



**Sydney Airport
Corporation Limited**

Chairman
Chief Executive Officer

11 July 2005

The Committee Secretary
Joint Committee of Public Accounts and Audit
Parliament House
Canberra ACT 2600

Dear Mr Chafer,

Inquiry into developments in aviation security since the Committee's June 2004 Report 400: Review of Aviation Security in Australia

Sydney Airport Corporation Limited (SACL) makes the following submission to the inquiry into the developments in aviation security since the June 2004 Report 400.

Executive Summary

The regulatory framework in Australia for aviation security is founded on the principles, Standards and Recommended Practices of Annex 17 to the Chicago Convention. Annex 17 is titled 'Security' and subtitled 'Safeguarding International Civil Aviation Against Acts of Unlawful Interference' and contains the minimum requirements intended to counter the specific threat of attack on civil aviation aircraft and civil aviation installations, and in particular the international crimes of sabotage and seizure.

In this regard, Annex 17 describes the principles and outcomes required of the aviation security system, leaving the manner in which they are effectively implemented to the individual States and those responsible for operational practices. In this way, the principles of Annex 17 acknowledge the unique traffic mix, threat levels, and the particular arrangements within a State for law enforcement and counter-terrorism.

It is relevant, therefore, in the current environment to explain the basis under which security regulation in Australia is developed, and in addition, the definition and purpose of Annex 17. Annex 17 to the Chicago Convention, and therefore the basis of security regulation in Australia, defines acts of unlawful interference as:

- Unlawful seizure of aircraft in flight
- Unlawful seizure of aircraft on the ground
- Hostage-taking on board aircraft or on aerodromes
- Forcible intrusion on board an aircraft or at an airport of a weapon or hazardous device or material intended for criminal purposes

- Communications of false information such as to jeopardize the safety of an aircraft in flight or on the ground, of passengers, crew, ground personnel or the general public, at an airport or on the premises of a civil aviation facility.

The importance of defining security as it relates to this submission is to distinguish between, on the one hand, the responsibilities and activities involved with 'safeguarding civil aviation from acts of unlawful interference' and, on the other hand, other disciplines of aviation that are inevitably linked to the topic, including aspects of general safety relating to passengers, staff, the general public and crew, aspects of safety in relation to the operation of aircraft, the provision of aircraft parts and airport certification and safety management.

Its differences, further highlighted as significant acts of unlawful interference, are often characterised by deliberate criminal intent, threaten the 'well being' of staff or the general public, intended to cause significant damage to aviation assets, and in many cases, are politically or religiously motivated - actions which often require prosecution under the provisions of the State's criminal or civil legislative systems in support of the specific powers contained in aviation legislation.

Recently, the issues raised by the media, specifically in relation to alleged 'security breaches' at Sydney Airport, magnifies the differences between providing greater protection of aviation against the actions of terrorists and the measures implemented at airports in relation to community policing, the effectiveness of law enforcement agencies, the level of deliberate criminal activity and the public's expectation to be protected against each.

The National Aviation Security Program details the regulations, practices and procedures to be implemented within the air transport system and provides a clear understanding of the formal arrangements between various organisations which have responsibility to aviation security in relation to 'prevention and resolution of acts of unlawful interference'. However, without a clear and formal commitment to provide the necessary resources to undertake prevention and enforcement of the many different and diverse activities associated with civil crime and community policing, there is confusion between the responsibilities of State and National bodies, a lack of coordination at operational levels and underutilised resources such as the Australian Protective Services (APS).

Without an effective crime prevention unit operating with the necessary resources and powers of State and Federal law enforcement agencies, organised to specifically address criminal activity at airports, passengers, staff, members of the public and other users will translate the alleged weakness in preventing criminal activity to an overall lack of aviation security in its broadest definition.

Recently highlighted crime management issues, for example, should be addressed through the introduction of a 'National Aviation Crime Management Program' for airports which provides a cohesive and integrated approach of both State and National bodies in support of the measures implemented by airport's to prevent 'acts of unlawful interference'.

In this regard, SACL has identified 4 factors which either independently, or in combination with other factors listed below, may improve the management of crime and community policing at airports. These initiatives are:

- Increasing the scope and responsibility of APS Officers at airports
- Provide a permanent State Police Unit at the airport
- Integrate the roles of State Police and APS, or
- Provide the powers and authority for Australian Federal Police Officers to be responsible for community based policing.

Specific Terms of Reference

a. Regulations of aviation security by DoTaRS and response to aviation security incidents since June 2004;

The aviation security legislative reform prepared by DoTaRS effective on 10 March 2005 through the Aviation Transport Security Act 2004 and Regulations 2005 is a result of extensive consultation with industry by the Office of Transport Security.

The new legislative framework is an outcome focused regime where protective security measures are required to be implemented by aviation industry participants based on intelligence and risk management principles. The responsibility for effective implementation and the scope of protective security measures to be applied by airports or airline operators are described through their respective Transport Security Programs.

There is a separable distinction between law enforcement responsibilities in aviation and the protective security obligations of airport and airline operators in the provision of physical and operational security for the prevention of unlawful interference with aviation as mandated by ICAO Annex 17. This separation seems to have caused public confusion in terms of responsibility for prevention and incident response, caused quite simply from the lack of a National Aviation Crime Management (Airport Policing) framework.

In addition, while regulatory development continues to evolve, with considerable consultation with industry, the recent media coverage of security issues involving Sydney Airport and the industry's response to these issues has initiated some significant reviews of existing practices, the regulations they are based on, and existing formal arrangements between organisations responsible for security at airports.

While industry and Government had just begun discussions on amendments to the new Aviation Transport Security Act and Regulations to improve security outcomes, the Government announced further enhancements to the aviation security framework on the 7 June 2005

As these measures are presently being implemented, it is difficult to comment on their effectiveness, although the strengthening of certain provisions such as the changes to the Aviation Security Identification Card (ASIC) fit and proper person test is well supported. The current regulatory provisions that provide for a sentence of imprisonment as an exclusion test for an ASIC are out of step with present day sentencing practices where fines and community service are now also more regularly imposed as rehabilitation sentences. Also, an assessment of a person's criminal history needs to be taken into account when

determining suitability, and repeat offenders need to be excluded from holding an ASIC.

The current obligation to intensify the scrutiny through the inspection of persons, goods and vehicles entering and leaving the airside of the airport is in direct response to the allegations of criminal activity at airports. Historically, with a background check, the issue of an ASIC to persons granted unchecked and unescorted access to the airside of airports. Further Government consultation with industry in terms of regulatory direction to enhance airside access control is required to give full effect to these new security obligations.

It is expected the newly announced role of the Australian Federal Police Airport Security Controller will provide improved coordination in response to protective security and federal law enforcement agencies at airports. However, to be fully effective, the primary roles of both the State and Federal Law Enforcement agencies should also be harmonised, resourced and have clearly established formal operating agreements described in the National Aviation Security Plan and Airport Security Programs. The separation of responsibility between agencies and private companies needs to be clearly understood.

The independent review for the Minister of Transport and Regional Services by an overseas security expert is likely to further draw distinctions between the airport policing and aviation security debate in terms of responsibility and interface coordination.

The aviation industry has in place sound incident response and reporting arrangements to deal with acts of unlawful interference with aviation. Acts of criminality that are known or suspected are reported to the local Police jurisdiction for necessary action.

b) Compliance with Commonwealth security requirements by airport operators

SACL takes its aviation security compliance obligations very seriously. It has a dedicated airport security structure lead by a respected aviation security professional who is supported by senior managers responsible for;

- Aviation security regulatory policy, standards and quality assurance
- Aviation security identification system, access control
- Technology, infrastructure and systems
- Operations and risk management, contract performance and the 24 hour security control centre and staff, and
- Aviation screening and checked baggage screening operations.

In addition to these dedicated SACL employees, many of the security functions are performed by specialist contract services under supervision of SACL's management. The services provided by contractors include perimeter surveillance, continuous patrols, passenger screening in common-use terminals and access control through manned gates.

Additionally, the airport employs a 24 hour security operations coordinator to oversee security compliance. There are sound security consultation processes and coordination arrangements at Sydney Airport with aviation

security stakeholders including Government, Police and tenants. SACL undertakes a program of continuous assessment of facilities and security measures, and in addition to regular Government compliance monitoring, has an internal self assessment regime to ensure the standard of security measures applied at the airport is maintained.

SACL commits a significant level of investment and operating expenditure each year.

c) Impact of overseas security requirements on Australian aviation security

Each contracting State to ICAO establishes its own aviation security regime in compliance with its National and International obligations. Often the protective security measures and systems to achieve effective implementation are different and are subject to the structure of the State's defence, civil and aviation systems and laws.

Often, as part of these arrangements, an individual State may require its national carrier to introduce security measures additional to the minimum required by Annex 17 which often result in significant inconvenience and passenger disruption at ports where the national carrier operates. Evidence of this can be found in two examples. The lists of prohibited items permitted in Australia are different to those that are allowed by other Regulators such as New Zealand. This inconsistency amongst States makes the management of prohibited items through passenger screening points more difficult. Metal cutlery on aircraft is not permitted in Australia but allowed most everywhere else. The ICAO lists of prohibited items allow small knives (under 6 cm) and knitting needles; however, Australia does not permit such items.

The USA does not accept the checked baggage screening equipment standards of Australia that leads to a requirement of random physical search by airlines at check in counters. Overseas regulator requirements are often confused by airport staff as being Australian requirements. This is seen as a duplication of effort for no reasonable security outcome that often causes facilitation and terminal operations congestion. Foreign requirements in Australia have the potential to impact on the perception of passengers who will inevitably compare their security experiences from port to port.

d) Cost impost of security upgrades

SACL has a substantial level of investment in security equipment and facilities which includes, et al, access controls systems, aviation security identification card systems, CCTV network and incident response control centres. In addition, it is expected that in the forthcoming financial year, SACL will further invest in excess of \$30m on new facilities and security measures, complete the installation of the \$80m Checked Baggage Screening System, and substantially enhance its CCTV network at a cost of \$2.8m. Further, fully implementing the government's recent initiatives at Sydney Airport may require additional investment of about \$50million with operation costs adding another \$20 million per year.

The cost of these security initiatives continues to escalate and burden the industry as the government continues with the principle of funding counter-

terrorism measures and policing from the industry. The notion that the passenger should pay extra for such protection, normally provided as part of Government arrangements, is a major policy issue which needs further deliberation by both State and Federal Governments and industry participants. It is clear from earlier comments about Sydney Airport compliance that it does expect to fund a significant level of protective security as a normal part of business operational expenses, however, a balance between community expectations and operating expenses must be achieved.

The new Government expectation for airside access will be labour intensive, intrusive to airport employees and come with a large cost impost that will ultimately be passed onto the travelling public. While SACL accepts that protective and physical security measures are a reasonable cost of business operations it does not accept the principle that the cost of Policing and counter terrorism first response arrangements should be classified similarly. The provision of and cost for law enforcement and national counter terrorism arrangements are clearly a Government responsibility. This distinction will become even more important if Government increases security of non aviation transport modes at no additional cost to passengers.

The aviation industry seems to require counter measures far in excess of other infrastructure providers or transport operators. The criminal acts committed on 11 September 2001 clearly show the threat of terrorism against communities are 'attacks against a nation and the countermeasures against such attacks are a matter of national defence'. In this particular case, the terrorist used aircraft to carry out a number of simultaneous criminal acts, while in other circumstances, the mode of operation has included car bombs, suicide bombs or the use of dangerous and lethal chemicals.

Common, however in each of these instances, is the national response, containment and resolution arrangements to incidents involving terrorism and attacks against a nation, which are normally resolved through the intervention of various police or military forces of the State in accordance with national plans and arrangements. The national response arrangements, as witnessed by the events of 11 September 2001 extend to support the needs of the State's civil aviation industry.

If there is a risk to the national economy from aviation then the cost of counter measures justifies a government driven and funded approach far greater than is currently in place. The recent Government announcement to increase the intensity of inspections for entry and exit to the airside is in direct response to the perception of criminal activity at airports. Once again the Government has chosen the aviation industry and ultimately the passenger to fund the counter measures. This is inconsistent with the expectations of funding arrangements for the provision of Policing.

e) Privacy implications of greater security measures

Any intensified security regime will have implications on privacy in terms of interventions with persons or their belongings to detect unlawful items. Passengers and employees must make a choice to either comply with security requirements or make other arrangements. While intensified security does impact on the issue of privacy and this can not be avoided, it can be controlled.

Increased background checking for airport staff to obtain an identification card is absolutely necessary. The need for a central vetting service operated by Government to enquire and assess the 'fit and proper' status of a person to hold a card, and the consistent application of the assessment, will assist in controlling concerns of individual privacy.

The searching of belongings is now a normal part of aviation security for passengers. To avoid such searches passengers can choose to reduce what they carry with them into an aircraft. The emerging obligations for airside staff at airports to subject themselves and their belongings to searches once again can be reduced by being selective as to what they bring to work.

The use of closed circuit television for surveillance to act as a deterrent and to provide evidence of an offence as a security tool to assist in the prevention of unlawful interference with aviation is very sound. This type of protective security measure is very common place today in both public and private environments and privacy concerns can be alleviated through appropriate display of signage and by having a CCTV policy that is publicly available.

f) Opportunities to enhance security measures presented by current and emerging technologies

There are often new technologies being sold as the 100% solution to security problems. While technology assists with preventative security measures they are never 100% effective against all threats and emerging technology is often untested in operational environments and expensive.

SACL is always observing the market for next generation technology that can assist in providing protective security solutions. The need to enhance the technology associated with passenger screening is under active consideration by equipment suppliers. The Australian aviation industry is making enquiries into millimetre wave technology for passenger screening as a possible next generation solution. There are limited trials underway overseas at this time, however, it is understood that privacy may be an important issue.

g) Procedures for, and security of, baggage handling operations at international domestic and regional airports by airlines and airports

Baggage handling operations at airports is a complex matter that involves an integration of mechanical and IT systems and persons to accept and deliver baggage to and from aircraft.

The Government has regulated certain security aspects of this system including the mandate for 100% checked baggage screening for International flights presently and for 100% domestically by July 2007. Further there is a Government requirement for airlines to have a system that accounts for, accepts and authorises (commonly known as AAA) baggage for carriage on aircraft.

Baggage handling systems are constructed such that they are secured into the airside of airports and have the added benefit of security measures that are

designed to protect the airside. Legislative obligations for the control of baggage rest with airlines.

SACL now provides an added commercially available service that allows passengers to have their baggage security strapped prior to check-in. It is anticipated that a commercial baggage wrapping service will be initiated later in the year. Passengers should take normal precautions to protect their baggage and valuables as they would when locking a car, house or other property.

Recommendations

1. To provide a single law enforcement agency responsible for the effective implementation and management of State and Federal criminal and community policing at airports
2. To strengthen conditions under which ASIC's are issued, including the development of the 'fit and proper' persons test and centralising the assessment and approval of applications to an appropriate government department
3. For government's to meet the costs and provide the necessary resources for counter-terrorism and criminal and community policing at airports.

Your consideration of this submission is encouraged. SACL is prepared to discuss this submission before the Committee if invited to do so.

Sincerely



Max More-Wilton, AC