

Department of Infrastructure and
Regional Development
LAGs post-implementation review
(PIR)
PIR Report

Final Report

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This report takes into account the particular instructions and requirements of our client.
It is not intended for and should not be relied upon by any third party and no responsibility is undertaken to any third party.

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Disclaimer

This report was prepared by Arup in conjunction with the Department of Infrastructure and Regional Development (the Department) and reflects the views of both entities. The report has been prepared based on targeted stakeholder consultation and information gathered by the Department. The report relies heavily on this information, in particular on the accuracy and completeness of this information. Arup accepts no liability for any error or omission in relation to the information provided and this report should not be considered as an audit opinion or comment on the accuracy of the information.

Executive Summary

The Liquids, Aerosol and Gels (LAGs) Post Implementation Review (PIR) sets out the problem addressed, purpose of government intervention, policy options considered, consultation with industry, impacts of the regulation, net benefit of the LAGs regulation and how the regulations were implemented and evaluated.

Following a thwarted terrorist attack on aircraft departing the United Kingdom, on 31 March 2007 the Australian Government implemented measures in response to the risk from liquid based explosives, specifically restricting the quantity of LAGs passengers could carry on international flights to, from or through Australia. The objective of introducing LAGs restrictions in Australia was to address the inability to detect liquid explosives at passenger screening points.

The decided policy was given effect initially by a special security direction issued under the *Aviation Transport Security Act 2004* until the following legislation changes were made:

- *Aviation Transport Security Amendment (Additional Screening Measures) Act 2007*; and
- Aviation Transport Security Amendment Regulations 2007 (No. 4).

Key stakeholders affected by the regulation are Australian international airports, Australian airlines with international services, the Australian duty free industry, international passengers and the Government.

The PIR was undertaken in accordance with the Office of Best Practice Regulation Guidance with data and information drawn from industry and Government consultation and independent sources. The LAGs PIR highlights that the aim of the LAGs regulation (i.e. to reduce the risk of a terrorist attack) does not lend itself to a traditional approach to cost benefit analysis. Given terrorists and their methods are constantly evolving, it is not possible to quantify the likelihood of a particular attack scenario, therefore benefits.

Despite this challenge the PIR identifies that the LAGs policy is a valuable element in Australia's approach to safeguarding aviation and provides indirect benefits to Australia.

Associated implementation costs are somewhat easier to quantify. The PIR identifies that implementation costs are largely borne by industry despite support in the order of AUD\$4 million from the Australian Government. The impact on Australian international airports, the entity responsible for implementing the measures for flights departing Australia, relates primarily to staff costs, including screener and customer service training. This impact is in the order of AUD\$41 million (real value).

Airlines with flights directly to Australia are required to implement measures at the airports of last point of departure. Initial costs were largely associated with

establishing resource capacity at the last points of departure while ongoing costs were associated with monitoring for compliance purposes. The impact is in the order of the AUD\$8 million (real value) over the period March 2007 to July 2012.

The impact on passengers included surrendering of goods (especially bottled water and duty free purchases), general inconvenience and increased screening time. These impacts are thought to have reduced over time as passenger became more familiar with the regulation. Of these impacts, increased screening time has been quantified at less than AUD\$2 million (real value) over the period March 2007 to July 2012.

The LAGs regulations have been under review and evaluation since their introduction. Based on this work LAGs screening technology has been implemented at Australian airport transit screening points since July 2012 and since April 2014 at departure screening points, with efforts to further relax restrictions ongoing.

The PIR identified that, whilst a form of LAGs regulation will remain and noting continued efforts to minimise the passenger facilitation impact, the LAGs regulation experience identifies a number of lessons learned that may be adopted for future application. These lessons relate to the value from industry involvement in policy and implementation strategy development. Similarly there has been recognition that legislative impost may not be confined to Australia and therefore there are opportunities to improve efficiency and bilateral relationships.

1 Introduction

Following a thwarted terrorist attack on aircraft departing the United Kingdom, on 31 March 2007 the Australian Government implemented measures in response to the risk from liquid based explosives. The measures resulted in the restriction of the quantity of LAGs passengers could carry on international flights to, from or through Australia. The policy was given effect initially by a special security direction issued under the *Aviation Transport Security Act 2004* until the following legislation changes were made:

- *Aviation Transport Security Amendment (Additional Screening Measures) Act 2007*, and
- Aviation Transport Security Amendment Regulations 2007 (No. 4).

The regulation changes affected a number of stakeholders, including airports, aircraft operators, duty free retailers, passengers, retailers of LAG items and the Government.

Given the short timeframe in which the policy and regulations were implemented, a Regulation Impact Statement (RIS) was not conducted. The Department is now conducting a Post Implementation Review (PIR) in accordance with the Office of Best Practice Regulation (OBPR) requirements.

In May 2014, Arup was selected by the Office of Transport Security (OTS) within the Department to assist with a PIR of the LAGs restrictions. The period under consideration is from the introduction of the measures on 31 March 2007, to the implementation of the revised restrictions effective 1 July 2012.

Arup has utilised the draft Post Implementation Review Guidance Note (PIR Guidance) March 2014 to inform the consultation, analysis and report preparation. The analysis has then been presented in a form consistent with the Commonwealth Regulatory Burden Measurement (RBM) framework.

The structure of this report addresses all the elements required of a PIR:

- The problem being addressed;
- Why was Government intervention required;
- What policy options were considered;
- Which stakeholders have been consulted;
- What were the impacts of the regulation;
- Have the LAGs restrictions delivered a net benefit; and
- How was the regulation implemented and evaluated.

Note that the reporting order regarding which stakeholders have been consulted and the impacts of the regulation have been reversed relative to the Post-Implementation Reviews – Guidance Note.

The scope of the PIR is limited to Australian industry, specifically Australian airlines operating international flights, the eight gateway airports, and the Australian duty free industry. Comment is also given on the impact on passengers based on information gained from consultation with industry and data provided by the Department. Given the administrative and financial commitment of the Government, the impact on the Department was considered.

Data was sourced from industry and Government through questionnaires, interviews and independent sources including the Bureau of Infrastructure, Transport and Regional Economics (BITRE). Due to the time elapsed since implementation, not all original data sources could be identified.

The analytical approach has been informed by the nature of the subject; reducing the risk of a terrorist attack. Despite the low probability of an attack by liquid explosives, the catastrophic outcome of such an attack and the evolving nature of the threat does not lend itself to a traditional cost benefit analysis. The benefits in the form of preventing a terrorist attack are difficult to quantify. Given terrorists and their methods are constantly evolving it is not possible to quantify the likelihood of a particular attack scenario. The Department confirmed with the OBPR that a qualitative analysis of benefits, with a quantitative analysis of costs is appropriate for the purpose of this PIR.

2 The problem being addressed

As a Contracting State to the Convention on International Civil Aviation (Chicago Convention) Australia is expected to “have as its primary objective the safety of passengers, crew ground, personnel and the general public in all matters related to safeguarding against acts of unlawful interference with civil aviation”.¹

Australia has committed to this objective by ratifying the Chicago Convention. For security this is through the *Aviation Transport Security Act 2004* and *Aviation Transport Security Regulations 2005*. In doing so, Australia has developed a preventive security framework which includes keeping the level of threat to civil aviation under constant review and implementing risk-based policies and procedures accordingly. Additionally, and in accordance with the Chicago Convention, Australia seeks to meet as far as may be practicable, “requests from other contracting States for additional security measures in respect of specific flight(s) by operators of such other States”.²

It is the Department of Infrastructure and Regional Development’s responsibility to administer the ratifying legislation and the ensuing policies and procedures. This administration is conducted in accordance with national security policies including the National Counter-Terrorism Plan.

On 9 August 2006, UK security services interrupted a terrorist operation involving planning for attacks against international aviation targets. British intelligence indicated the group was planning to board an aircraft with concealed materials which could be used to construct an Improvised Explosives Device (IED). The objective of the planned attack was to bring down a number of US-bound passenger aircraft, killing all onboard. In addition to mass casualties such an attack would have met a number of attributes sought by terrorists, namely:

- spectacular media imagery;
- generation of public anxiety;
- symbolism associated with the victims, in this case nationals, routes and airlines; and
- adverse economic consequences.

The proposed attack methodology was to carry-on board components of liquid based IEDs, assemble and detonate the IEDs onboard. Analysis of the foiled London plot, including the methodology, revealed an enduring vulnerability in the technical capability of aviation security screening points with respect to liquid explosives detection thus increasing the risk of an attack from such an IED.

The Australian Government deemed this threat relevant to Australian international aviation security interests. It was therefore appropriate to develop policies and procedures to reduce the risk accordingly.

¹ Standard 2.1.1 Annex 17 to the Convention on International Civil Aviation Security Safeguarding International Civil Aviation Against Acts of Unlawful Interference.

² Standard 2.4.1 Annex 17 to the Convention on International Civil Aviation Security Safeguarding International Civil Aviation Against Acts of Unlawful Interference.

The UK plot emphasised the need for continuing work to secure Australia's transport systems against vulnerabilities targeted by terrorist groups. Specifically, the need to enhance the preventive security framework and for Australia's passenger screening points to be able to detect liquid explosives.

At the time of the policy implementation technology to detect liquid explosives was not available so alternative measures were needed to reduce the risk. This manifested as limiting the amount of liquid being carried in an aircraft cabin. By restricting the amount of all liquids carried in an aircraft cabin, it limited the opportunity for the potential use of liquid explosives, of an amount to cause catastrophic consequences, on board.

3 Why was Government intervention required

As outlined by ‘The problem being addressed’, terrorists consider a number of attributes when determining a target and planning an attack. In addition to those attributes, opportunities and ability to exploit vulnerabilities in order to deliver a successful attack are also taken into account. The inability to detect liquid explosives at the passenger screening point was a known vulnerability and the interrupted terrorist operation demonstrated intent to exploit it.

Given this vulnerability and the known intent to exploit it, the risk of an attack using liquid based IED(s) was deemed sufficient to warrant addressing. This prompted action at an international level. In particular, the US and the EU had immediately introduced related measures including additional search of passengers and carry-on bags. These measures were introduced as an interim step while longer term technology-based detection systems were developed and evaluated.

Australia, like the US and UK, had the same screening vulnerability. In order to reduce the risk of such an attack the vulnerability needed to be addressed. As noted above technology to detect the threat was not yet available. It was therefore determined that an interim measure was required to reduce the consequence should this vulnerability be exploited.

The interim measure adopted by Australia was limiting the amount of liquids carried on board. Explosives experts concluded that the amount of liquid that could be carried in the sealed plastic bag in separate containers would not be sufficient to create an explosive large enough to bring down an aircraft. This reduced the consequence, if an attack manifested, thus the risk.

Whilst it was possible to implement the proposed restrictions on LAGs that can be carried on board aircraft through a Special Security Direction under Division 7 of the *Aviation Transport Security Act 2004*, such a Direction can only remain in force for a maximum period of six months. A regulation change was therefore required for a longer term action.

4 What policy options were considered

4.1 Policy development

Between the announcement in late 2006 and implementation of LAGs restrictions on 31 March 2007, industry and other Australian Government agencies were consulted to identify appropriate security measures and the approach to implementation.

The purpose of the consultation was to increase understanding of threat and risk and identify security measures and arrangements that achieved a security outcome with minimal impact on facilitation and industry. Consultation included written communication, meetings and briefings to seek views on the proposed measures and implementation strategy. This consultation is credited with the implementation in March 2007 being relatively smooth.

Entities consulted prior to and during implementation included:

- Australian international airports/screening authorities;
- Screening service providers;
- Australian airlines;
- International airlines with direct flights to Australia;
- Last port of call (LPOC) Governments and Airports;
- Duty Free retailers;
- Industry associations and groupings including:
 - Australian Airports Association;
 - Board of Airline Representatives of Australia;
 - Australian Duty Free Association; and
- Other Australian Government Departments.

The consultation was supplemented by a public awareness raising campaign in order to educate the travelling public and other entities affected. This included advising foreign countries through formal diplomatic channels.

4.2 Policy options considered

The development of policy options in Australia followed the foiled August 2006 terror plot to use liquid based explosives, disguised as common beverages, to attack aircraft departing the UK. Some countries moved to immediately ban the carriage of all LAG items in the cabin of an aircraft, with the exception of essential medical or baby food items. Other immediate security measures included restricting carry-on possessions and placing permissible items in a transparent plastic carrier bag. These initial restrictions were replaced with the then newly developed security measures distributed by the International Civil Aviation Organization (ICAO).

ICAO's Aviation Security Panel developed guidance on LAGs restrictions following a special session of the ICAO Council. Later in 2006, the Council recommended guidance be issued to Member States and restrictions implemented

by March 2007. The Aviation Security Panel stressed the need for security measures to be effective, practicable, sustainable and considerate of facilitation issues. The ICAO guidelines introduced the international standard for LAGs restrictions, including the limit of 100 millilitre or less containers for LAG items in cabin baggage, sealed in a transparent, resealable plastic bag with a maximum capacity of one litre.

Australia's status as an ICAO Contracting State aided our decision to adopt the international quantity restriction standard. Implementing measures consistent with Australia's international counterparts helped to simplify the traveller pathway for international passengers. Consideration was given to implementing LAGs restrictions on domestic flights in Australia. This broader regime would have had a significantly larger impact on facilitation. The decision was made to concentrate effort on restrictions for international flights to, from and through Australia.

Consideration could not be given to the implementation of a technology-based screening regime, as technologies capable of detecting liquid based explosives were not available at the time. However, it was recognised that restrictions were only intended to be a temporary measure until they could be replaced with technology-based screening. The transition from a restrictions based regime to a technology based screening regime in Australia has since commenced independent of this PIR.

If Australia did not implement LAGs restrictions in 2007, there was the chance that countries may not have accepted inbound international flights from Australia. They may have determined vulnerability present or imposed inbound LAGs restrictions on Australia. The US, for example, has inbound LAGs restrictions which could have resulted in boarding gate measures for LAGs for United States bound flights. As a result of Australia implementing LAGs restrictions in line with international standards, the US recognises Australian procedures and did not require LAGs boarding gate arrangements for US bound flights.

As outlined in the 'The problem being addressed' above, Australia is obliged to implement risk based security measures. The terrorist operation interruption identified a risk and Australia developed and implemented a policy accordingly. If, however, Australia chose not to take any action and subsequently the chance that countries did not accept inbound international flights manifested, the economic impacts would have been considerable.

By acknowledging the economic value of the aviation sector to Australia, with data indicating that 2.6% of Australia's Gross Domestic Product (GDP) and 312,000 jobs were supported by aviation in 2009³, an adverse impact on Australia's aviation industry, such as other countries not accepting flights from Australia, would have been significant.

³ Oxford Economics, 'Economic Benefits from Air Transport in Australia', 2011.

4.3 The policy option adopted

The policy commenced in Australia on 31 March 2007, restricting the quantity of LAG items that passengers could take on international flights to, from or through Australia.

The restrictions limit the size of containers holding LAG items to 100 millilitres or less, in a clear plastic resealable bag. The perimeter of the bags sealed area is limited to a total of 80 centimetres (e.g. a 20cm x 20cm zip lock bag). A limited number of exemptions apply to these restrictions, including medical LAG items and special dietary LAGs, such as, baby food.

With the exception of recognising Security Tamper Evident Bags (STEBs) as a transit security measure, Australia's regulations largely followed the guidance issued by the International Civil Aviation Organisation (ICAO). This decision was based on a risk assessment in accordance with Standard 3.1.3 of *Annex 17 to the Convention on International Civil Aviation*:

“Each Contracting State shall keep under constant review the level of threat to civil aviation within its territory, and establish and implement policies and procedures to adjust relevant elements of its national civil aviation security programme accordingly, based upon a security risk assessment carried out by the relevant national authorities.”

Departmental personnel were sent to the Australian international airports and some LPOCs on the first day of restrictions to observe impacts.

Since implementation, the Department has undertaken a number of initiatives to improve facilitation without increasing the risk from liquid base explosives. These included:

- Exempting the requirements for inbound operations from some countries (exempt countries) through the recognition of equivalence of screening standards, namely USA, New Zealand, Taiwan and Japan;
- Trialling liquid explosive detection technology;
- Technology-based screening of certain LAGs previously restricted, at transit and transfer screening points at eight Australian international gateway airports (effective 1 July 2012);
- Expanding the technology-based screening of certain LAGs presented by departing/originating passengers at screening points in Australian airports (effective 30 April 2014); and
- Data collection exercises to examine the impacts of regulations on the screening point and provide recommendations to improve facilitation.

5 Which stakeholders have been consulted

The following stakeholders from the airports, airlines and duty free industry were consulted in the preparation of the PIR:

1. Australian Duty Free Association (ADFA);
2. Board of Airline Representatives Australia (BARA);
3. Brisbane Airport Corporation (BAC);
4. Jetstar (JQ);
5. Qantas Airways (QF);
6. Sydney Airport Corporation Limited (SACL); and
7. Virgin Australia (VA).

Stakeholder selection considered accessibility to participants for the purpose of the data collection and their representation of the broader Australian industry.

Data was obtained through an interview, with a questionnaire issued in advance, and a follow-up email and phone conversation. In some cases, industry and the Department provided data following the interviews.

Whilst data was not sourced for analysing the impact on the travelling public, commentary around the possible impacts is provided. This is based on data obtained through the interview process with industry and market research and public query/complaint data provided by the Department.

Due to the time since implementation of the regulations, much of the industry data that ordinarily would have been useful for this analysis was no longer available.

The Department recognised the importance of consulting with the agency's Ministerial Advisory Council as part of the PIR process. Deputy Prime Minister Truss has determined that the Department will work through established consultative mechanisms and not set up a separate Ministerial Advisory Council. For the purposes of the LAGs PIR, the appropriate body for this consultation is the Aviation Security Advisory Forum (ASAF).

ASAF is comprised of key aviation security stakeholders, many of whom are affected by regulation changes. These are predominantly Australian international airports and Australian airlines with international services. For the purposes of the LAGs PIR, Arup and the Department consulted with a representative sample of ASAF members as outlined above.

6 What were the impacts of the regulation

The regulation had an impact on the following groups:

- Airports;
- Airlines;
- Duty Free Operators;
- Passengers; and
- Government.

6.1 Airports

6.1.1 Background

The regulations enforced quantity restrictions on LAG items that passengers could take on international flights to, from or through Australia. Each Australian international airport was impacted.

Due to the nature of the regulation, the primary impact on airports was associated with outbound operations. This was due to the airport's role as the screening authority, with the cost of this task increased from the regulation.

As the screening authority, the airports were required to amend existing screening procedures and screening point layout to detect oversized LAGs and assess the LAGs presented in LAGs bags. This involved developing standard operating procedures, training personnel, installing preparation tables, increased communication with passengers prior to entry to the screening point and increase in the conduct of frisk-search screening.

6.1.2 Impact

One-off costs incurred as a result of the regulation included:

- Travel to attend policy development and implementation consultation meetings with the Department;
- Training costs for screeners;
- Customer service personnel/queue calmers;
- Training material development;
- Policy and standard operating procedure review;
- Promotional material production;
- Additional waste disposal costs from surrendered LAGs;
- Website amendments; and
- Some capital costs such as furniture to help passengers prepare at that screening point.

In addition, a range of ongoing costs included:

- Ongoing screeners and associated training costs;
- Provision of LAGs bags (zip-lock bags); and
- Ongoing waste disposal costs from surrendered LAGs.

A number of costs were offset by Government support. Through the Department, the Government provided an initial \$4.107 million in funding to support the implementation. This funding reduced the cost impact on airports. The cost reduction to airports included:

- marketing material and activities;
- provision of LAGs bags;
- a four week deployment of queue calmers to assist with passenger screening preparation; and
- funding assistance for the training of 1900 screeners and customer service staff.

The marketing material and activities included posters, counter top signs, pockets cards, retractable banners, information kits and brochures printed in multiple languages. Electronic images were made available for industry to use with their own material should they wish. Appendix A provides examples of marketing material and content.

Airports recognised the relatively smooth implementation of the LAGs policy and attributed this to the consultative approach taken by the Department. The approach involved industry in policy development, support with raising public awareness and providing implementation mechanisms.

Despite public awareness raising efforts and screener training, some airport personnel, primarily screeners, experienced unfavourable situations when passengers had to undergo additional screening e.g. frisk searching and/or surrendered prohibited LAGs. Such experiences have declined significantly since the introduction of the policy as passenger have become familiar with the arrangement and screening processes have evolved since the introduction of LAGs restrictions. For example, since the introduction of body scanners on every second lane at Australia's eight international gateway airports, the requirement for a LAGs frisk search has now been removed.

Some airports have retained the queue calmer concept, implementing it into their own customer service and screening model. LAGs regulation implementation has in some cases also acted as a catalyst for reviewing the screening arrangements, identifying opportunities for efficiency gains. Improved passenger travelling experience might be attributed to the changes made following such reviews. Quantifying these benefits has not been attempted for the purpose of the PIR, due the difficulty in attributing benefits to individual catalysts, in this case LAGs regulation.

6.1.3 Summary

The estimated total Net Present Value (NPV) and Real costs are shown in the table below:

Table 1: Airport costs⁴

Airports	Total impact (\$m NPV 06/07 @ 7%)	Total impact (\$m real)
Total	31.86	41.30

¹ Before Government offset

Key inputs and assumptions included:

- Airport costs are based on per passenger costs based on a typical airport;
- Costs include all initial and ongoing costs; and
- The period of regulation covers 5.25 years from implementation to revision.

6.2 Airlines

6.2.1 Background

Due to the nature of the regulation, the primary impact on airlines is associated with inbound operations. For practical reasons, the measures required to comply with the regulation must be applied at the last airport of departure airport known as the Last Port of Call (LPOC).

The measures require arrangements to be made with the airlines' LPOC resources, specifically establishment and operation of a physical search point at the airport gate and gate delivery of LAGs duty free purchases made at the airport. With the exception of gate delivery of the LAGs duty free purchases (conducted by the LPOC Duty Free retailer), expenses with the search point operations and monitoring are borne by airlines and were ongoing.

6.2.2 Impact

One-off costs incurred as a result of the regulation included:

- Travel to LPOCs to train staff and oversee implementation at the introduction;
- Development of standard operating procedures and policy for staff at each LPOC; and
- Provision of awareness raising material at LPOCs.

In addition, a range of ongoing costs included:

- Increase in payments to the entity operating the search point. Depending on the LPOC, this could be the airline's ground handler or the LPOC

- airport's security service provider;
- Conduct of training of staff at LPOCs; and
- Ongoing provision of awareness raising material at LPOCs.

A number of these costs were offset by Government support. Through the Department provided an initial \$4.107 million in funding to support the implementation. This funding reduced the cost impact on airlines. The cost reduction to airlines included awareness raising material to be used at LPOCs, incorporating:

- posters;
- counter top signs;
- retractable banners;
- information kits; and
- brochures printed in multiple languages.

Electronic images were available for industry to use with their own material. Anecdotal evidence suggests that the LAGs screening led to some departure delays in the early period of LAGs restrictions, however it appears this adverse impact was likely negligible and has not continued. It is noted that LPOC LAGs screening needs to be done within allocated turnaround time at the airport and this time has not increased as a result of Australian inbound LAGs restrictions.

In some instances, the requirements were not well received by the LPOC agencies and led to Australian Government intervention on the airlines' behalf. Airlines have indicated that more Government-to-Government communication in the initial period could have prevented some of the challenges experienced.

Ongoing costs are associated with payment to local entities to conduct the LAGs inspection, as well as travel to LPOCs to conduct supervisory activities i.e. to monitor compliance and conduct necessary corrective actions at the LPOC. As at financial year 2012/13 there were approximately 18 LPOC airports at which Australian airlines have to apply LAGs measures.

On an ongoing basis, unlike airports, LAGs security measures at LPOCs largely remain separate to other security measures. Ongoing LPOC costs are more easily attributed to the policy implementation.

To facilitate the establishment of LAGs security arrangements at airports, the airlines and Government increased their engagement with LPOC airports, support services and foreign government agencies. In some cases, this has facilitated improved relations and provided aviation security capacity building opportunities, improving security outcomes for the LPOC and flights to Australia. In contrast however, increased efforts on detecting oversized LAGs may result in the focus of resources being diverted away from robust application of other security measures such as identification of other prohibited items.

6.2.3 Summary

For the purposes of the PIR, the cost impact to Australian-based carriers of the regulation has been estimated as shown in the table below:

Table 2: Airline costs⁵

Airline	Total impact (\$m NPV 06/07 @ 7%)	Total impact (\$m real)
Total (PIR)	6.22	8.18

Key inputs and assumptions included:

- The frequency of training, audit and compliance costs vary depending on the LPOC;
- Costs include all initial and ongoing costs; and
- The period of regulation covers 5.25 years from implementation to revision.

6.3 Duty free operators

6.3.1 Background

The impact on duty free operators related mainly to the inability of passengers to carry LAGs from landside or off-airport to the sterile area (post-screening). This reduced the potential for landside or off-airport sales. The duty free industry consists of a small number of companies who own both landside and sterile area retail outlets (moreover the duty free company at particular airports is the same in landside and sterile areas). The ADFA considers that any reduction in landside sales is likely offset by an increase in sales in the sterile area, with negligible overall impact.

6.3.2 Impact

The ADFA identified that there may have been minor impact at initial implementation, with the loss of repeat landside custom from those passengers who surrendered oversized LAGs. This is estimated as being negligible relative to overall duty free sales. It is likely to have been offset by an increase in sales in the sterile area.

Over the last decade there has been a structural change in the duty free industry. There has been a reduction in landside retail outlets (on-airport and off-airport) with an increase in the size of retail outlets in the sterile area.

With respect to landside off-airport outlets, the following table shows the reduction in outlets since 2000.

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⁵ Before Government offset

Table 3: Off-airport outlets

Year	Off-airport outlets
2000	140
2001	116
2002	126
2003	103
2004	86
2005	65
2006	65
2007	54
2008	46
2009	41
2010	38
2011	37
2012	34
2013	33
2014	28

The table shows that there has been an ongoing reduction in off-airport outlets since 2000. It does not appear that the LAGs regulations had any significant impact on the reduction in outlets. This view was supported by the ADFA who ascribed the reduction to industry-wide changes and one-off events, such as particular airlines ceasing services to Australian destinations (for example JAL).

In relation to landside on-airport outlets, duty free operators have moved their stores from landside (public area) to the sterile area (post screening). This change allowed passengers to carry their oversized LAGs with them at the time of purchase, rather than purchasing in landside and collecting in the sterile area. The location move was not in direct response to the regulation implementation, rather an influence in design as retailers changed their business model along with airport refurbishment activities.

All goods, including duty free items, are required to be screened and cleared before entering a sterile area. This requirement remained unchanged with the implementation of the LAGs policy, therefore there was no additional cost to duty free retailers located in the sterile area.

The ADFA suggested any loss in landside sales would generally have been offset by an increase in sales in the sterile area.

6.3.3 Summary

There does not appear to have been any significant impact on the duty free industry as a result of the LAGs regulation. While there has been substantial

change in the industry, the ADFA ascribes this to broader industry-wide changes.

6.4 Passengers

6.4.1 Background

The single greatest impact to passengers is the limitation to the quantity of LAGs allowed to be carried through the screening point. In some cases, this resulted in an economic impact in the form of surrendering of oversize LAGs or the need to purchase 100ml or less LAG items to take as carry-on. However, the Department does not consider that the implementation of restrictions altered the way a passenger prepared for an international trip. Passengers still needed to take the time to purchase supplies, including LAG items, for their trip. For example, when at a supermarket, instead of picking up a LAG item over 100 millilitres pre LAGs restrictions, passengers would pick-up the adjacent 100 millilitre or less item after restrictions were implemented.

Regulatory impacts included the change in oversize duty free purchasing arrangements to after screening along with the collection of purchased duty free oversized LAGs at the boarding gate for inbound passengers. In addition, additional time was required to pass screening due to having to separate LAGs bags from other carry-on baggage. Passengers were not consulted directly as part of the PIR process, however likely impacts were identified through industry consultation and data provided by the Department.

6.4.2 Impact

The Department engaged Di Marzio Research Pty Ltd to conduct market research in January 2007 to:

- determine the best positioning and messaging to minimise the impact of the changes in the regulation, with particular regard to the internationally travelling public;
- determine the communications vehicles that would maximise a positive image for the changes, as well as being the most efficient in reaching the audience; and
- identify the target audience concerns and potential issues. The topline summary of research findings is at Appendix B.
- The general theme of the findings is that people understood the need for the restrictions and wanted assurance that adverse impacts eg delays, frisk searching from the regulation would be minimised.

Results from the focus groups and surveys used to conduct the market research influenced the type, content and target of the support provided by the Department, such as provision of LAGs bags for airports to provide to travellers and content of awareness raising material.

A comprehensive data collection mechanism was not established to record or analyse the impact of the regulations. Data however is available from sources

such as the Minister’s Office, the LAGs hotline, airports and airlines.⁶

The available data indicates the peak of LAGs related queries and complaints occurred in the initial period following the implementation. The data shows that a total of 2,472 calls were received between 31 March 2007 and 30 April 2007, with approximately 32% of those being related to LAGs specific issues. Over 800 emails were received by the Department LAGs email inbox in the first three months of implementation.

During the PIR consultation process, airports acknowledged implementation was relatively smooth, however reported the surrender of oversize and unauthorised LAGs items at the screening point, as evidenced by the increase in ‘rubbish’ disposal. Airports and airlines also reported hostile incidents between passengers and screeners, indicating occasions of passenger frustration, likely to be associated with the need to surrender oversize duty free LAGs.

The apparent decline in complaints and queries between 2007 and 2011 (53 complaints and 28 queries for calendar year 2011) is likely attributed to increased awareness of the requirements.

The data available for calendar year 2011 supports the airports’ observation that the surrendering of LAGs was the greatest impact on passengers with all of the complaints relating to surrendered goods as follows:

Table 4: Complaints about surrendered items

Total Surrendered Items = Total Complaints	Surrendered Items			
	Duty Free	Food/Drink	Toiletries & Make-up	Medical and Therapeutics
53	41	6	5	1

The Department does not assess that the level of time taken for a passenger to decide on whether or not to carry LAGs in their carry-on baggage changed as a result of restrictions being implemented. The question remained did a passenger want to take up space in their carry-on baggage and weight allowance with LAG items or continue to place them in checked baggage. If a passenger wanted to use personal LAG items (e.g. toiletries) in-flight they could continue to do so post LAGs restrictions. If passengers felt it was still more convenient to continue to place LAG items in checked baggage they could do this too.

In addition, medical and special dietary (e.g. baby food) LAG items are exempt from restrictions. As such, passengers did not have to decide whether they had to go without essential items for their flight or source items 100ml or less. In any event, packing for an international trip and choosing which items to pack takes a significant amount of time. It is not possible to determine which proportion of time might be attributed to LAGs and whether this time changed as a result of restrictions.

As noted on page 21, the Government provided 5 million LAGs bags to

⁶ Data provided by the Department to Arup by email 20 June 2014

Australian international airports at the commencement of LAGs restrictions for passengers to use. This allocation, at least initially, removed the need for passengers to determine what constituted an appropriate clear bag. After the initial allocation of government supplied bags, passengers could use a sandwich sized zip lock bag commonly found around the home as a LAGs bag. The Department does not assess that there was a time difference in obtaining a bag already in use around a home or that could be easily acquired on the same shopping trip to obtain supplies for an international trip.

In relation to additional time required to pass screening due to having to separate LAGs bags from other carry-on baggage, the additional time was estimated as an average of 3 seconds per passenger.

6.4.3 Summary

The impact of the regulation implementation on passengers relates to limits on the quantity of LAGs allowed to be carried through the screening point and the passengers' interface with the screening process. Outcomes of market research conducted prior to the implementation influenced the support by the Government for the purpose of minimising impact. The primary adverse impact on passengers relates to the cost and inconvenience related to the surrender of LAGs items. While these costs have not been quantified, the complaint data that is available indicates that the impact reduced over time as passengers became aware of the regulation. The costs of any potential change in time taken to prepare for an international flight have also not been quantified. It is not possible to differentiate between business-as-usual time to prepare for an international trip and time impact as a consequence of LAGs regulation.

The impact of the additional time required to pass screening due to having to separate LAGs bags from other carry-on baggage has been quantified as follows:

Table 5: Cost of additional screening time required

Passengers	Total (\$m NPV 06/07 @ 7%)	Total (\$m real)
Total (PIR)	\$1.49	\$1.94

The impact is based on the following assumptions:

- an addition screening time per passenger of 3 seconds to produce a LAGs bag for screening;
- the annual total outbound passengers, and total inbound passengers flying JQ, QF and VA flights (to ensure consistency with assumptions around airline impacts); and
- a cost of leisure time of AUD\$29/hour.

6.5 Government

6.5.1 Background

The costs to Government were associated with the policy development and implementation followed by ongoing oversight of the policy.

6.5.2 Impact

To support the introduction of LAGs restrictions in 2007, the Australian Government provided an initial \$4.107 million in funding for a range of communications products and assistance including:

- 15 million LAGs brochures sent to 4,500 travel agents and through airports, airlines, duty free outlets and at last ports of call to Australia. These brochures were printed in English, Japanese, Chinese, Korean, Spanish, Arabic, Indonesian, Vietnamese, Russian, Thai, Cantonese, Mandarin and Malay;
- 5 million LAGs bags provided to Australian international airports for commencement of LAGs restrictions for passengers to use; and
- Queue calmers for four weeks at international airports to inform travellers about LAGs restrictions and help them prepare for security screening.

The following additional promotional material was also produced for industry use:

- 1,200 posters;
- 1,700 counter top signs;
- 57,000 pocket cards;
- 36 retractable banners; and
- 5,000 information kits.

Other measures by the Department during the introduction of restrictions included:

- staffing a LAGs hotline to answer the questions of travellers;
- quantitative and qualitative market research prior to restrictions beginning to gain an understanding of likely passenger concerns to develop an appropriate response;
- providing funding assistance to international airports for the training of 1900 security screeners and customer service staff on LAGs arrangements in financial years 2007/8 and 2008/9; and
- radio and television interviews, as well as input into news bulletins and newspaper advertising.

At the time of implementation and the period immediately following, Departmental officers were sent to 33 LPOCs to oversee the implementation and discuss the policy with foreign governments and operational personnel. The cost of this deployment was approximately AUD\$165,000.

Since the implementation, the Department developed the TravelSECURE website, which includes LAGs information for travellers and travel agents. Hard copy LAGs brochures for travellers and travel agents were produced by the Department for the four years following the introduction of LAGs restrictions, at a cost of approximately \$40,000 per annum.

As part of a broader LPOC program of assessment (of which LAGs are a component), approximately 16 LPOC assessments are undertaken annually. It is estimated that the costs, specific to the LAGs regulation was on average AUD\$20,000/per annum for the period between financial year end 2008 and 2012, being the period between deployment of staff for the purposes of initial oversight and the PIR period.

LAGs regulation management is now incorporated into the Department's regulation administrative role and costs specific to LAGs policy are not separately identified.

Like the airlines, the engagement required to establish LAGs security measures at LPOCs resulted in strengthened relations with a number of countries and the Department. This has contributed to the facilitation of opportunities for bilateral activities, including provision of capacity building to other countries, providing improved overall security for flights to Australia.

The introduction of LAGs restrictions in 2007 required coordination between the Government and industry. This joint effort was facilitated by the use of direct communication channels between OTS and key aviation security stakeholders, predominantly airport and airline operators, as well as screening providers. As a result of this work, the effectiveness of Government communication with industry has strengthened.

Australia's transnational relationships were further reinforced through international collaboration through the LAGs restrictions introduction. Following the introduction of LAGs restrictions, a high level group of like-minded partners; US, Australia, the European Commission and Canada (QUAD) was established in October 2007. QUAD helps to overcome the complicated decision making processes in more formal aviation security forums such as ICAO. The need for this formal arrangement was highlighted during the introduction of LAGs restrictions. QUAD has proved to be a successful model of international engagement, achieving a level of cooperation and information sharing in a number of areas additional to LAGs, including be an effective informal mechanism for addressing emerging issues and risks as they arise.

In addition to improved relations with industry and foreign governments and agencies, LAGs restrictions have non-quantifiable social and economic benefit for the Government. As LAGs restrictions reduce the risk of an attack, this creates a sense of security for citizens, acts as a deterrent to those with ill-intent and safeguards aircraft. Whilst these benefits are immeasurable, by limiting exposure to known threats and securing the aviation sector, Australia's people and economy can continue to prosper. Australia's actions introducing LAGs restrictions enhance Australia's status as a trusted international partner to many. Serious action to reduce the threat of liquid explosives to aircraft has flow-on

effects to protect other areas of industry reliant on the aviation sector and a strong economy. This includes trade, business, agriculture and tourism.

6.5.3 Summary

The total cost to government is shown in the table below:

Table 6: Government cost

Government	Total impact (\$m NPV 06/07 @ 7%)	Total impact (\$m
Total investment	4.14	4.47

The period of regulation covers 5.25 years from implementation to revision.

7 Have the LAGs restrictions delivered a net benefit

7.1 Analytical approach

Benefits

The nature of the LAGs regulation (i.e. to reduce the risk of a terrorist attack) does not lend itself to a traditional approach to cost benefit analysis. Particularly, the benefits in the form of an avoided terrorist attack are difficult to quantify. Given terrorists and their methods are constantly evolving, it is not possible to quantify the likelihood of a particular attack scenario. The Australian Government recognises that acts of unlawful interference in the form of terrorism remain a threat to Australian interests and addressing security risks continues to be a challenge due to the nature of the threat.⁷

As a result, the Department confirmed with the OBPR that a qualitative analysis of benefits along with a more quantitative analysis of cost is appropriate and adequate for the purpose of the PIR.

Costs

For a typical RIS, compliance costs are estimated through the use of the OBPR RBM tool. The RBM tool provides an automated and standard process for quantifying compliance costs of regulation on business using an activity-based costing method.

While there are some similarities between a PIR and a RIS, not everything can be adapted within the context of a PIR.

Compliance costs incurred through the LAGs regulation are presented in the PIR based on actual data and assumptions rather than via the use of the RBM tool. This provides a more accurate and detailed analysis of costs, as all costs are based on information received directly from those stakeholders impacted by the regulation. This includes information received from airports, airlines and Government.

7.2 Benefits

Measuring a risk, and therefore the benefit through avoidance, requires the likelihood and consequence to be measured. Given the nature of terrorism, including the capacity to exploit vulnerabilities, it is not possible to quantify the likelihood of a particular attack scenario. The consequence of an attack however can be estimated.

The Australian Government has undertaken a study to measure the economic impacts, specifically consequences, of a notional terrorism incident in the aviation industry. The notional incident is one feasible in the context of using a liquid based explosive to target Australian interests through the aviation industry.

⁷ National Counter Terrorism Plan 2012

The analysis states:

The BITRE analysis suggests that the incident will have direct impacts on tourism activities, the travel time of passengers and freight movements. It will cost a total of \$43.6 billion in gross revenue terms over a two year period, mainly due to an expected severe down turn in the tourism industry by 30 per cent in inbound and outbound visitor numbers and 10 per cent in domestic visitor numbers in the first year of the incident. The total loss in gross revenue includes a loss of \$35.9 billion from a change in tourism activities, \$5.7 billion from a change in passengers' travel time, \$1.3 billion from a fall in exports, \$0.7 billion from the property damage and the loss of the lives of air crew and passengers, \$59.1 million from a change in inventory cost of air freight and \$0.1 million from a shift in freight transport mode, from air to land. The loss in tourism revenue consists of a loss of \$16.5 billion in domestic tourism, \$11.2 billion in outbound tourism and \$8.1 billion in inbound tourism.

The loss in tourism industry will affect other sectors of the Australian economy. Around \$33.0 billion worth of output and 135,700 jobs are lost outside the tourism industry due to the incident.

It is evident that LAGs policy is a valuable element in Australia's approach to safeguarding aviation, namely its contribution to the prevention component of the 'prepare for, prevent, respond to, and recover' (PPRR) concept.

Benefits other than the reduced risk of a terrorist attack have also been identified and were discussed in Chapter 6. These indirect benefits included improved screening and security outcomes. With the addition of processes and staff at a screening point and the associated additional costs, effort was made to identify opportunities to improve efficiency without reducing the security outcome. Although not measured, improved efficiencies through better screening point location and layout led to an improved traveller experience.

Other indirect benefits included improved bilateral relationships with LPOC entities. The communication necessary to establish LPOC LAGs arrangements led, in some cases, to improved relations between LPOC Airports and governments, airlines and the Australian Government. This provided a platform for capacity building opportunities, improving security outcomes at those LPOC; the benefit to Australian interests is evident.

7.3 Costs

The total costs as identified in Chapter 6 are shown in the table below:

Table 7: Cost summary⁸

Stakeholder	Total impact (\$m NPV 06/07 @ 7%)	Total impact (\$m real)
Airports	31.86	41.30
Airlines	6.22	8.18
Duty free operators	Not significant	Not significant
Passengers	1.49	1.94
Government	4.14	4.47
Total	43.71	55.89

The PIR Guidance Note specifies that the analysis should be consistent with the Commonwealth Regulatory Burden Measurement framework. The RBM adopts an approach of representing the cost of the regulation as an annual average cost (including all capital and operating costs) compared to business-as-usual along with identification of the cost offset by Government. The following table adopts this approach:

Table 8: Average annual regulatory cost by stakeholder

Average Annual Regulatory Costs (from Business as usual)					
Change in costs (\$million)	Business		Community Organisations	Individuals	Total change in cost
	Airport	Airlines ⁹			
Total by Sector	\$7.87	\$1.56	\$0.00	\$0.37	\$9.79
Cost offset (\$million)	Business		Community Organisations	Individuals	Total by Source
	Airport	Airlines*			
Agency (DIRD)	\$0.60	\$0.05	n/a	n/a	\$0.6
Within portfolio	-	-	-	-	-
Outside portfolio	-	-	-	-	-
Total by Sector	\$0.60	\$0.05	\$	\$	\$0.6
Are all new costs offset?					
<input type="checkbox"/> yes, costs are offset <input checked="" type="checkbox"/> no, costs are not offset <input type="checkbox"/> deregulatory, no offsets required					
Total (Change in costs - Cost offset) (\$million)			\$8.75		

⁸ Before Government offset.

⁹ AU airlines only

The allocation of the Government offset to airport and airlines is as follows:

- 100% of queue calmers, screener training and LAGs are offset to airports;
- For the remaining activities (Market research, focus groups and communications strategy/PR, Newspaper Advertising, Sydney Travel Expo, Printing costs and Media);
- 75% are offset to airports; and
- 25% are offset to airlines – which is proportionally ascribed to Australian and international carriers based on passenger number (only the Australian offsets are included in the table).

7.4 Conclusion

Australia's LAGs policy is likely to have been effective in reducing the risk of an attack from liquid based explosives, although, the extent to which it may have done so cannot be readily estimated. Had such an attack occurred, there was the potential for significant social and economic costs. By adopting a risk based approach to security, Australia was adhering to its international obligations. Specific to the LAGs policy, Australia's measures were consistent with many other ICAO Contracting States' at that time.

The cost of implementing the policy, as outlined in Table 6, shows that the total annual average cost of regulation among direct stakeholders to be approximately \$9 million. The majority of this is borne by airports who largely pass this cost through to passengers.

Based on the total annual cost and the total average number of passengers, the cost of the policy equates to less than \$1 per passenger, per flight. While this cost represents a relatively small proportion of an average international flight, work has continued to reduce the regulatory burden of the LAGs regulation (as discussed in the following Chapter).

8 How was the regulation implemented and evaluated

8.1 Implementation

Section 4.1 outlined the approach to implementation of the LAGs regulations.

8.2 Evaluation

The LAGs regulations have been under review and evaluation since their introduction. At the time of the regulation implementation, opportunities to reduce the impact of the policy were known but not yet available, i.e. a technological screening solution able to identify liquid explosives was assumed to have less of a regulatory impact than the initial LAGs restrictions; the technology however was not available at the time.

Since the implementation in 2007, consistent with efforts to reduce the adverse regulatory impact of the LAGs policy, the Department has engaged with a range of stakeholders. Consultation has been in the context of identifying, testing and implementing a technology-based solution. Consultation occurred with stakeholders involved in the 2008 and 2010 of LAGs screening technology trials at Adelaide, Melbourne and Sydney airports. The trials involved technology manufacturers, airports, screening service providers and travellers. Furthermore, foreign governments were involved either as partners or observers.

Based on this work LAGs screening technology has been implemented at Australian airport transit screening points since July 2012 and since April 2014 at departure screening points. It should be recognised that further efforts are still being made to reduce the adverse facilitation impact of the LAGs policy. Australia continues to work as part of a coordinated international approach to relaxing LAGs restrictions.

9 Glossary and Definitions

The following Glossary and Definitions is for the purpose of this report only.

9.1 Glossary

BITRE	Bureau of Infrastructure, Transport and Regional Economics
DIRD	Department of Infrastructure and Regional Development
ICAO	International Civil Aviation Organisation
LAGs	Liquid Aerosols and Gels
OBPR	Department of Prime Minister and Cabinet Office of Best Practice Regulation
OTS	Office of Transport Security
PIR	Post Implementation Review
RBM	Regulatory Burden Management
RIS	Regulatory Impact Statement

9.2 Definitions

(the) Department	Department of Infrastructure and Regional Development
Draft Guidance Note	Draft Guidance Note for Post-Implementation Reviews March 2014
LAGs bag	A clear plastic resealable bag with a perimeter of the bag's sealed area no more than total of 80 centimetres (e.g. a 20x20cm zip lock bag)
Oversized LAGS	LAGs that exceed the size limitation set by the regulations
QUAD	An informal group established in October 2007 consisting of US, Australia, European Commission and Canada to facilitate international engagement, cooperation and information sharing in a number of aviation security related areas including LAGs.
Regulation implementation	LAGs related policy and legislation introduced on 31 March 2007
State	Otherwise referred to as a <i>country</i> .

10 References

The following references were used in the development of the PIR:

- Aviation Transport Security Act 2004
- Aviation Transport Security Regulations 2005
- Aviation Transport Security Amendment (Additional Screening Measures) Act
2007
- Aviation Transport Security Amendment Regulations 2007 (No. 4)
- Bureau of Infrastructure, Transport and Regional Economics, Internal Brief Economic impact of a notional terrorism incident at a major airport in Australia Security in Confidence
- Bureau of Infrastructure, Transport and Regional Economics, *Airport Traffic Data 1985 to 2013*, www.bitre.gov.au
- Bureau of Infrastructure, Transport and Regional Economics, *International Airline Activity Annual Publications 2007-2013 (inclusive)*, www.bitre.gov.au
- International Civil Aviation Organisation, *Annex 17 to the Convention on International Civil Aviation Ninth Edition*
- National Counter-Terrorism Committee, *National Counter-Terrorism Plan 2012*
- Office of Best Practice Regulation, Post Implementation Review Guidance Note *March 2014* (provided by email DIRD/Arup 1 May 2014)

Appendix A

Departmental marketing material and content

MEDIA RELEASE

The Hon Mark Vaile MP
Deputy Prime Minister
Minister for Transport and Regional
Services
Leader of the Nationals



08 December 2006
036MV/2006

NEW AIR SECURITY REGULATIONS FOR CARRY ON BAGGAGE

Deputy Prime Minister and Minister for Transport and Regional Services, Mark Vaile, announced today that the Australian Government will introduce enhanced security measures to limit the amount of liquids, aerosols and gels that can be taken through the screening point at airports for international flights.

These measures only apply to flights to and from Australia.

"The world has changed over recent years and Australia's security arrangements need to change accordingly. The foiled terrorist plot in the UK, in August this year, demonstrated that there is a need to restrict the quantity of liquids, aerosols and gels permitted on board screened aircraft," Mr Vaile said.

"As from March 31 next year only small amounts of these substances, (100 millilitres per container) including drinks, creams, perfumes, sprays, gels and toothpaste will be permitted to be taken through the screening point onto international passenger aircraft as carry-on baggage, in a resealable transparent plastic bag no larger than one litre which must be screened separately.

"Exceptions will be made for passengers with medical conditions and baby food intended to be consumed on board.

"These measures will harmonise Australian practice with international action that has recently been taken by the United States, Canada, and the European Union and the recommendations by the International Civil Aviation Organization.

"Passengers may take on board items purchased after the screening point, including duty free.

"The Australian Government recognises that these restrictions will affect the industry and the travelling public but we will always put the public's safety first," Mr Vaile said.

"The Department of Transport and Regional Services is consulting widely with the aviation industry and other key stakeholders as we develop our implementation arrangements, which will be supported by a fully developed public awareness campaign.

"I want to stress that there is no intelligence to suggest there is any additional or specific threat to Australian interests. Our national counter terrorism alert level remains at MEDIUM.

"The restrictions on liquids, aerosols and gels will not apply to passengers travelling on Australian domestic flights, at domestic terminals and airports. However, we will continue to review the situation in consultation with industry.

"The Australian Government has invested more than \$1.2 billion on aviation security since September 11 2001. Australia has and will continue to have some of the highest security standards in the world," Mr Vaile said. The public can get more information on the

Department's website.

Media Contacts

Carissa Buckland (Mr Vaile's Office) 02 6277 7680 / 0418 255 981

New Aviation Security Measures for Carry-on Baggage at International Airports

From 31 March 2007, the Australian Government will introduce enhanced security measures to limit the amount of liquids, aerosols, and gels that can be taken through the screening point for people who are flying to and from Australia

All containers with drinks, creams, perfumes, sprays, gels, toothpaste and similar substances will have to be carried in a re-sealable transparent plastic bag, no larger than one litre, and be inspected separately at the airport screening point.

Each container should not have a capacity greater than 100 millilitres and all containers should fit comfortably in the re-sealable plastic bag. Exceptions will be made for passengers with medical conditions and quantities of baby food required for the flight. However, these items may be subject to additional security checks. Passengers can still take on board items purchased after the screening point, including duty free.

Examples of plastic bags and contents





For media enquiries, please contact in the first instance:

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Disclaimer: The compatible application(s) listed above are examples only. DOTARS does not endorse any particular software developer or specific application.

Print

Last Updated: 8 December, 2006



Aviation Security: Fact Sheet: Liquids Aerosols and Gels

From 31 March 2007, the Australian Government will introduce enhanced security measures to limit the amount of liquids, aerosols, and gels that can be taken through the screening point.

This measure responds directly to vulnerabilities identified after a foiled terrorist plot in the UK, in August 2006. They are consistent with practices adopted by Canada, the EU and UK and the US, where they have proven successful at keeping delays to a minimum whilst delivering improved security.

What are the new rules?

Restrictions now being introduced will limit the amount of liquids, aerosols, and gels that can be taken through the screening point. Passengers can still take on board items purchased after the screening point, including duty free.

Passengers may still carry on board the things they would normally take in carry-on baggage, such as cameras; personal music devices; books; and clothing. Additionally, existing restrictions for carry-on baggage remain the same.

All containers with drinks, creams, perfumes, sprays, gels, toothpaste and similar substances will have to be carried in a re-sealable transparent plastic bag, no larger than one litre, and be inspected separately at the airport screening point. Each container should not have a capacity greater than 100 millilitres and all containers should fit comfortably in the sealed plastic bag.

The benefit of transparent plastic bags is that it makes it easy to display and inspect the liquids passengers are carrying, while protecting carry-on baggage against leaks.

Exceptions will be made for passengers with medical conditions and quantities of baby food required for the flight. However, these items may be subject to additional security checks.

Larger amounts of liquids can still be carried in checked baggage.

Who will be affected?

This measure will affect only those people who are flying to and from Australia. The Government will consult with industry on the new measures to be implemented at international airports and to review whether similar measures are required at domestic airports. Additionally, the Government will undertake a public communications campaign and provide additional training for screeners on the new measures.

The Australian Government understands that the new rules will affect airport

security staff, airlines, airport retailers and passengers. We are working hard to ensure that the rules are fair and communicated effectively to the travelling public. Overseas experience suggests that once travellers are familiar with the measures delays have been minimal.

This measure is one of a suite of measures the Australian Government has introduced to increase aviation security and to harmonise with international aviation security regulations.

For more information visit the DOTARS Web site.

Aviation Security: Liquids, Aerosols and Gels

Frequently Asked Questions

8 December 2006

Items passengers can take on aircraft

1. Who will be affected by the restrictions?

Everybody flying to and from Australia.

2. So it doesn't apply at domestic airports?

No, the restrictions on liquids, aerosols and gels will not apply to passengers travelling on Australian domestic flights, at domestic terminals and airports. However, this will be kept under continuing review in consultation with security agencies and industry. Enhanced screening of international flights is consistent with the evolving international practice.

Domestic passengers who are connecting to overseas flights will need to think ahead about the contents of their carry-on baggage.

3. What can be taken on board?

Passengers can still take on board all items they would normally take in carry-on baggage. This includes cameras; personal music devices; books; items of clothing and so on. Additionally, existing weight and size restrictions for carry-on baggage remain the same.

You can also take on board items purchased after the screening point, including duty free.

4. So, what has changed?

Restrictions have been introduced to limit the amount of liquids, aerosols and gels that can be taken through the screening point. Each container should not have a capacity greater than 100 millilitres and all containers should fit comfortably in a resealable plastic bag. The bag must be transparent and resealable, no larger than one litre (20cm x 20cm), such as a freezer bag sold in most supermarkets.

This means containers with substances including drinks, creams, perfumes, sprays,

gels and toothpaste have to be carried in a re-sealable transparent plastic bag and be screened separately.

5. Why cover all liquids?

Present-day machines cannot distinguish one liquid from another quickly enough to allow for an efficient airport screening process. That is why these new restrictions would apply to all liquids except for those in quantities too small to make effective bombs.

6. Any exceptions?

Exceptions will be made for passengers with medical conditions and quantities of baby food required for the flight, and intended to be consumed onboard. These items may be subject to additional security checks.

7. Why the requirement to use a transparent plastic bag?

We are adopting the solution used in Canada, the European Union, the United Kingdom and the United States, which has proven successful at keeping delays to a minimum whilst delivering improved security.

By experiment, experts found that, if you pack several containers of 100 millilitres each into a plastic bag of one litre capacity, the total quantity of liquids was in the range of 450-500 millilitres.

The benefit of the transparent plastic bag is that makes it easy to display and inspect the liquids you are carrying, while protecting your carry-on baggage against leaks.

8. Will Australian procedures be the same as other countries?

While the details of the procedures still have to be worked out, Australia's screening procedures will harmonise with the action already taken by Canada, European Union, the United Kingdom, and the United States. The procedures will also fit with other international requirements expected to be introduced in the near future.

9. When will they take effect?

It is proposed that these enhanced security measures be introduced on 31 March 2007.

8. Will the new rules cause problems at airports?

The Australian Government understands that the new rules will affect airport security staff, airlines, airport retailers and passengers and we are working hard to ensure that the rules are fair and communicated effectively to the travelling public.

Overseas experience suggests that once travellers are familiar with the measures, delays are minimal.

9. What is the Government doing to communicate these new restrictions?

The Australian Government will undertake an extensive communication campaign on the new restrictions. The Government will consult widely with industry to ensure a smooth transition in the implementation of these new restrictions and minimise the impact on business and the travelling public.

In addition the Government is also investing in additional training for screeners on the new procedures to apply at airports to maintain the speed and quality of screening.

10. Is Australia facing a higher level of threat from terrorism?

In spite of the high level of activity that has followed the discovery of the terrorist plot to bomb a number of international passenger aircraft from the United Kingdom to the United States, there is no intelligence to suggest the need to change Australia's counter terrorism alert level. The national counter terrorism alert level remains at MEDIUM.

8 December 2006

Appendix B

Market Research Results

LAGs: top line summary of research findings

Background

The aims of the survey

- to determine the best positioning and messaging to the minimise the impact of the changes in the regulation, with particular regard to the internationally travelling public
- determine the communications vehicles that will maximise a positive image for the changes, as well as being the most efficient in reaching the audience
- to identify the target audience concerns and potential issues

Methodology

Qualitative

Focus groups were held on January 15 and 16, 2007 and concentrated on the thoughts and feelings of the group around the new measures. In particular, the focus group derived feedback on the group's reactions to the implications that the changes to the regulation may have, and how to position the changes to minimise any negative perceptions.

About the sample audiences

We held 8 focus groups, 4 each in Sydney and Melbourne, with a mix of males and females. Each participant indicated they had travelled in the past year, or intended to travel in the coming year.

Quantitative

An email survey was sent to approximately 200 participants on January 16 – 19, 2007 to capture accumulative responses to pre-set questions. In particular, the email survey will assist us in determining the messaging and marketing vehicles that will likely maximise positive perceptions and deliver the messaging most efficiently.

About the sample audiences

More than 200 people participated in the email survey. Again, the group of participants were identified as people who had travelled in the past year, or intended to travel in the coming year.

Results

Qualitative

Initial reactions

- When presented with the facts on the new measures, the majority of participants reacted favourably or at least with understanding.
- The reactions of the remainder of the sample tended to include more neutral than negative views, but negative views were not uncommon.

- the small number of participants who experienced these restrictions overseas *without prior awareness* described them as a bit of a shock or annoying
- participants criticised perceived inconvenience and time delays
- realising that such a threat was ‘real’ after the UK events aided acceptance, as did reference to medical and baby formula exemptions
- The participants showed concerns that the new measures would increase delays; and they wanted proof that these restrictions would be effective

Suggested key messaging

- Specifically relating to the new restrictions, eg. dates of implementation, size, bags per person, etc
- Effect on duty-free
- Rationale for the restrictions
- LAGs can still be taken through in checked in baggage

Reaction to possible scenarios

- Discarding duty-free: considerable annoyance and possible anger at discarding duty-free if unaware of the measures
- Discarding personal LAG: travellers should have known and that its their “bad luck”
- Discarding children’s LAGs-based toys: participants hadn’t considered this, and showed concern at the inconvenience
- Medications: participants aired concern regarding whether a doctor’s letter would suffice to prove their need for medication

Other issues

- About 20% of participants had experienced frisk searching; some found it unpleasant or embarrassing, but others understood the need for it
- If done quickly and sensitively people were more accepting of frisk searching
- Those who were against frisk searching, wondered the effectiveness of the process

Quantitative

Interestingly

- 77% of participants book their travel via travel agents; and
- 60% of participants book their travel online

Initial reactions

- Of the 61% of participants whom claimed to know about the new measures, 66% learned of the measures via TV news, and 49% via newspaper news
- 66% of participants were quite to very comfortable with the new measures
- Of those people comfortable with the measures, they feel this way as they believe in “high levels of security”
- Of the remainder of the sample whom were neutral or uncomfortable with the new measures, this was primarily because of the perceived inconvenience
- It is very clear to participants that these measures have been introduced for safety/security reasons in light of the terrorist threat

- 57% of participants accept the introduction of frisk searched as “fair enough”
- Of interest: 91% of participants who would like to see the government provide the plastic bags required free of charge for the first six months as an interim measure
- Very few (7%) believed the new measures would deter them from flying internationally

Communications

- Participants feel a range of communication methods are warranted for informing the public about the new measures, including: travel agents, TV news and travel shows, newspapers, websites/online

Key messaging

- Specific details to what is required from passengers
- Safety and prevention over inconvenience
- Benefits to safety/security
- That LAGs can still be taken in checked-in baggage