

PO Box 10,000
BROOKSIDE CENTRE QLD 4053

20 November 2003

Mr Bob Charles, MP
Chairman
Joint Committee of Public Accounts and Audit
Parliament House
CANBERRA ACT 2600

Dear Mr Charles

Thank you for giving me the opportunity to present the following submission. My comments are based on my experience as an Aviation Security Inspector from 1990 and my experience as an aviation security trainer and consultant since I left the Department in January 1997.

I wish to draw your committee's attention to the failure of Aviation Security Regulations Branch to provide formal training for Aviation Security Inspectors and their failure to provide any significant inspections of the international cargo security industry during the past two years. I suspect these failings are due to a lack of funding and resources within Aviation Security Regulations Branch.

Training

The 1998 Australian National Audit Office (ANAO) report on aviation security included a recommendation to implement a training and development program to ensure that personnel have formal training in security inspections and assessment techniques, negotiation and interpersonal skills. This training has neither been developed nor implemented. Aviation Security Inspectors continue to be tasked to inspect airlines and airports without the benefit of professional training in legislation, security programs or the audit process.

The operational tasks of the Inspector are critical to the integrity and the security of Australian aviation. Yet, administrative bureaucrats, who lack an understanding or knowledge of training analysis, fail to recognise the need to train Inspectors. Security inspections or audits require a sound knowledge of the legislation, respective security programs, and the capabilities and limitations of current technical security equipment. All these things are left to the Inspector to learn informally on the job. Meanwhile, other law enforcement and security vocations, often with less important roles, are given formal training, certification and often licensing before they can be considered ready for deployment. The personnel who are employed to screen passengers and baggage at airports receive more training and assessment than the Inspectors who test and report on the effectiveness of screening facilities.

The Department's Inspectors are given little more than the benefit of two or three audits under instruction, access to the relevant files, legislation and security programs and are advised to check with their Superintendent or Director if they are unsure. Some Inspectors handle this approach better than others. Some enjoy the lack of prescription while others rue the lack of detail. The result is inconsistency in the regulation of aviation security throughout Australia.

The lack of formal training often means valuable time is wasted clarifying the Branch priorities and policies. Inspectors tend to focus on confirming the procedures applied by a company are consistent with the procedures described in the company's approved security program. This is generally seen as the primary task of the regulatory inspector. However, there is folly in assuming that procedures developed during periods of low risk will be effective procedures during periods of high risk particularly when the procedures are developed by personnel with no understanding or experience of high risk. The same applies to regulatory inspection. Inspectors must be given the best training available to ensure they have the best understanding and experience of procedures for high risk situations. Some suggest Inspectors should be able to assess threats and develop or analyse security procedures to counter the threat. Again this needs formal training and development.

Some suggest training has not been pursued due to a lack of professional training available in Australia. Departmental hierarchy have argued that suitable training is not available. This argument reflects the 'too hard' mentality of some administrative bureaucrats. Professional training is available overseas and given the opportunity, suitable professional training can also be developed in Australia to suit specific Australian requirements.

Airlines and airports have criticised the Department's expertise both publicly and privately and they will continue to do so until a professional recognised training program is developed and implemented for Aviation Security Regulation Branch personnel. Australia's aviation security personnel have been ignored for too long. The time has come to recognise their needs and provide them with a professional training and development program, which gives them professional recognition and firmly establishes their expertise and credibility in the industry. In the past, the Department has attempted to improve credibility by employing ex-military or ex-police and have failed to recognise that such personnel gained their credibility through structured organisations with strong training cultures.

Regulation of Air Cargo

The next issue that needs attention is the sudden decrease in audits or inspections of Regulated Agents. The purpose of the Regulated Agent scheme is to:

- ensure air cargo is security cleared before it is accepted for carriage on an aircraft to an international destination; and
- to meet Australia's obligations to the International Civil Aviation Organisation under Section 4.5 of Annex 17 to the Convention on International Civil Aviation.

Regulated Agents are air cargo agents who have applied under Air Navigation Regulation 42 to the Secretary of the Department of Transport and Regional Services for listing as a Regulated Agent and have had their application approved. Regulated Agent are obligated to comply with an approved Regulated Agent Security Program that specifies the procedures for security clearing international air cargo and storing or transporting security cleared cargo or cargo in the process of being security cleared.

During the past two years, the audit or inspection of Regulated Agents has been significantly reduced. The ANAO's 1998 and 2003 Reports criticised the low number of audits and inspections of Regulated Agents and suggested in the 2003 Report that the lack of inspections threatened the "*integrity of the Regulated Agent Scheme and the security of international air cargo*". Many aviation security specialist and commentators recognise that the increased security procedures applied to airlines and airports increases the potential for air cargo to become a target. Yet, Aviation Security Regulation Branch has not provided any significant audits or inspections since 11 September 2001.

There seems to be three reasons for their failure to provide reasonable monitoring of the program:

- The internal structure for controlling the Regulated Agent program has not been conducive to effective regulation throughout Australia. Responsibility for all Regulated Agent matters has been held by the Cargo Section in Canberra and regional Aviation Security Inspectors have not been utilised.
- Regional Aviation Security Inspectors have not been given sufficient training and guidance to regulate cargo effectively and subsequently lack a reasonable level of knowledge or understanding of the airfreight industry.
- The Cargo Section, based in Canberra, which has operated with a Director and clerical officer for the past two years has not been given sufficient personnel or funding to regulate cargo effectively.

The introduction of the Regulated Agent program was very successful. As a result of considerable consultation with the industry, the program was developed and implemented with wide industry support. However, the recent lack of effective inspections is undermining the initial efforts. Companies continually complain about competitors who disregard the regulations and still see no improvement in either the level of regulation or the application of security procedures. Similarly, some companies are spending tens of thousands of dollars to meet their security obligations while suggesting that others are either falsifying their security documentation or do not understand their obligations. I found one company that had photocopied a signed Security Declaration and simply kept changing the date and consignment numbers. I was suspicious of the photocopies with the same signature and, after a telephone call, confirmed the Declarations were falsified because the employee had transferred to another location months earlier. The guilty company was and still is a major Regulated Agent operating in Australia and overseas.

Regulated Agents, who support the Security Program, need to be assured that their efforts are necessary or they will lose interest and redirect funding to other areas. The security clearance of international air cargo cannot rely on self regulation. Aviation Security Regulation Branch needs to support the efforts of those companies who do the right thing and rid the industry of the cowboys who flaunt security procedures in the interest of quick profits and without regard for the potential risks to which they expose the Australian community.

Funding and Resources

Aviation Security Regulation Branch traditionally struggles under a lack of funding and resources. The Department, the Minister and the Government fail to recognise that the regulation of security in the aviation industry is a high cost item that needs abnormally high funding. Inspecting or even monitoring airline, airport or Regulated Agent operations nationally incurs far greater administrative costs than most regulatory functions because it involves air travel.

The Department, the Minister and the Government fail to recognise that effective aviation security in Australia requires inspections of last ports of call used by aircraft flying into Australia. Yet, the lack of travel funding removes Aviation Security Regulation Branch's will and undermines any consideration of last port of call inspections. The development and implementation of a professional aviation security training program is long overdue. Although the funding of a suitable Inspector training program and an efficient Regulated Agent inspection program are high cost items, both items are essential to the integrity of aviation security in Australia.

Conclusion

It is easy to criticise Aviation Security Regulations Branch for not training their Inspectors or not conducting sufficient inspections. However, it is also unfair when the Branch is not given sufficient funding or resources to do its job efficiently. Employing the ANAO to audit Aviation Security Regulation Branch and asking the Joint Committee of Public Account and Audit to review aviation security in the light of the ANAO report is grossly inadequate. It is not enough for the Government to simply allow the Branch to hide behind a culture of secrecy in the interest of security. The ANAO's recommendations to develop and implement formal training or to increase the number of audits or inspections of Regulated Agents will only be realised if the Government recognises the need for appropriate funding increases. If the government is serious about aviation security in Australia, it needs to provide sufficient funding to allow the Branch to do its job professionally and effectively.

In the interest of aviation security, yours faithfully



Christopher R Smith