

Introduction

Background to the review

- 1.1 The Joint Committee on Public Accounts and Audit has a statutory duty to examine all reports of the Auditor-General and report the results of its deliberations to both Houses of Parliament. In selecting audit reports for review, the Committee considers:
- the significance of the program or issues raised in the audit reports;
 - the significance of the findings;
 - the arguments advanced by the audited agencies; and
 - the public interest of the report.
- 1.2 Upon consideration of 29 audit reports presented to the Parliament by the Auditor-General during the first, second, and third quarters of 2002–03, the Committee selected 11 reports for further scrutiny at public hearings. The public hearings were held in Canberra on:
- Friday, 28 March 2003;
 - Wednesday, 30 April 2003; and
 - Wednesday, 21 May 2003.
- 1.3 An inspection of the security arrangements at Sydney’s Kingsford Smith Airport was also held on Tuesday, 20 May 2003.

1.4 The 11 audit reports selected for the public hearings were:

Friday, 28 March 2003

- *Audit Report No. 2, 2002–2003, Grants Management ATSIIC (Chapter 2);*
- *Audit Report No. 3, 2002–2003, Facilities Management at HMAS Cerberus, Department of Defence (Chapter 3); and*
- *Audit Report No. 7, 2002–2003, Client Service in the Child Support Agency, Follow Up Audit, Child Support Agency (Chapter 4);*

Wednesday, 30 April 2003

- *Audit Report No. 18, 2002–2003, Business Support Process Audit, Management of Trust Monies (Chapter 5);*
- *Audit Report No. 19, 2002–2003, Performance Audit, The Australian Taxation Office's Management of its Relationship with Tax Practitioners, Australian Taxation Office; (Chapter 6);*
- *Audit Report No. 25, 2002–2003, Financial Statement Audit, Audits of the Financial Statements of Commonwealth Entities for the Period Ended 30 June 2002 (Chapter 7); and*
- *Audit Report No. 27, 2002–2003, Performance Audit, Management of Commonwealth Guarantees, Warranties, Indemnities and Letters of Comfort (Chapter 8);*

Wednesday, 21 May 2003

- *Audit Report No. 20, 2002–2003, Performance Audit, Employee Entitlements Support Schemes, Department of Employment and Workplace Relations (Chapter 9);*
- *Audit Report No. 23, 2002–2003, Protective Security Audit, Physical Security Arrangements in Commonwealth Agencies (Chapter 10);*
- *Audit Report No. 26, 2002–2003, Performance Audit, Aviation Security in Australia, Department of Transport and Regional Services; and*
- *Audit Report No. 28, 2002–2003, Performance Audit, Northern Territory Land Councils and the Aboriginal Benefit Account (Chapter 11).*

The Committee's report

- 1.5 This report of the Committee's examination draws attention to the main issues raised at the public hearings. Where appropriate, the Committee has commented on unresolved or contentious issues and made recommendations.
- 1.6 The report has the following appendices:
- Appendix A—a list of submissions received;
 - Appendix B—a list of exhibits received;
 - Appendix C—a list of the witnesses appearing at the public hearings; and
 - Appendix D—details of the inspection visit to Sydney's Kingsford Smith Airport.
- 1.7 A copy of this report is available on the Committee's website at <http://www.aph.gov.au/house/committee/jpaa/reports.htm>

Review of aviation security by the Committee

- 1.8 Following examination of *Audit Report No. 26, 2002–2003, Aviation Security in Australia* on 21 May 2003, there were three serious security incidents at Australian airports. These were:
- 22 May 2003—members of the public entered a secure area at Sydney Airport resulting in the shutdown of a domestic terminal;
 - 29 May 2003—the attempted hijack of an aircraft flying between Melbourne and Launceston; and
 - 30 May 2003—unscreened passengers entered a secure area at Sydney Airport resulting in the shutdown of a domestic terminal.
- 1.9 In light of these incidents and the heightened security environment existing in Australia, the Committee resolved on 4 June 2003 to extend the review of *Audit Report No. 26, 2002–2003*, under expanded terms of reference.
- 1.10 The terms of reference adopted by the Committee were:
- As part of its statutory responsibility to examine reports from the Auditor-General, the Joint Committee of Public Accounts and Audit is expanding its review of *Audit Report No. 26, 2002–2003*,

Aviation Security in Australia, Department of Transport and Regional Services to inquire and report on:

- regulation of aviation security by the Commonwealth Department of Transport and Regional Services;
- compliance with Commonwealth security requirements by airport operators at major and regional airports;
- compliance with Commonwealth security requirements by airlines;
- the impact of overseas security requirements on Australian aviation security;
- cost imposts of security upgrades, particularly for regional airports;
- privacy implications of greater security measures; and
- opportunities to enhance security measures presented by current and emerging technologies.

1.11 The Committee will report the outcome of this review separately.