviation Security Panel) that advises ICAO on aviation security matters, including reviewing the security SARPs. Once endorsed by ICAO member States, the SARPs are incorporated into Annex 17 of the Convention, *Security – Safeguarding International Civil Aviation against Acts of Unlawful Interference*. This document can be found at Annexure A. Member states of ICAO are obliged to implement Annex 17 Standards unless they file a difference. Given the sensitive nature of such information, specific details of any difference files by member States are kept confidential by ICAO. Suffice to say the

filing of a difference is a rare event for Australia. It should also be noted, by way of comparison, that the current development of a maritime security regime also rests on multilateral international efforts, coordinated through the International Maritime Organization.

Annex 17 is primarily concerned with administrative and coordination aspects, as well as with technical measures for the protection of the security of international air transport, requiring each Contracting State to establish its own civil aviation security programme with such additional security measures as may be proposed by other appropriate bodies. The Annex also seeks to coordinate the activities of those involved in security programs. While airline operators have responsibility for the safety and protection of their passengers, it is the responsibility of the member States of ICAO to ensure that these operators have a framework upon which to implement and monitor security programs to complement those of the airports from which they operate. In Australia, this framework comes in the form of new legislation and the need for certain categories of aviation industry participants to prepare Transport Security Programs.

The domestic context

The ICAO standards underpin the *Aviation Transport Security Act 2004* and the *Aviation Transport Security Regulations* 2005, giving effect to Australia's obligation to develop regulatory and administrative structures to implement the provisions of Annex 17 of the Convention. The *Aviation Transport Security Act 2004* and the Regulations can be obtained from the DOTARS web site at http://www.dotars.gov.au/transsec/atsa/index.aspx, and are at Annexures B and C. This Act replaces Parts 3 and 3A of the *Air Navigation Act 1920* and the *Air Navigation Regulations 1947*.

The Aviation Transport Security Bill 2003 Revised Explanatory Memorandum notes that the objectives of the legislative reform process were:

- to ensure a consolidated, consistent, modern, and transparent framework for aviation security
- to implement the recommendations of policy reviews relating to Australia's counter-terrorism arrangements, as demanded by the Government
- to ensure that Australia's international aviation responsibilities are met in accordance with the standards framed by the Convention on International Civil Aviation
- to maintain Australia's status as a secure provider of aviation transport infrastructure, thus avoiding the social and economic costs potentially associated with implementing inappropriate security measures for Australia's civil aviation operations.

The capacity to enact treaties into domestic law exists under s51(xxix) of the Constitution. In the *Airlines of New South Wales v New South Wales (no. 2) (1965)* case, it was found that the Commonwealth had a power to regulate in accordance with the criteria laid down by the 1944 Chicago Convention. The court upheld the

Commonwealth legislation (being the *Air Navigation Act 1920* at the time) as being supporting by the external affairs power, noting that domestic law justified by an international treaty must be appropriate and adapted to the objective of implementing the treaty.

National counter-terrorism framework and arrangements

DOTARS, while being an industry department, plays a prominent role as a national security agency, given the ever-increasing significance being accorded to transport security within Australia's counter-terrorism framework. With regards to aviation security, DOTARS fulfils its industry regulation role through the specification, monitoring and enforcement of minimum standards for the preventative security measures now required by airports and airlines, delivered through the regulatory framework set out in the *Aviation Transport Security Act 2004* and the *Aviation Transport Security Regulations 2005*.

DOTARS has a number of roles in the securing of Australia's aviation industry, including:

- the provision of advice to, and implementation of decisions made by the Australian Government with regards to Australian aviation security policy, including participation in international transport and Australian counter-terrorism fora
- use of threat assessments and associated intelligence gathered in consultation with industry and various agencies to develop risk-based preventative security measures for incorporation into legislation and associated legal documents
- establishment of a set of minimum standards to be achieved by operators in the implementation of preventative security measures
- approval of Transport Security Programs developed by airports and prescribed air service operators, setting out the resources and measures to be applied to the matter of preventative security and their plans for responding to security incidents
- monitoring, testing and auditing of industry compliance with those measures and standards
- regulation to enforce, where necessary, the preventative security measures and standards
- revision of security policies, measures and standards in the light of received intelligence, monitoring, auditing and other related information.

Within the framework provided by Australia's arrangements for implementing the Chicago Convention, DOTARS operates an intelligence-driven, risk-based aviation security system. DOTARS is a member of the National Counter-Terrorism Committee (NCTC), and is an active participant in Australia's counter-terrorism arrangements.

Our goal is to enhance an already strong and efficient system, to provide multiple, overlapping layers of security designed to deter and, if necessary, detect threats against civil aviation. To this end, DOTARS works closely with ASIO in developing an assessment of threats against aviation. This threat assessment represents strategic intelligence directed at informing the planning and implementation of protective security policy. DOTARS also works closely with ASIO in the day to day process of turning intelligence into protective security responses. DOTARS is a consumer of intelligence rather than a producer of it, and works with intelligence agencies to refine general statements of threat to provide more specific statements of the aviation risks faced by aircraft types, airlines and airports. An unclassified risk context statement is provided at Annexure D.

The department is neither a provider of security services nor a lead agency in incident management and/or response. DOTARS is responsible for the creation, implementation and maintenance of the policy framework, and for the regulation of minimum standards within the aviation industry. It needs to be emphasised that DOTARS is not a provider or funder of security services such as the screening of passengers at airports, or other security measures that industry is required to adopt. DOTARS is only one of many Australian Government agencies with a role in the total aviation security system, in which State and Territory agencies (eg police) and private sector bodies also have parts to play.

DOTARS' regulatory role also involves auditing industry compliance with regulated measures and standards. DOTARS investigates the aviation security implications of reports of non-compliance, whilst any criminal aspects are matters for the Australian Federal Police and/or State/Territory police.

Security is just one of many areas of the aviation industry in which DOTARS has an interest. For example, DOTARS is also involved in the monitoring of aviation safety and environmental issues.

National Counter-Terrorism Plan

As noted above, DOTARS is not a response or policing agency. The Department works within the framework provided by the National Counter-Terrorism Plan (at Annexure E). In support of this, and in consultation with other relevant Australian Government agencies and the transport industry, we also:

- develop a national threat and risk assessment strategy for transport security
- develop and implement a Transport Industry Assurance Advisory Group as part of the Trusted Information Sharing Network
- provide advice on international transport security developments and implications for Australian Government policies and practices.

This Plan is currently under review.

Intelligence

Australia relies upon a strong intelligence-led prevention and preparedness regime to support its counter-terrorism strategy. That strategy encompasses targeted prevention

measures based on risk management principles and maintaining capabilities to manage various types of terrorist threats, attacks and their consequences.

Information on threats to national security is collected, analysed and distributed to relevant Commonwealth agencies and State and Territory police. This advice helps these agencies comprehend and manage the threat in order to prevent terrorism.

ASIO's National Threat Assessment Centre (NTAC) issues threat assessments in relation to specific people, places, events and interests. Threat assessments are used in making risk management decisions. Jurisdictions determine how best to respond to the threat and, where appropriate, implement protective measures to lower risk to an acceptable level.

The Australian Government Counter-Terrorism Committee regularly reviews the level of national counter-terrorism alert, based on ASIO assessments of the threat environment. The national counter-terrorism alert level helps to inform national preparation and planning, as well as dictate levels of precaution and vigilance to minimise the risk of a terrorist incident occurring, and it may be the basis of public discussion of the risk to Australia.

The national counter-terrorism levels of alert are:

- Low Terrorist attack is not expected
- Medium Terrorist attack could occur
- High Terrorist attack is likely
- Extreme Terrorist attack is imminent or has occurred.

The aviation sector in Australia is currently classified at the medium level.

DOTARS works with intelligence agencies to translate threat statements into risks faced within the aviation sector. Accordingly, the aviation security regulatory regime is constructed to safeguard against these known risks.

DOTARS also uses specific statements of risks to aviation to develop an Aviation Risk Context Statement (RCS). The purpose of the Aviation RCS (at Annexure E) is to provide the aviation industry with information on the aviation strategic risk context and the current security environment in Australia.

The Aviation RCS is an unclassified document that is intended to supplement risk and threat assessment information from other sources. The document does not replace the need for Aviation Industry Participants (AIPs) to consider their individual circumstances and determine their own risks consistent with security risk assessment processes, such as the Australian and New Zealand 4360:2004 Risk Management Standard.

The aviation security environment is necessarily responsive to the increased focus on terrorist activity and new threats of unlawful interference with aviation. As the nature of these threats changes, the regulator of aviation security may need to move quickly to implement new security measures or modify existing measures. Overall, its

provisions reflect the aviation industry's primary role in delivering security outcomes and the Australian Government's role in regulating the industry to monitor compliance and encourage the achievement of those outcomes.

A system of multiple layers

The approach to protective security in Australia, including for aviation, involves establishing a number of significant and supporting barriers. The effect of all these elements is that the asset (whether it is infrastructure, a person, a document, etc) is protected by numerous and overlapping layers. One can imagine this regime as an onion, which requires a number of its layers to be compromised and removed in order to expose the core.

The advantage of the 'onion layer' approach to security is that there is no one 'key' piece of protective security without which the asset would be compromised. If the security layers are working effectively, under appropriate legislation, and undergoing regular inspection, checks and audits then it creates an increasingly difficult regime to overcome – as the failure of one element does not necessarily lead to the failure of the whole system.

Counter-terrorism committees

A number of national counter-terrorism committees exist across the Australian Government for the purposes of managing and coordinating arrangements and, if required, responses to terrorism events. DOTARS contributes to these groups from a transport security perspective. These committees include:

- International Counter-Terrorism Coordination Group

  The International Counter-Terrorism Coordination Group (ICTCG) is a Department of Foreign Affairs and Trade-led inter-departmental committee chaired by the Ambassador for Counter-Terrorism, Les Luck. The ICTCG comprises intelligence and security related agencies, and has broad terms of reference to develop and coordinate whole-of-government international counter-terrorism activities. DOTARS' role on the committee has been to develop and implement transport security related policies and submissions into whole-of-government policy development that are considered by the Secretaries' Committee on National Security, and then the National Security Committee of Cabinet.

- National Counter-Terrorism Committee

  The National Counter-Terrorism Committee is the national coordinating body for counter-terrorism in Australia. It is co-chaired by the Department of Prime Minister and Cabinet and a State/Territory senior official and comprises senior representation from relevant Australian Government agencies, Premiers' and Chief Ministers' departments and police services from each jurisdiction. It was established by an Inter-Governmental Agreement on national counter-terrorism arrangements on 24 October 2002 to:

  - provide strategic and policy advice to heads of government and relevant ministers

- coordinate an effective nation-wide counter-terrorism capability
- maintain effective arrangements for sharing relevant intelligence and information between all relevant agencies in all jurisdictions
- provide advice in relation to the administration of the special fund
- maintain the National Counter Terrorism Plan and associated documentation.

Representing the Australian Government are senior representatives from the Department of the Prime Minister and Cabinet (chair), the Attorney-General's Department, Emergency Management Australia, the Department of Defence, the Australian Federal Police, the Australian Security Intelligence Organisation, the Department of Transport and Regional Services and other relevant agencies.

- National Counter-Terrorism Committee Executive Committee

  The NCTCEC provides strategic direction at the higher policy level to the NCTC by making recommendations on national counter-terrorism policies, capabilities and strategies and for making recommendations on the allocation of priorities in the NCTC Program.

- Secretaries' Committee on National Security

  For the Australian Government, the Prime Minister takes the lead role for counter-terrorism policy coordination, with the Attorney-General, supported by the National Security Committee of Cabinet and other Ministers having responsibility for operational coordination on national security issues. The work of the National Security Committee of Cabinet is supported by the Secretaries' Committee on National Security (SCNS), which is made up of heads of departments and agencies with responsibility for national security issues. DOTARS is not a standing member of this committee. However, the Secretary of DOTARS attends when SCNS considers transport security related items.

- Australian Government Counter-Terrorism Policy Committee

  The AGCTPC ensures that the development of policy that affects counter-terrorism is coordinated at the Australian Government level. It develops a strategic overview of counter-terrorism policy development and articulates Australian Government objectives for counter-terrorism policy. It was created in September 2002 to provide an opportunity for senior level policy coordination on counter-terrorism issues. The committee meets every two months, which ensures a regular senior executive forum in which to develop the whole of government approach to Australia's counter-terrorism arrangements. The AGCTPC is chaired by the Department of the Prime Minister and Cabinet at Deputy Secretary level and includes representatives from a broad range of Australian Government agencies that have an interest in counter-terrorism issues. The Department of the Prime Minister and Cabinet provides AGCTPC with executive and secretariat support. DOTARS is a member and represents transport security related items.

- Australian Government Counter-Terrorism Committee

  The AGCTC provides the forum at officials' level for the development of whole of government advice in relation to counter-terrorism arrangements. The AGCTC meets monthly to exchange information, consider counter-terrorism and dignitary

protection policy issues, the threat from terrorism and determine the level of national counter-terrorism alert in Australia. The Committee is chaired by the Director of the Protective Security Coordination Centre (PSCC) and includes representatives from Australian Government security, law enforcement, intelligence and emergency service departments and agencies. The PSCC provides executive and secretariat support for the Committee. DOTARS is a member and represents transport security related items.

- Australian Government Transport Security Policy Committee

  The Australian Government Transport Security Policy Committee (AGTSPC) coordinates a whole of government approach to the development and implementation of transport security policy, providing a forum to ensure departments and agencies further coordinate efforts to encourage national consistency. The AGTSPC meets every two months, unless a special meeting is called.

  Key matters for discussion are security policy issues relating to aviation, maritime, regional transport, hazardous materials, critical infrastructure and surface transport as well as international security issues in the region.

  Prior to the meeting, reports from the Australian Government Agencies Airport and Maritime Security Committees are distributed for review.

  Government agencies that attend the meeting include the Department of Transport and Regional Services (chair), Prime Minister and Cabinet, the Department of Immigration and Multicultural and Indigenous Affairs, the Australian Customs Service, the Australian Federal Police, the Department of Defence, the Department of Foreign Affairs and Trade, the Australian Quarantine Inspection Service and the Attorney-General's Department.

Aviation security consultation arrangements

DOTARS is also a member of a number of aviation industry consultative groups, including:

- High Level Group on Aviation Security

  This group consists of staff from various Government agencies as well as senior representatives from the aviation industry, including Qantas, Virgin Blue, Sydney Airport, Melbourne Airport and Brisbane Airport. This strategy group sits above the Industry Consultative Meeting.

- Industry Consultative Meeting

  The Industry Consultative Meeting (ICM) is chaired by the Executive Director of the Office of Transport Security (DOTARS) and meets three times a year to focus on Government and aviation industry issues of mutual concern.

  Working groups have been established in key areas of concern with representatives from all interested parties. The working groups update the ICM members regularly on progress.

Membership includes all international airport corporations, major airlines (Qantas and Virgin Blue) and various pilot and airline associations (such as Airservices Australia, the Regional Aviation Association of Australia and the Board of Airline Representatives of Australia.).

A regional ICM (RICM) has been established to focus on issues of importance to the smaller regional airports and airlines which are subject to the same security concerns and regulations as the major players. The first RICM was held in June 2005.

- Cargo Working Group – Air Cargo Operators

  At the aviation Industry Consultative Meeting of 27 - 28 October 2004, it was agreed that a Cargo Working Group (CWG) would be established to address air cargo security issues. Terms of reference for the working group were approved in March 2005 and the group met on 3 May 2005 in Canberra. The Working Group is made up of representatives from air cargo industry bodies, aviation industry participants and government agencies. The CWG is currently working towards the production of a report addressing air cargo screening and related cargo security issues.

The Office of Transport Security

Within DOTARS, we have integrated our security interests and skills into a business division of the department with the establishment of the Office of Transport Security (OTS). This provides a single point of contact on all DOTARS transport security issues, and makes the most cost effective use of scarce transport security resources, as well as recognising that the building of a transport security capacity is yet another element of the change management agenda within the Department. OTS is working towards the creation of a transport system that is secure against the threats of terrorism and unlawful acts. For more information relating to the Office of Transport Security, please refer to Annexure F.

The increased focus of government attention and resources to the security of the aviation industry is reflected in the OTS. The Office consists of numerous sections involved in aviation industry security, with each category of aviation industry participant managed by a team of staff looking at the issues specific to each category. As can be seen from the organisation chart in Annexure F, these categories include international airports, regional airports, international airlines, regional airlines and general aviation, and air cargo.

Aviation transport security regulatory regime

A strengthened aviation security regime

Aspects of both changing aviation security policy (such as changes to security measures and/or standards) and reform of regulatory performance (such as a more contemporary suite of enforcement tools) are grounded in the legislative framework on which any regulatory regime must rest. The purpose of the *Aviation Transport Security Act 2004* is to maintain and improve transport security in civil aviation by:

- enhancing the structure of the aviation security regulatory framework and providing for adequate flexibility in order to reflect the rapidly changing threat environment

- aligning Australian aviation security with the revised International Civil Aviation Organization (ICAO) standards

- introducing graduated penalties for a more appropriate or equitable enforcement regime

- satisfying recommendations of the ANAO Report tabled 16 January 2003

- providing a separate piece of legislation that will allow for future amendments that may be extended to other transport sectors

- implementing policy reviews and decisions made in response to the elevation of risk to aviation consequent to the aviation terrorist attacks in the USA on 11 September 2001.

The reach of Australia's aviation security regulatory regime has been significantly expanded through the Act, including the capture of regional and general aviation. The new aviation security legislation has been developed to better address the new security environment facing aviation, and has been developed in consultation with industry. Aviation security governance arrangements have been significantly upgraded, and compliance activity has been enhanced.

The Act establishes a regulatory framework to safeguard against unlawful interference with aviation. To achieve this purpose, the Act establishes minimum security requirements for civil aviation in Australia by imposing obligations on persons engaged in civil aviation related activities.

The industry operators that are regulated by DOTARS are:

- **Airline operators**
  These are operators of air services to, from or within Australia. They are responsible for the security of their aircraft, including screening of passengers and their carry-on baggage, and security control of cargo and catering. Each operator of an international air service and operators of a domestic air service using aircraft that meet criteria set out in the legislation must have an approved Transport Security Program.

- **Airport operators**
  The responsibility of each airport operator of a security categorised airport is to ensure that prescribed minimum regulatory standards are met with respect to airport security, including physical security, access control and, where required, the Counter-Terrorism First Response function. Although the airport operator is responsible for overall airport security, responsibility for security of individual buildings or facilities rests with the organisation that has management control over the building or facility concerned.

- **Regulated air cargo agents**
  Regulated air cargo agents are freight forwarders and courier companies who have agreed to operator in accordance with an approved security program. The *Aviation Transport Security Regulations 2005* require the security program to

specify procedures for preventing cargo from containing explosives or incendiary devices, preventing unlawful access to cargo, and documenting the security procedures in relation to each item of cargo.

Please refer to Annexures G to K for information relating to prescribed aircraft operators, airport operators and air cargo agents regulated under the Act, as well as gazetted airport maps and a map of all Australian security controlled airports.

The *Aviation Transport Security Act 2004* and its Regulations contain a range of penalties for non-compliance with security measures and standards. The performance standards for the outcome we are seeking are expressed in terms of the safeguarding of civil aviation from unlawful interference, rather than the prosecution of examples of non-compliance with security standards, that is, DOTARS is seeking to encourage effective security rather than to punish non-compliance. This new legislation provides a broader range of enforcement tools that allow a clearer distinction between enforcement and prosecution.

Key components of the regime

Transport Security Programs

A Transport Security Program (TSP) is a preventative security plan that sets out security measures and procedures to be implemented to safeguard against acts of unlawful interference with aviation. TSPs are required to ensure that industry participants have a planned and risk-based approach to the management of aviation security.

The following aviation industry participants are currently required to have a TSP:

- operators of security controlled airports
- operators of prescribed air services
- operators of facilities that have direct access to airside areas of airports
- regulated air cargo agents
- Airservices Australia.

Aviation industry participants that are not required to have a TSP may find that they are affected by somebody else's TSP. In these cases, participants are required to comply with the requirements of the relevant sections of those TSPs.

TSPs are required to address a number of general requirements, including:

- how the operator's security activities will be managed and coordinated with the operations of other relevant parties
- the technology, equipment and procedures to be used to maintain aviation security
- responses to aviation security incidents
- practices and procedures in place to protect security information

- other industry participants covered by the program
- the consultation undertaken in the preparation of the program.

TSPs must also contain an outline of the operator's local security risk context, including consideration of location, seasonal and operational factors, a list of general threats and security risk events, and an outline of what must be protected.

Certain industry participants must, in addition, have a program with specific requirements. These requirements are detailed in the Regulations, but are briefly outlined below:

- **Security controlled airports**
  A TSP for a security controlled airport must cover a range of topics, including procedures for managing security, quality control, physical security, access control, screening and clearing, and control of weapons and prohibited items.

- **Prescribed air service operators**
  A TSP for a prescribed air service operator must address a range of topics, including procedures for managing security, quality control, physical security, access control, screening and clearing, passenger check-in and boarding, handling checked baggage, controlling weapons and prohibited items, and clearing and securing cargo.

- **Regulated air cargo agents**
  A TSP for a regulated air cargo agent must address a range of topics, including procedures for managing security, measures to detect carriage of unauthorised explosives, cargo security, quality control, controlling weapons and prohibited items, and record keeping and information management.

- **Airside facility operators**
  A TSP for an airside facility operator must cover a range of issues, including procedures for managing security, quality control, controlling weapons and prohibited items, physical security and access control systems. Airside facility operators may enter into a joint TSP arrangement with the operator of the airport at which they are located.

Major airlines and airports already have approved TSPs in place under the *Air Navigation Act 1920*. These programs are continuing in force, as if they were approved under the new legislation, until 9 March 2007. However, these operators are required to submit a draft of a new TSP, complying with the new legislation, by 9 March 2006. Operators with programs under the previous regulatory regime typically have large, complex operations that include a large number of affected parties. Transitional arrangements were put in place to allow existing security program holders to consult widely in the development of their TSP and to ensure that the program appropriately addressed their national arrangements.

Assistance given to new entrants regarding TSPs

With the introduction of the Act came the requirement for a number of regional airports and prescribed air services to have approved transport security programs (TSPs) in place by 10 March 2005. TSPs are required by airports that received regular public transport services, or are close to major metropolitan centres. Prescribed air services are conducted by those operating aircraft in excess of 5700kg, airlines operating regular public transport services, and those operating jets. There are now an additional 145 airports and 111 prescribed air service operators with an approved TSP in place. This builds on operators who had Aviation Security Plans under the previous legislation.

All entrants new to the regime were provided with guidance materials to assist them in the preparation of their TSP. These materials are presented in Annexure L. Staff from the Department of Transport and Regional Services' Office of Transport Security (OTS) presented 32 workshops to participants in Australia's aviation industry in the lead-up to the introduction of the Act to assist operators to develop TSPs. The workshops introduced requirements under the Act, and assisted operators to conduct a risk assessment of their operations, and to develop a TSP of those operations. Workshops were conducted in all states and territories and involved airport and air service owners and operators, state and territory government representatives, law enforcement officials, the Civil Aviation Safety Authority (CASA) and other peak industry body officials.

A range of advertising activities were also conducted to alert operators to their new obligations under the Act. Advertisements appeared in major metropolitan newspapers, as well as in rural and primary regional publications, in November and December 2004. The advertisements alerted the public to the upcoming introduction of the legislation, and urged those aircraft operators who had not yet spoken to OTS about their responsibilities under the new legislation to do so.

In addition, operators requiring TSPs received significant assistance from OTS state offices in terms of understanding their obligations relating to TSPs. Please refer to Annexure M for examples.

Background checking

The new regulatory regime requires that persons accessing secure areas of airports have been background checked. An Aviation Security Identification Card (ASIC) must be displayed in secure areas of security controlled airports that have regular public transport (RPT) services. ASICs are only issued after background checks have been conducted to ensure that people who have been issued with the card have suitable backgrounds for working in sensitive parts of airports.

Background checks involve an Australian Federal Police criminal records check, an Australian Security Intelligence Organisation Politically Motivated Violence check and, if applicable, a Department of Immigration and Multicultural and Indigenous Affairs unlawful non-citizen check.

The following people and organisations are potentially affected by ASIC requirements:

- anyone employed at a security controlled airport
- anyone visiting a secure area of a security controlled airport
- a member of crew who required access to a secure area of a security controlled airport
- managers of a security controlled airport
- an operator of an air service operating from security controlled airports
- an organisation that has been authorised to issue ASICs
- an organisation involved with the background checking of potential ASIC holders.

ASIC programs have been in place at a number of major Australian airports for some time. Under the new legislation, all security controlled airports that have RPT services are now required to comply with the requirements for ASICs. Previously, an ASIC was only required to enter a security restricted area. From 10 March 2005 the new legislation extends this requirement to all people accessing the airside area and landside security zones, and to people checking-in passengers or handling checked baggage. The ASIC regime now applies to approximately 120 000 people.

For airports that have not previously had an ASIC program in place but are now required to implement one, the legislation provides a transitional period to allow sufficient time to conduct background checks and physically issue the ASICs. These new security controlled airports must be fully compliant with the provisions of the Regulations by 1 January 2006.

Who is required to have an ASIC?
ASICs are required for anyone who needs frequent access to the secure areas of a security controlled airport that has RPT services. These requirements also apply to crew and to those people accessing part of the sterile area that is not generally accessible to the public. Passengers, and people who are simply farewelling or greeting them in the publicly accessible parts of a sterile area do not require an ASIC or a Visitors Identification Card (VIC), but will need to be screened before they enter the sterile area.

People at security controlled airports that do not have RPT services are not required to have ASICs.

An ASIC is not an entry pass to a secure area of the airport, and ASIC holders still require authorisation to enter these areas. An ASIC demonstrates that the holder has been background checked and is suitable to be in that area once authorised.

Types of ASICs

- **Australia wide or airport specific ASICs**
  An Australia wide ASIC can be used at any airport, and may be temporary or permanent. An airport specific ASIC is issued specifically for the airport indicated on the ASIC, and may be temporary or permanent.

- **Permanent or temporary ASICs**
  A permanent ASIC is valid for up to two years, and may be Australia wide or airport specific. A temporary ASIC is issued for a maximum of six months, and may be Australia wide or airport specific.

ASICs length of validity
An ASIC is valid for a maximum of two years. When it expires, a new application has to be made, and the criminal record and other background checks are re-done.

Cancellation of an ASIC or VIC
There are many cases where an issuing body may cancel an ASIC or a VIC, including:

- the issuing body finds out that the card was not issued in accordance with its ASIC program or the Regulations

- the Department of Transport and Regional Services has advised the issuing body that a security assessment of the holder was adverse

- the issuing body finds out that the holder has become an unlawful non-citizen

- the holder has been convicted of an aviation security related offence

- the holder has reached his or her 18th birthday and has not, within three months of that birthday, consented to a criminal record check and security assessment.

An issuing body may also cancel an ASIC or VIC if the card has been altered or defaced, or if the holder contravenes the requirements of the legislation. One example of this would be not displaying their card when they are required to.

The Minister for Transport and Regional Services may also direct, in writing, that all ASICs and VICs, or a class of ASICs and VICs, are cancelled.

Record keeping
All issuing bodies must maintain an up-to-date register of all ASICs and VICs that have been issued by them. This register will cover valid cards and cards that have expired or have been cancelled. The register must also contain full details of ASIC and VIC holders.

Additional information on ASICs can be found at Annexure N.

Screening of people and baggage

Passenger and baggage screening is conducted by screening authorities (generally airport terminal operators and or/airlines). Such screening uses procedures that focus on detecting explosives and explosive devices, weapons (including but not limited to firearms), and other prohibited items.

Screening of passengers and baggage is to be conducted in accordance with the *Aviation Transport Security Act 2004* (ATSA) and *Aviation Transport Security Regulations 2005* (ATSR). Methods, techniques and equipment to be used for screening are set out in the Regulation 4.17 by way of a notice. A copy of this notice is included at Annexure AA, which identifies issues relating to baggage handling. Please note that this annexure is classified Security-in-Confidence.

Checked Baggage Screening (CBS)

CBS is one of a number of initiatives introduced by the Government as part of its enhanced aviation security package to ensure the safety of the travelling public, which supports the existing security screening of passengers and their carry-on baggage.

CBS is the application of technical or other means of security screening of passengers' checked in baggage for explosives, before being loaded onto an aircraft.

In December 2002, the Australian Government announced the outcome of a review of passenger and baggage screening at Australian airports. The Government's decision was that there would be 100 per cent CBS for all international originating baggage at Adelaide, Brisbane, Melbourne, Perth, Sydney, Cairns, Canberra, Coolangatta and Darwin airports, with effect from 31 December 2004.

CBS in-line screening consists of five distinct levels of screening. A bag is passed through the first level and, if not cleared, is then escalated to the second level. This process may continue through to a fifth level of screening, at which point responsibility for an uncleared bag is passed on to an appropriate law enforcement officer.

The Australian Government announced on 12 July 2004 that 100 per cent domestic CBS capability should be based on an appropriate intelligence-driven and risk based model for transport security and be required at the 11 airports[2] which currently have CTFR functions, and any other airports to which the CTFR may be extended. The capability towards 100 per cent CBS at the designated airports was to be introduced progressively.

Baggage recognition and reconciliation system

The majority of airports with CBS in-line systems use the Automatic Airline Assignment (AAA) system. AAA systems involve the tagging and storage of luggage information into a database in order to track luggage at any point. For example, when a passenger doesn't board an aircraft onto which their luggage has already been

[2] Sydney, Melbourne, Brisbane, Perth, Cairns, Adelaide, Canberra, Coolangatta, Darwin, Hobart and Alice Springs.

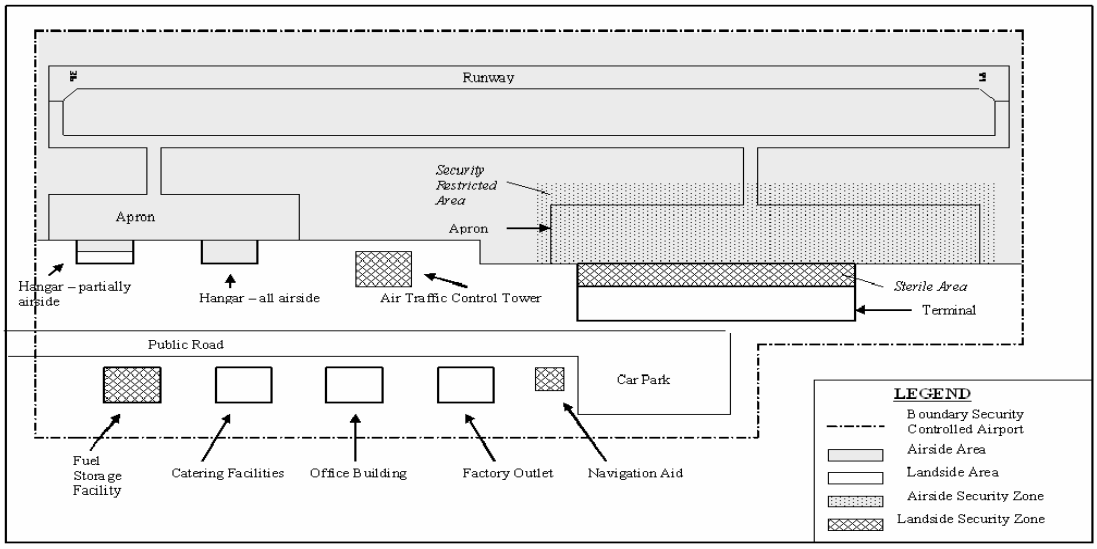
loaded, the luggage is removed from the aircraft prior to departure. The AAA system enables airlines to identify and locate the luggage in a timely manner.

Security of airside areas and zones

Each security controlled airport must have an airside area and will usually also have a landside area. The critical aviation operations are generally included in the airside area, where security is more tightly regulated. These landside and airside areas may also include zones of higher security. These zones may be established for a range of reasons, including the control of people movements, prevention of interference with aircraft and restriction of access to critical facilities.

The secure area of an airport consists of the airside and landside security zones. Figure 1 illustrates the various areas and zones of a typical security controlled airport.

Figure 1 Security zones at a security controlled airport



Source: The Department of Transport and Regional Services.

Airside areas are established to control access to operational areas. Security in these areas must be tightly regulated. An airside security zone, known as the security restricted area, may also be established within the airside area. This zone has stricter controls than those that apply to the remainder of the airside area and access to it is much more limited. As not all airports require a security restricted area, DOTARS has written to those that do advising them of their requirements.

Landside areas are those parts of the airport that are not the airside area. As with airside areas, landside security zones may be established within the landside area, with stricter controls than apply to other parts of the landside area. The Regulations set out four types of landside security zone. All airports handling jet services and some other airports are required to establish a sterile area, usually in the terminal building. All persons entering the sterile area must be screened or exempt from screening. Passengers on screened air services are required to board their flights directly from the sterile area, to ensure no weapons or prohibited items are carried onto the flight.

Physical security of areas and zones

Airside areas are required to have a number of security arrangements in place to protect it. Barriers controlling entry to the airside need to be established. These barriers are required to have a number of features including, but not limited to, control points, surveillance and signage.

Aviation Security Identification Cards (ASICs) or Visitor Identification Cards (VICs) are needed to enter the secure areas of security controlled airports.

Entry to the airside area is highly restricted and only persons with authorisation and a legitimate work-related reason should be there. An ASIC is not an authorisation to be in a secure area – it merely demonstrates that the holder has undergone the required background checks.

In addition to the requirements for entry to airside areas, further security requirements apply to security restricted areas. These include ensuring that the area can only be entered by people wearing an ASIC. Other security requirements include signage and inspection of the security controlled area if it has not been continuously controlled.

Particular security requirements also apply to sterile areas. These are primarily designed to ensure that any people, goods or vehicles that enter a sterile area are screened and cleared, and that people who have been screened and cleared stay cleared before boarding their aircraft. Sterile areas are primarily required at those airports which have jet services. Many security controlled airports will not have sterile areas and will not need to undertake screening.

In all other landside security zones, such as fuel storage zones, air traffic control facilities zones and navigational aids zones, there must be barriers, surveillance and signage in place to ensure that only authorised people and vehicles enter the zones.

It is an offence for anyone (other than a regulatory officer) to enter an airside or landside area or security restricted area without permission, or to stay there after being asked to leave by the responsible aviation industry participant. It is also an offence to take or leave a vehicle in a security restricted area without proper authorisation.

Measures to tighten airport security

The Government announced on 7 June 2005 that it would act immediately to further tighten security at Australia's major airports. The package of measures to address community concerns about the level of crime at our major airports includes enhanced perimeter security and airside inspection. The proposed measures target the 11 major airports which have a Counter Terrorism First Response (CTFR) presence and the other 29 airports from which screened air services also operate.

Immediate measures
The Department has conducted a number of discussions with industry in relation to this measure, including assessing industry capability. Communication to date has focussed on seeking the immediate assistance of CTFR airports in undertaking all necessary actions to minimise non-essential access to their airside areas. A phased

approach is being adopted, with airports being asked to implement the following measures immediately:

- reducing the number of points used to access the airside
- as an interim measure, the use of landlord rights by airport operators to inspect/validate identification and inspect bags at access/entry points into the airside area and SRA
- posting aviation security guards at access/entry points to undertake checks of Aviation Security Identification Cards (ASIC)
- engaging with sub-lessees who control access to airside areas to ensure that access points are limited to essential purposes only.

The Department will undertake further consultation with industry participants to articulate the new Government requirements and commence legislative review processes.

Second phase of measures
The second phase of the new arrangements will focus on industry and the Department undertaking detailed planning processes, and will include actions by industry to further implement the Government's decisions. The Department will, in consultation with industry, drive a process of legislative amendments to build a framework for the introduction of several of the new measures. Key elements include:

- Perimeter security arrangements and access management

  Existing requirements for airside areas, primarily the requirement to display ASICs, will remain for these areas. All persons entering airside will require an ASIC and will be subjected to random visual verification of their ASIC. All persons, bags and vehicles entering airside will be subject to random searches and inspection.

  Perimeter security will be examined with a view to augmentation of barriers and perimeter control systems to further harden the security integrity of the airside zone.

- Airside inspection of persons, bags and vehicles entering airside

  In implementing the Government's decision to further tighten aviation security, all CTFR airports will be required to establish a stringent inspection regime that applies to all areas where people interact with aircraft and baggage handling facilities. A preferred option for some airports to achieve this will be to sharpen the focus of the SRA to areas around terminals, aprons and baggage handling facilities – making inspection for weapons, including explosives, a requirement for entry to these areas.

  Given the physical and infrastructure differences between airports, the actual measures put in place may differ between airports. For example, some airport operators may decide to change the dimension of the SRA to focus inspection

processes into these areas. Other airport operators, due to the airside configuration, may deem the entire airside an SRA and inspect into it accordingly.

The requirement to inspect persons leaving the SRA will need to be considered as part of a broader government/industry approach to airside security.

- Closed circuit television (CCTV)

  In further developing an approach to provide for greater security surveillance through the use of CCTV, the OTS, in conjunction with the Attorney-General's Department, is working to legislate to remove legal obstacles to increasing the use of video surveillance in security controlled airports, and in aircraft operating to or from security controlled airports; including those aircraft while they are on the ground.

- Airside Access Management Plan

  Airport operators have been asked to develop an initial airside access management plan by 31 July 2005 to identify how they will tighten their perimeter security and where the airside inspection processes will apply.

  As a minimum, the airside access management plan will need to address:

  - infrastructure (including barriers)
  - security personnel requirements
  - hours of operation and broad dimensions of the SRA
  - the implementation timeframe.

  Airports will further develop and implement airside access management plans progressively over the coming year.

Screening and clearing

Prior to entering a sterile area or boarding a screened air service, all passengers and crew must be screened. Crew members who have been screened and who remain in a sterile area, or airside at an airport where a sterile airport is in operation, do not need to be re-screened before boarding another screened air service.

The Regulations contain detailed descriptions of the circumstances under which people can or cannot enter the sterile area:

- generally a person may only enter the sterile area through a screening point and only if he or she has been screened and cleared (unless they are exempt from the screening requirement – see page 26)
- only vehicles and goods that are screened and cleared may enter the sterile area
- only cleared vehicles that are authorised and driven by an authorised person displaying a valid ASIC (or a person with a VIC who is supervised by somebody displaying a valid ASIC) may enter the sterile area.

Crew who have been screened and remain airside at an airport where a sterile area is in operation, do not need to be re-screened. For example, if a crew member on an aircraft operating from Brisbane to Sydney then joins the crew on a different aircraft operating from Sydney to Melbourne, that crew member does not need to be re-screened provided they remain airside, or in Sydney's sterile area. If the crew member leaves the sterile area, or flies to an unscreened airport, they will need to be re-screened prior to operating or travelling on a screened air service.

International transit passengers must be screened when they land in Australia and before they continue on their journey to other international or domestic locations. These passengers must disembark with their carry-on baggage and must be re-screened before they re-board.

People who may pass through a screening point without being screened
Law enforcement officers who produce a valid law enforcement identity card; screening offers managing the screening point; ambulance, rescue or fire service officers responding to an emergency; and members of the Australian Defence Force responding to an event or threat of unlawful interference with aviation can pass through a screening point without being screened.

People who may enter a sterile area other than through a screening point
Certain people may enter a sterile area without having to go through a screening point, if they are authorised to enter a sterile area without going through the screening processes, and if they display a valid ASIC or VIC.

There are a number of groups in this category who have a work-related need to move between non-secure and secure areas on a frequent or urgent basis. These include:

- aviation security inspectors
- officers of the Australian Customs Service
- screening officers
- employees of the operator of the airport in which the sterile area is located
- employees of the operator of a screened air service
- contractors, and employees of contractors, to the operator of the airport in which the sterile area is located who is engaged in the loading of cargo, stores or checked baggage, or the boarding of passengers onto a cleared aircraft that is operating a screened air service, or who is otherwise authorised for access to the aircraft
- contractors, and employees of contractors, to the operator of a screened air service aircraft who are engaged in the loading of cargo, stores or checked baggage, or the boarding of passengers, onto a cleared aircraft that is operating a screened air service, or who are otherwise authorised for access to the aircraft.

Cargo security issues

Overview of the air cargo industry

The Australian air cargo industry is a vital aspect of the Australian economy. Globally, the air cargo industry now accounts for one third of the value of world merchandise trade. Using figures for the calendar year 2004, supplied by the Australian Bureau of Statistics, approximately 277 165 tonnes of cargo[3] was exported from Australia with a value of over $24.8 billion. Domestically, over 244 400 tonnes of air cargo were shipped in the same period, primarily from the three main domestic and international gateways of Brisbane, Sydney and Melbourne.

International obligations

As a signatory to the International Civil Aviation Organization, Australia has clear obligations to maintain a minimum standard of aviation security, which are listed in Annex 17 to the convention.

National regulatory environment

Prior to 10 March 2005, the regulatory environment for air cargo was limited to international cargo leaving Australia. In accordance with principles laid down by ICAO in Annex 17, the Regulated Agents scheme ensured that those who handled or made arrangements for international air cargo were registered with DOTARS and adhered to a model security program that was primarily designed to prevent the carriage of explosives on prescribed aircraft.

The Regulated Agents scheme has now been replaced as of 10 March 2005 with the Regulated Air Cargo Agents (RACA) scheme. There are currently 905 Regulated Air Cargo Agents[4] listed with DOTARS. These include cargo terminal operators, freight forwarders, freight brokers and road transport operators. There are two primary differences to the previous Regulated Agents scheme. Firstly, the movement of domestic cargo is now also regulated. Secondly, rather than there being a model security program for all RACAs, the Office of Transport Security (OTS) has now implemented a policy whereby each RACA has an individualised Transport Security Program (TSP) based upon a RACA-specific Security Risk Assessment.

Current cargo security initiatives

The OTS is currently in consultation with industry through the Cargo Working Group. It has identified four main areas for further development as being: regulatory scope, industry training and identification, communication and awareness and cargo screening requirements.

In addition, the OTS is providing support and assistance to the Australian Customs Service and the CSIRO who together are running a field trial of Neutron Scanning technology to screen air cargo as it is loaded on to aircrafts at Brisbane airport.

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[3] This figure excludes mail. Here mail, as defined by the Australian Bureau of Statistics, is: any item leaving the country valued less than AU$2000 and handled by Australia Post, and any item entering the country valued less than AU$1000 and handled by Australia Post.

[4] This number represents the number of listed agents; each agent can have multiple operational sites under the one agent name. Currently there are 1672 registered RACA sites.

The OTS is currently undergoing a significant expansion of its cargo security resources at both the national and state level. As part of this expanded role, the majority of the audit and compliance functions of the OTS of the RACA scheme will be done through the state offices.

Issues identified from the previous JCPAA report on aviation security

A recent Australian National Audit Office (ANAO) report, cited in JCPAA Report 400, has criticised DOTARS over the number of RACAs that have been audited, stating that it is too low. While in no way did the criticism reflect a failure of the audit practice or methodology, the ANAO felt that that due to a lack of resources not enough RACAs were being audited. In 2004-05, over 100 audits of RACAs were conducted across Australia. In the transitional phase 2005-2007, when the Aviation Transport Security Regulations are phased in, OTS will undertake inspection of more than 100 RACAs each year.

Further information on cargo security can be found in Annexure O.

Security arrangements at regional airports

As noted above, the aviation security regime has recently been expanded into regional areas. A major impact of the regime includes the requirement for an additional 145 airports and 111 prescribed air service operations to hold approved transport security programs. Regional aviation security has also been enhanced through the Australian Government's $48 million Securing our Regional Skies program and a $35 million program to upgrade basic security infrastructure at regional airports.

Discussions arise from time to time about prescribing additional security measures at regional airports, including extending the requirement for passenger screening and additional security infrastructure.

Passenger screening at Australian regional airports

The current policy setting for passenger screening at regional airports captures those airports receiving regular passenger transport (RPT) services using jet powered aircraft. This setting was designed with regard to the Aviation Security Threat Assessment.

The screening requirements apply to all aircraft operating from the airport during the operational period of a screened air service. The operational period extends from two hours before the scheduled departure time until half an hour after the actual departure time of the screened air service at the following airports: Adelaide, Melbourne, Brisbane, Perth, Sydney, Cairns, Canberra, Coolangatta and Darwin.

The operational period extends from half an hour before the scheduled departure time until half an hour after the actual departure time of the screened air service at other security controlled airports.

More information relating to passenger screening at regional airports can be found in Annexure AB. Please note that this annexure is classified Security-in-Confidence.

Perimeter/boundary security at regional airports
ICAO Appendix 29 outlines recommended physical security measures for the security of airports including external perimeter security measures such as fencing, intruder detection systems, security lighting, CCTV and access control systems.

Appendix 29 explains that the perimeter of a security restricted area may be defined by a natural boundary, free-standing fences or walls and the walls of a building to provide a physical, psychological or legal deterrence to intrusion.

However, it states that "the type of fence used on the perimeter of a site should reflect the type of threat expected and for the purpose of assessing and countering security risks"[5], and that the level of protection offered by a fence depends on its height, construction, the material used and any additional security features that are used to increase its effectiveness such as lighting and CCTV.

When considering the most effective type of perimeter fence to best mitigate an identified risk or threat to an airport, there are other variables to consider when determining the most effective and cost-effective fencing at regional security controlled airports. These include location factors such as the remoteness of an airport and its access to services and contractors, and environmental factors such as its exposure to the weather including cyclones and erosion. These factors can increase the cost, and the ability of the airport to implement the measure in an effective way.

For example, the remoteness of an airport can impact on the cost of installing full perimeter fencing. If the airport is located in the Torres Strait, off the coast of far north Queensland, there may be an increase in the cost of labour due to skill shortages or having to pay for a contractor to fly from Cairns to undertake the work. Similarly, to obtain materials and arrange the delivery of supplies can increase the cost due to the remote location of the airport.

Environmental factors may also increase the cost. For example, a fence may cost more to install and maintain in northern Australia as it needs to be able to withstand a cyclone or tropical storm. Full perimeter fencing at a coastal regional security controlled airport may cost more to maintain due to its increased exposure to erosion or rust.

The effectiveness of a security fence can be increased through additional security measures such as patrols or CCTV. As outlined in ICAO Appendix 29, a fence on its own provides limited security as any fence can be scaled or penetrated by a skilled or determined person. Therefore, in order to increase the effectiveness of a fence, it should be kept under surveillance, and be monitored and alarmed. However, a number of regional security controlled airports are limited by their lack of resources, such as access to funds, to implement and maintain equipment, their lack of access to people with the right skills or qualifications and, in some cases, their lack of access to power.

Most regional security controlled airports do not currently have full perimeter fencing to prevent access. Many currently have strand wire fences or stock proof fencing, to delineate the airport boundary and deter access by people, but largely to prevent access by animals for safety purposes.

[5] ICAO Appendix 19 *Physical Security Measures*, p1.

This has been highlighted in particular through the process of assessing airports' proposed basic security measures, to determine whether the measures proposed adequately mitigate identified risks, and are therefore eligible for funding from the $35 million provided by the Australian Government.

A number of case studies have been developed from information provided to the Australian Government by regional airports that are eligible to access this funding program, including the approximate costs involved in implementing a variety of basic security measures at their airport, including fencing, lighting, access controls and CCTV. The case studies clearly demonstrate the differing costs associated with implementing a variety of security measures, depending on the location of the airport, and the environmental circumstances particular to that location. The case studies can be found at Annexure AC. Please note that this annexure is classified Security-in-Confidence.

Joint User Areas

Joint User Areas are those defined in the *Australian Transport Security Act 2004* s28(5) as being controlled jointly by the Australian Defence Force (ADF) and one or more aviation industry participants. Practically, this definition applies to land owned by the Department of Defence that is then leased by a civilian airport for the purposes of conducting civil aviation.

There are six such airports in Australia – Darwin, Katherine, Learmonth, Newcastle, Townsville and Wagga. All airports share one or more contiguous boundaries with an ADF facility. In all cases, the leased area of land operated by the civilian airport is exclusive of the runways and much of the taxiways and, therefore, the airside boundary is not physically marked.

The Transport Security Plan approved by DOTARS for each Joint User Area airport recognises the joint nature of the airport and makes security provisions for the effective assignment of security for both the civilian airport and military facility.

The ADF is represented on each of the civilian airport security committees. Similarly, a regular program of bi-lateral consultation takes place between the airport and the ADF facility on matters of mutual security. A reflection of the agreement reached between a civilian airport and an ADF facility is reflected in the following extract from the transitional Transport Security Plan approved for Darwin Airport:

> Arrangements are the same as civilian airports where civil aviation is concerned.
>
> There is a standing agreement between the Department [DOTARS] and the Department of Defence that, should an act of unlawful seizure of a civil aircraft occur at a joint-user (i.e. civil-military) airport, the coordination of the response will be the same as for a civil airport. In such a situation, the RAAF will provide support in its normal capacity as a member of the Aviation Security Incident Support Team at a joint-user airport.

Securing unattended aircraft

The operator of an aircraft for the purposes of prescribed air services that is not under the continuous supervision of an authorised person must take reasonable measures to prevent an unauthorised person from having access to the aircraft.

This requirement also applies to all powered aircraft that are not prescribed in the Regulations – typically referred to as general aviation. The legislation is deliberately non-prescriptive with regards to what measures are to be taken to secure aircraft, recognising that every operator's situation and requirements will be different.

DOTARS has conducted a staged information exercise to inform general aviation aircraft operators of the requirement to secure their aircraft. This exercise has included advising more than 7800 operators, in writing, of the new requirements, and posting extensive information on the DOTARS web site. This material contains detailed guidance material relating to the technical aspects of locking devices. DOTARS has also consulted with various industry participants in relation to this measure including manufacturers, suppliers, individual pilots, operating companies, consultants and key industry representative bodies including the Aircraft Owners and Pilots Association (AOPA). DOTARS also placed advertisements in industry publications to advise pilots and industry of the new requirements. Staff from the OTS have attended a number of air shows, field days and fly-ins, as well as the AOPA annual general meeting in Temora, NSW, in order to speak with pilots about concerns they have about this requirement.

Further information on locking devices can be found in Annexure P.

Hardened cockpit doors

The Australian Government recently provided a further $1.5 million for hardened cockpit doors to ensure that charter aircraft with a capacity of 30 seats or more are treated consistently with like aircraft involved in regular public transport. This builds on the success of the Enhanced Aviation Security Package's hardened cockpit door measure, announced in December 2003, providing $3.2 million in funding for hardened cockpit doors for all regular public passenger aircraft with 30 seats or more.

This measure will reduce the risk of hijacking through unlawful access to the cockpit and continues the Government's risk management work in aviation security.

This measure contributes to the strengthening of regional aviation it is an investment in the medium to long-term capacity of regional aviation to address security. The hardened cockpit doors will be progressively fitted as quickly as possible, in line with industry maintenance scheduling and equipment availability.

The hardened cockpit doors initiative is one of a number of measures contained in the Securing our Regional Skies package. More information on this package can be found in Annexure Q.

ICAO audit of Sydney Airport in 2005

The Department has received formal notification that Australia has been selected for an ICAO aviation security audit. The audit of Australia will be undertaken from 21 November to 1 December 2005, and will be conducted by independent, accredited auditors, using a handbook and other guidance materials approved by ICAO member States. This will provide 'benchmarking' that should assist in fostering a level of confidence in the security programs of international operators. The audit will cover Sydney's international airport and DOTARS, in order to assess Australia's aviation security oversight capabilities.

Flights to Australia

Australia has aviation links with a number of countries in our near region, which also impact on our national security. This raises a number of challenges including:

- ensuring the security of aircraft and passengers flying from and to Australia (see Annexure AD for information relating to last ports of call of air services entering Australia and a map of where flights into Australia originate, please note that this annexure is classified Security-in-Confidence)

- monitoring security at last ports of call. Australia has already deployed staff to key countries under a mix of direct and aid funded arrangements to assist in improving security standards, gather relevant industry information, and assess transport security performance on a regular basis

- further developing Australia's capacity to gather intelligence relevant to the transport security task.

Australia's aviation security regime captures all incoming aircraft. However, the Office of Transport Security is concerned by the low compliance with ICAO standards and other aviation security measures in a number of countries where flights into Australia originate, specifically areas of south east Asia. The Australian Government is working with administrations in these countries to build the necessary capacities to heighten their aviation security practices.

Inspector of Transport Security

The government announced its intention to establish the role of Inspector of Transport Security (ITS) in December 2003. Mr Mick Palmer AO APM was appointed to the position in November 2004.

The role of the ITS is part-time in nature, and includes:

- undertaking inquiries, when required by the Minister for Transport and Regional Services, into major transport security incidents or other transport security matters

- undertaking inquiries into patterns or series of incidents that point to a systematic failure of possible weakness of transport security regulatory systems

- reporting the outcomes of those inquiries to the Minister within a reasonable timeframe.

Further information on the Inspector of Transport Security can be found in Annexure R.

Recent government announcements

On 7 June 2005, the Australian Government announced a package of measures to further strengthen security at Australia's major airports. These measures were outlined in joint media release issued by Mr John Anderson, Deputy Prime Minister and Minister for Transport and Regional Services; Mr Philip Ruddock, Attorney-General; and Senator Chris Ellison, Minister for Justice and Customs. This media release is at Annexure S.

As a result of this announcement, a number of measures and policies are being implemented immediately by the Department. These immediate activities include:

- implementation of measures to further restrict airside access by unauthorised persons and vehicles
- establishment of a technical committee to consider measures needed to implement increased scrutiny of activities in security controlled airports or prescribed aircraft by video surveillance devices which, while not being visible, will have their presence advised through appropriate signage
- a review of the eligibility of all holders of ASICs (approximately 80 000).

Further information on the review to be conducted by Sir John Wheeler can be found at Annexure T.

Aviation security compared to criminality measures

Given a number of recent criminal events in relation to the aviation industry, there are public concerns that the aviation protective security regime should extend to also address criminal activities. It is important to recognise that there are a range of agencies involved with policing at airports. DOTARS wishes to emphasise that community policing at Australia's major airports is the responsibility of state and territory police forces, and that DOTARS does not have a direct role in relation to community policing at airports.

The Office of Transport Security has undertaken a number of recent initiatives that assist transport industry participants assess and respond to criminal issues.

New anti-criminality measures
As noted above, the Government has announced a number of new initiatives to further tighten security at Australia's major airports, particularly in relation to vulnerability associated with crime. These measures include further restricting airside access, consideration of the use of video surveillance devices to implement increased scrutiny of activities in security controlled airports or prescribed aircraft and a review of the eligibility of all holders of ASICs.

Australian Government Agencies' Airport Security Committees

The Department has established Australian Government Agencies' Airport Security Committees (AGAASCs) in major Australian international airports. AGAASCs contribute a mechanism for policy integration and discussion at the Australian Government level, sharing of information and coordination of information dissemination.

The role of AGAASCs is changing, with recent Government announcements noting that a senior AFP officer will be appointed as a security controller at each of Australia's major airports. Their role will be to coordinate the operational activities of Commonwealth Government agencies to ensure that our resources are focused on the major priorities with respect to criminal activity at airports.

The Committees have implemented informal agreements with Airport Security Committees (ASCs).

AGAASCs meet on a regular basis and minutes of these meetings are an agenda item for the Australian Government Transport Security Policy Committee meetings. AGAASC meetings are typically attended by representatives of DOTARS, the Australian Customs Service, the Department of Immigration and Multicultural and Indigenous Affairs, the Australian Quarantine Inspection Service and the Australian Federal Police Protective Service.

DOTARS is able to make copies of minutes from AGAASC meetings available to the Committee upon request.

Risk Context Statements

As noted above, OTS has developed Risk Context Statements on Politically Motivated Violence (PMV) for the aviation and maritime industries. RCSs form the basis for regulated industry participants to develop Transport Security Programs. They provide an overall unclassified assessment of the specific industry including information on:

- industry background
- industry strategic risk context
- the internal security regime
- risk management context
- currently security environment
- industry-specific security environment.

OTS is seeking to work with the AFP to develop a combined RCS that will cover PMV issues and criminality. OTS will continue to develop RCSs as relevant modal threat assessments are released by ASIO.

Risk assessments by operators
In addition, OTS has worked with 145 new entrant security controlled airports and 111 airlines to undertake risk assessments on their operations. As part of this, new entrant industry participants were required to complete a risk assessment of their operations to AS/NZS 4360:2004 standards. Aviation industry participants gave consideration to the following general risk areas relevant to their security assessment to ensure adequate coverage of actual and potential risks to their assets, operations and activities:

- vandalism
- public interference, disturbances and delays
- insider interference
- criminal activity
- terrorism.

Flow-on benefits
Aviation protective security arrangements provide flow-on benefits that assist in preventing criminal behaviour. For example, people are screened before entering sterile areas of airports, access control arrangements are in place to restrict access to secure areas of airports and the ASIC regime is being extended to include a review of the backgrounds of all holders of Aviation Security Identification Cards.

The government had already moved to further strengthen security at Australia's major airports in relation to criminal activities through its announcements on 7 June 2005.

While these measures help, they do not replace the requirement for community policing, which is provided by the State and Territory police forces.

Some overseas airports focus on an approach of immense deterrence at airports. While uniformed police officers would deter a lot of opportunistic crime, this is not the only area of where public concern appears to be. This concern is also with organised crime and the people working airside and around the airport. The Department considers that public concerns include petty criminal activity that occurs landside, and also with what happens once baggage has passed into the airside barrier. The Department also believes that public concerns with day-to-day policing at airports are similar to those in other areas of the community.

DOTARS considers that resources supplied for community policing at airports is insufficient to meet community expectations about crime management at major airports.

The Department suggests that arrangements be implemented for addressing serious or organised crime which is consistent with the current intelligence-driven, risk-based methodology.

More information addressing criminality at airports is contained in Annexure U.

Previous activities undertaken by DOTARS with regard to criminality following the 1998-99 ANAO audit

Following the 1998-99 ANAO report, the Aviation Security Branch of DOTARS undertook a number of activities in response to the specific recommendations relating to criminal issues. At its core were initiatives to develop and foster a closer working relationship with state police and the Australian Bureau of Criminal Intelligence as well as collecting information regarding criminal activities at major airports.

Over a two-year period, the branch collected information relating to criminal activity at major airports. This included:

- interviews to collect information on criminal activities and associated risk factors including assaults, drug trafficking, thefts and bag snatchings, movement of individuals suspected of criminal activity, and movement of bullion and diamonds through airports

- receiving criminal intelligence bulletins.

At the time of the release of the ANAO report, the threat level in Australia was low, meaning that a terrorist event was not expected. Aviation was considered to be an attack vector for terrorists, but aircraft were typically used by terrorists involved in siege or hostage situations, and/or hijackings.

The ANAO report noted that Australia had not experienced any unlawful acts involving politically motivated violence (PMV) to its aviation services. Acts of unlawful interference with Australian aviation had involved persons who were emotionally disturbed or of unsound mind, often involving family law matters and the criminal element. The report also commented that representatives of the aviation industry agreed that such incidents represented a greater threat to aviation security than PMV.

It is important to note that the current regulatory regime to safeguard against acts of unlawful inference with aviation has been constructed with reference to a significantly different environment.

This environment includes the threat of terrorism that was raised through Sydney's hosting of the Olympics in 2000, and followed by the terrorist attacks in the United States on 11 September 2001. In addition, the terrorist attacks on the United States demonstrated a willingness by terrorists to use the aircraft itself as a weapon.

Accordingly DOTARS' key focus became countering terrorist threats, and the Australian Government redirected resources in response.

As noted earlier in this submission, DOTARS works closely with ASIO in developing an assessment of threats against aviation. Threat information is refined into statements of the aviation risks faced by aircraft types, airlines and airports. Protective security policy and responses are developed and implemented with reference to risks that arise from threats.

In the post-11 September environment, Australia continues to be at higher levels of alert than ever before. The Government has approved several packages of measures

to improve the country's ability to counter terrorist-related threats of unlawful interference with aviation.

In the current environment, DOTARS considers that the principle focus will continue to relate to terrorist threats. The terrorist threat to Australia means that the principle focus of the Department's work will relate to mitigating the risks associated with terrorist-related activity.

Aviation security, like all aspects of protective security in the community, exists within the wider set of criminal laws in place for the whole community. The Department notes that jurisdiction for the investigation and prosecution of criminal behaviour rests with other Australian Government portfolios such as the Attorney-General's Department and federal and state police agencies. In particular, DOTARS notes that community policing at Australia's major airports is the responsibility of state and territory police.

Future challenges

Key domestic challenges in the near future include:

- keeping under review the continuing comprehensiveness of aviation security legislation and arrangements for its implementation
- implementing domestic check bag screening
- expanding screening arrangements as larger aircraft are added to regional routes
- reviewing arrangements for the training of all industry employees and contractors with aviation security related duties
- maintaining existing aviation security capacity through exercises and capability building
- developing risk assessment tools to ensure that security arrangements do not impede passenger flow
- continuing review of the balance between background checking and access control at Australian airports.

Noting that the aviation security regime has been expanded to an additional 145 airports, an ongoing consideration is the level of security measures to be mandated at these airports. Further consideration of this issue is provided at Annexure AC. A key factor to consider in relation to this issue is the security benefits to be achieved, balanced against the costs of implementing these measures. Recognising the challenges of increasing security in regional Australia, the government provided $48 million through the Securing our Regional Skies initiative. Further information on these measures is provided in Annexure Q.

Importantly, Australia is also working in international forums including the International Civil Aviation Organization, and Asia Pacific Economic Cooperation (APEC) to encourage development and implementation of higher aviation security standards internationally.

Additional issues raised by the Committee

Recommendations of JCPAA Report 400

The Department of Transport and Regional Services responded to the recommendations of the report by way of an Executive Minute, which was received by the JCPAA Secretariat on 21 January 2005. The document was posted onto the Parliament House web site in March 2005.

Representatives of the Office of Transport Security appeared before the Committee on 15 June 2005, after it re-opened its inquiry. This included giving a full account of the status of implementing the recommendations.

The following progress has been achieved in implementing the JCPAA Report 400: Review of Aviation Security in Australia recommendations.

Recommendation 1

When an Australian Government security agency committee is established at a particular airport, the Department of Transport and Regional Services should be responsible for establishing a memorandum of understanding between the Government security agency committee and the corresponding airport security committee.

As noted in our Executive Minute of December 2004, DOTARS supports this recommendation.

The Department has established Australian Government Agencies' Airport Security Committees (AGAASC) in major Australian international airports. The Committees have implemented informal agreements with Airport Security Committees (ASCs).

The AGAASCs do not usurp the role of the ASC, but rather contribute a mechanism and opportunity for policy integration and discussion at the Australian Government level, sharing of information and coordination of information dissemination. The Department of Transport and Regional Services attends many ASC meetings as an observer which is appropriate for our role as the industry regulator.

The role of AGAASCs is changing, with recent Government announcements noting that a senior AFP officer will appointed as a security controller at each of Australia's major airports. Their role will be to co-ordinate the operational activities of Australian Government agencies to ensure that our resources are focused on the major priorities with respect to criminal activity at airports.

Recommendation 2

The requirement for airport security committees and other essential requirements for aviation security programs should be defined in the Aviation Transport Security Regulations 2004.

As noted in our Executive Minute of December 2004, DOTARS supports this recommendation.

The *Aviation Transport Security Regulations 2005* (the Regulations) require that airport TSPs must set out the terms of reference and membership of the security committee (Regulation 2.11).

The Regulations also establish the form and content requirements for airport, airline and cargo TSPs.

Recommendation 3

The Department of Transport and Regional Services should set a performance standard for the return of expired aviation security identification cards (ASICs) for each card issuing body. If this standard is not met, the department should review the mechanisms for ASIC return in the issuing body's ASIC program and require change if considered necessary.

As noted in our Executive Minute of December 2004, DOTARS supports this recommendation.

The *Aviation Transport Security Regulations 2005* (the Regulations) provide that the holder of an ASIC or VIC must return it to the issuing body that issued it within one month if

- the ASIC or VIC expires
- the holder is notified that it has been cancelled
- the ASIC or VIC has been damaged, altered or defaced (permanently or temporarily)
- the holder no longer needs to enter the relevant secure area for an operational requirement.

A penalty of 10 penalty units relates to these requirements (Regulation 6.45).

The Regulations also require an ASIC program to set out the procedures to be followed, including in relation to the recovery and secure destruction of issued ASICs or VICs that are no longer required (Regulation 6.06). In addition, if an issuing body's ASIC program is not adequate to give effect to the program purposes, the Secretary may direct the body to vary the program (Regulation 6.09).

Recommendation 4

The Department of Transport and Regional Services should require aviation participants to include in their transport security programs compulsory initial and ongoing security awareness training for airport security identification card holders who have not received security training as part of their normal duties.

As noted in our Executive Minute of December 2004, DOTARS supports this recommendation.

The *Aviation Transport Security Regulations 2005* (the Regulations) require TSPs to set out how security awareness training will be given to staff who need to know. Regulations 2.22, 2.45 and 2.58 require airport, aircraft and cargo operators' TSPs to set out how security awareness training will be given to operational staff.

A security awareness package being developed as part of the Securing our Regional Skies initiative will train regional aviation operators about their aviation security roles and responsibilities. The package, which will include training manuals, an interactive CD and an online self-paced learning package, will be supported by face to face training to be delivered around Australia.

Thirty-one airports and nine aircraft operators were consulted in order to determine the industry needs in relation to security training. Airport and aircraft operators were chosen to reflect the diverse needs of the Australian aviation context, and included a selection of major, regional, rural, remote and indigenous airports.

Recommendation 5

The Department of Transport and Regional Services should ensure that the security programs of aviation industry participants include educational instruments designed to promote an appropriate attitude to security and, through this, a robust security culture.

As noted in our Executive Minute of December 2004, DOTARS supports this recommendation.

The *Aviation Transport Security Regulations 2005* (the Regulations) require airport, aircraft and cargo operators TSPs to set out how security awareness training will be given to staff who need to know. The TSP must also set out the duties of personnel with security roles, the knowledge, skills and other requirements for the security related aspects of their positions and the training or qualifications to satisfy those requirements (Regulation 2.22, 2.45 and 2.58).

DOTARS has a representative on a committee working with Kangan Batman TAFE in Victoria to develop a course, including learning and teaching materials, and a prior learning kit, for screening officers to meet the new Certificate II in Security Operations. This will replace the current screener training course. This course will align qualifications obtained under the Certificate II Security (Guarding) with special application to aviation screening to the now required Certificate II in Security Operations.

The Aviation Security High Level Group has agreed to the need to develop a security training and capability framework for employees in the aviation industry. Once the full training needs analysis is completed, and all relevant competencies articulated, the Aviation Training Package would be presented for national accreditation under the AQTF.

A security awareness package is also being developed as part of the Securing our Regional Skies initiative and will train regional aviation operators about their aviation security roles and responsibilities. The package will assist to build an appropriate attitude to security through including best practice examples and relevant training. This is the first industry training material that will be delivered as part of an overall package of training materials.

Baggage tampering and missing baggage

During the Department's private briefing to the Committee on 15 June 2005, the Committee asked for information relating to data held by the department in relation to:

- baggage tampering and follow up
- missing baggage, including types of bags that typically go missing.

DOTARS' interest is that bags are screened on major regular public transport routes, recognising that this is an appropriate risk mitigation measure. This requirement is enshrined in the legislation and it is the responsibility of aviation operators to ensure its implementation.

Lost and missing bags are not in themselves a risk to aviation security.

The Department does not collect data in relation to these matters, but understands that in terms of the total numbers of bags moved by airlines, the number that does go missing is a very small percentage. In addition, there are challenges in identifying whether cases actually involve theft compared to fraudulent attempts to claim travel insurance.

The Department has discussed the Committee's request for information with a number of airlines who have expressed a desire to present appropriate information directly to the Committee, rather than through the department.

Expenditure of Ansett ticket levy

It is a matter of public record how the surplus Ansett ticket levy money will be spent to provide for increased aviation security outcomes in Australia. This was outlined in the Department of Transport and Regional Services' Portfolio Additional Estimates Statements 2003-04, as quoted below:

> The Government will provide $94.2 million over five years (including $14.7 million in 2007-08) to enhance aviation security, including applying a security regulation regime to all airports servicing passenger and freight aircraft and the operators of these aircraft.

This funding fulfils the Government's commitment to reinvest any surplus money from the Air Passenger Ticket Levy to the benefit of the aviation and tourism sector.

The Government will provide:

- $46.9 million over five years to promote industry awareness and compliance with the enhanced regulatory regime (including $4.2 million in capital funding)
- $2.4 million over four years to improve aviation security information collection and dissemination capacity from Indonesia and the Philippines
- grants of $3.2 million in 2004-05 to assist qualifying regional passenger transport aircraft operators to install hardened cockpit doors in aircraft with 30 or more seats
- grants to regional airports of $14 million over 2004-05 and 2005-06 to improve their security. Grants will match dollar for dollar expenditure by regional airports on qualifying security measures.

The Australian Federal Police will establish a protective security liaison officer network at major airports, costing $12.5 million over four years (including $0.3 million capital funding), to provide a coordination point for national security related issues.

The Australian Security Intelligence Organisation will be provided with $6.7 million over four years (including $1.2 million capital funding) to extend its presence to all major domestic airports to liaise and gather and disseminate intelligence information.

The Australian Customs Service will be provided with $8.4 million over two years (including $5.8 million capital funding) to trial Commonwealth Scientific and Industrial Research Organisation technology for screening air freight containers.

Australian territories

Aviation security regime

The aviation security regulatory regime operates in Australian territories by virtue of s5 of the *Aviation Transport Security Act 2004*. This means that, for example, the airports on Norfolk Island, Cocos Island and Christmas Island are airports for the purpose of the Act and Regulations.

All of the requirements in the Act and Regulations that apply to security controlled airports apply to airports gazetted as a security controlled airports. Offences under the Act and Regulations also extend to these airports.

Financial assistance

In the 2003-04 Budget, the Government provided funding of $1.7 million over four years to implement passenger and baggage screening at Christmas Island and Cocos Island airports.

This measure was implemented to improve aviation security at these two Australian Government-owned airports through the introduction of explosive trace detection and threat image projection equipment for screening passengers. One hundred per cent international checked baggage screening has also been introduced at the Christmas Island airport.

The Government also provided $1.1 million over four years for the installation and management of an aviation security information management system.

Identity and boarding passes

At present there is no requirement for domestic passengers to present identification on boarding and therefore no real verification to a domestic airline that the person they believe they are carrying is indeed that person. This has security implications in that should Australia move to a watch list of persons of concern, there is no real way of matching this to passengers on Australian domestic flights.

Current practice at Australian domestic airports permits people who are not travelling to enter sterile areas of the airports, traditionally to farewell and greet travelling family and friends. If domestic passengers were to be required to present identification upon boarding as well as upon checking in, non-travellers would also need to show appropriate identification to enter the sterile areas. Another approach would be to not allow farewellers and greeters to accompany travellers to boarding gates.

However, careful consideration would need to be given to determining an appropriate form of identification to adopt. Presumably this would be somewhere between a driver's licence and those identification arrangements in place for international travel.

This is an area where future technological developments may play a role in providing an efficient and effective solution.

New and emerging technologies

The constant evolution of technology creates new opportunities to improve aviation security, and also to manage criminality at airports. The challenge is deciding when new technologies should be mandated and who will bear the cost of these.

There are a range of new technologies currently under development or being trialled in countries such as the USA, Canada and the United Kingdom. The following technologies relate to improving identification capacity or to further strengthen the screening process for passengers and their baggage:

- *Backscatter and Passive Millimetre Wave Scanners*

  These scanners can essentially 'see' through layers of soft materials such as clothing, which will appear transparent. This will allow for the detection of weapons, explosives, drugs and other contraband concealed beneath clothing. These scanners are currently being trialled in the USA and the UK.

- *Radio Frequency Identification (RFID)*

  This system involves the replacement of the existing bar code system of tracking luggage with a tag that has a small radio frequency chip in it. RFID can potentially improve the tracking of baggage, thereby assisting with passenger/ baggage reconciliation. A significant negative of this system is that only 60 per cent of tags are being read. The RFID system is being trialled at airports in Hong Kong, Singapore and Schipol (Amsterdam).

- *Explosive Detection Trace Portals*

  Also known as a 'puffer' machine, the portals blow puffs of air at passengers as they pass through the portal (similar to a walk-through metal detector). The air is then analysed for explosives.

- *Biometrics*

  Biometrics offer enhanced identification capacity. There are products using biometric technology currently being trialled in the United States. The 'Clear' card verifies a passenger's identity by reading their fingerprints and scanning their retina, which are electronically embedded in the card. In order to get a card, the traveller will have to go through a government background check. Card holders are still required to pass through a metal detector and have their bags x-rayed, but are less likely to be singled out for secondary searches, thus saving time. The 'Clear' card is currently being trialled at five airports in the USA.

- *Machine-readable passports*

  Machine-readable passports (MRPs) in the format specified by ICAO became the worldwide standard in July 2005. ICAO's 188 member nations have agreed that all must begin issuing ICAO-standard MRPs no later than 1 April 2010. Some 110 nations already do so.

  More than 40 ICAO members, including Australia, already issuing ICAO-standard MRPs, plan to upgrade to the biometrically enabled version or e-passport by the end of 2006.

  Current ICAO specifications include the face as the primary, mandatory biometric; iris or fingerprint as secondary and optional; the contactless integrated circuit chip as the storage medium; a logical data structure for programming the chip; and a modified public key infrastructure scheme to secure the data against unauthorized alteration.

- *Neutron scanner*

  The scanner is designed to use neutron and gamma rays to detect explosives, drugs and other illegal substances packed in air cargo containers. DOTARS is a member of the Steering Committee on the Australian Customs Service neutron scanner project. Customs are trialling the use of this CSIRO-developed scanner on containerised import air cargo at Brisbane airport, beginning in the later part of 2005 and continuing as a field trial for 12 months. Once initial data is available, Customs will begin work on a business process for scanning of export air cargo in consultation with industry and DOTARS. If the trial is successful the scanner

could be an effective tool in preventing the loading of unauthorised explosives or explosive devices onto aircraft as air cargo. Customs will report to government following conclusion of the trial.

Security at retail outlets in airports

Staff that work at retail stores of airports are required to be screened when they enter the sterile area, just like any other person.

All supplies entering the stores are screened, typically at slow times.

When conducting compliance activities, OTS inspectors check to ensure that outlets do not sell items that would otherwise not be generally approved to bring into the sterile area, and also ensure that tools of the trade (as permitted under Regulation 4.62) are being managed correctly by all retailers.

All retail staff that work in the sterile area of Sydney Airport must wear an employee retail identification card. This is not a requirement under the legislation; it is a Sydney Airport initiative. No background checks are required for those persons that work in the retail shops in the sterile area. From 1 January 2006, all persons working in the sterile areas of security controlled airports are required to have an ASIC.

Sydney Airport requires sterile area tenants to produce a sterile area program to detail how their tools of trade are managed and how goods are screened and cleared into the sterile area.

Incidents and audit activities

The Office of Transport Security's Operations Centre categorises all the incidents reported into one of three categories: minor incidents/threats, significant incidents/ threats, and major incidents/threats. In the 2004-05 financial year, the Operations Centre recorded several hundred aviation incidents, the bulk majority of which were classified as minor. That so many incidents are recorded that do not evolve into events causing loss of life indicates that the system is effectively and efficiently monitored, and that our capacity to detect, address and resolve suspicious activity is strong.

Please refer to Annexure AE for information on incidents and audit and compliance activities. Please note that this annexure is classified Security-in-Confidence.

Conclusion

The last few years have been a time of great change for aviation industries all over the world, and Australia's is no exception. Recently implemented legislation has strengthened the aviation security regime and introduced new requirements for the owners and operators of airports and airlines, as well as for registered cargo agents.

DOTARS' role in the securing of Australia's aviation industry is to mitigate risks of unlawful interference with the industry. As DOTARS is not a policing agency, our

role does not extend to response to terrorist or criminal activities. However, we do have a regulatory role in an industry which has undergone, and continues to undergo, enormous changes in the way it operates. DOTARS' role is carried out in an intelligence-driven, risk-based manner.

Australia's aviation industry is one with a great many players. Sydney's Kingsford Smith Airport alone employs as many people as there are living in the city of Albury. Domestically, 170 airline operators move more than 110 000 passengers every day between 180 regulated airports, and more than 18 million passengers travelled internationally in 2003-04. It is impossible to have an aviation sector that performs flawlessly, and to expect this of the industry is both unrealistic and problematic.

The new legislation has resulted in aviation industry participants needing to implement minimum security standards into their operations. They have worked with DOTARS to develop and implement Transport Security Programs to ensure that they have the necessary structures to allow them to manage security risks relevant to their operations and to respond appropriately should there be an event that threatens the security of their operation. Working on the notion that small failures can have large consequences, the introduction of industry-wide common minimum standards is one step towards the minimisation of security incidents.

As the industry continues to change into the foreseeable future, the aviation security priority for DOTARS is to implement strategic reforms of the aviation security system to maximise the security of the travelling public.