

Introduction

- 1.1 This chapter sets out the context for the Committee’s review of Australia’s aviation security. The framework for aviation security in Australia has been created to meet Australia’s specific needs, but is based on and is consistent with internationally agreed standards. The framework is under constant review as international and domestic circumstances change. Over recent years, reviews have been conducted by governments and by entities independent of government. This inquiry falls within the latter category.

Australia’s aviation security framework

- 1.2 Australia’s aviation security framework has its origins in Annex 17 of the 1944 Convention on International Civil Aviation. The Annex, titled *Security—Safeguarding International Civil Aviation Against Acts of Unlawful Interference*, contains internationally agreed standards and recommended practices for aviation security.
- 1.3 The Convention is administered by the International Civil Aviation Organisation (ICAO). Australia is a founding member of ICAO and has been consistently elected to its governing council as a ‘State of chief importance in air transport’.¹

1 DoTaRS, *Submission No. 28*, p. 193.

- 1.4 While signatory states are only required to implement Annex 17 in regard to international air passenger traffic, Australia chose to apply many of the measures to domestic aviation.² The provisions of Annex 17 were subsequently implemented by way of the *Air Navigation Act 1920* (as amended), and in particular the *Air Navigation Regulations 1947*. Since then, the aviation security framework has been augmented through the *Air Navigation (Checked Baggage) Regulations 2000*,³ and more recently by the *Aviation Transport Security Act 2004*.
- 1.5 The aviation security framework is overseen by the Department of Transport and Regional Services (DoTaRS) which:
- provides advice to government and implements Commonwealth policy;
 - participates in international transport and Australian counter-terrorism forums;
 - uses threat assessments and intelligence information to develop security measures for incorporation in legislation or regulations;
 - sets minimum standards for operators in implementing preventative security measures;
 - approves the security programs of airline and airport operators;
 - monitors, tests and audits industry compliance;
 - regulates to enforce where necessary the preventative security measures and standards; and
 - revises security policy, measures and/or standards in the light of intelligence information, monitoring or auditing.⁴
- 1.6 The aviation industry operators which are regulated by DoTaRS fall into three groups:
- Airline operators—operators of air services to, from or within Australia are responsible for security of their aircraft, screening of passengers and their carry-on baggage, and security control of cargo and catering. Where operators use specified aircraft, an approved aviation security program must be in place.

2 Auditor-General, *Audit Report No. 16, 1998–1999, Aviation Security in Australia*, Canberra, 1998, p. 11.

3 DoTaRS, *Submission No. 28*, p. 193.

4 DoTaRS, *Submission No. 28*, pp. 202–3.

- Airport operators—operators of security categorised airports are responsible for meeting minimum regulatory standards for airport security (including physical access, and where required the counter-terrorism first response function). While the operator is responsible for overall airport security, security for individual buildings or facilities rests with the organisation having management control of those buildings or facilities.
 - Regulated agents—freight forwarders and courier companies who have agreed to operate within an approved security program are responsible for using specified equipment and procedures for preventing cargo from containing explosives or incendiary devices, preventing unlawful access to cargo, and documenting security procedures for each cargo item.⁵ Regulated agents are required to apply security controls for freight exported from Australia. DoTaRS advised the Committee, however, that the security regime will be extended to cover domestic freight.⁶
- 1.7 Each regulated aviation operator can, and often does, contract other organisations to deliver services such as catering, cleaning, and screening of passengers and baggage. Under the framework, however, regulated operators are held accountable for the actions of their contractors and employees. There is thus a ‘hierarchical chain of authority’.⁷
- 1.8 Following the 11 September 2001 terrorist attacks in New York and Washington, ICAO amended Annex 17 to upgrade the international standards for aviation security. The Aviation Transport Security Bill 2003 was subsequently introduced to Parliament in March 2003 in part to align Australian aviation security with these revised international standards. The Bill was also designed to:
- enhance the structure of Australia’s aviation security framework;
 - provide adequate flexibility to reflect the rapidly changing threat environment; and
 - redevelop the framework so that the legislation and supporting regulations were more readily understood and applied by government and the aviation industry.⁸

5 DoTaRS, *Submission No. 28*, pp. 194–5.

6 DoTaRS, *Submission No. 79*, pp. 433–4.

7 Auditor-General, *Audit Report No. 26, 2002–2003, Aviation Security in Australia*, Canberra, 2003, p. 10.

8 *Aviation Transport Security Bill 2003, Explanatory Memorandum*, pp. 1, 5.

- 1.9 The Bill was passed by Parliament on 3 March 2004 and received Royal Assent on 10 March 2004, whereupon it took effect. At the time of this report, however, the associated regulations have yet to be promulgated.

Aviation under review

- 1.10 Because of the importance of aviation to the economy and the potential impact of any security-related incident, Australia's aviation security has been subject to regular reviews.
- 1.11 In 1998, the Auditor-General audited the then Department of Transport and Regional Development's (DoTRD's) implementation of Annex 17 in Australia. The audit assessed DoTRD's:
- development of an appropriate risk management strategy;
 - implementation of measures to ensure industry compliance with Annex 17;
 - dissemination and coordination of relevant intelligence; and
 - the implementation of suitable response arrangements, supported by appropriate training programs.⁹
- 1.12 The audit was conducted when the major security concern was criminal activity at airports.¹⁰ DoTRD agreed with the audit report's recommendations which were designed to strengthen the regulatory regime by:
- providing a more systematic risk management strategy;
 - tightening DoTRD's audit processes and follow-up actions;
 - improving data collection and analysis; and
 - improving DoTRD's National Training and Exercise Program.¹¹
- 1.13 The Committee reviewed the 1998 audit report in 1999 and, in keeping with the audit's focus on criminal activity, recommended that there be a review of 'arrangements for cooperation between airport authorities and police forces in dealing with criminal activity at airports.'¹²

9 Auditor-General, *Audit Report No. 16, 1998–1999*, p. 12.

10 Mr Michael Lewis, *Transcript*, 4 September 2003, p. 9.

11 Auditor-General, *Audit Report No. 26, 2002–2003*, p. 23.

12 JCPAA, *Report 371, Review of Auditor-General's Reports 1998–99 First Half*, Canberra, September 1999, Recommendation 1, p. 9.

- 1.14 The outcome has been the establishment of a series of memoranda of understanding between the Australian Federal Police (AFP) and State police forces, and between the AFP and DoTaRS. As well, there are contractual agreements between the Australian Protective Service (APS) and the operators of airports where the APS has a presence.
- 1.15 The terrorist attacks on 11 September 2001 introduced a new dimension to aviation security. The change in the threat environment prompted a high-level government review of Australia's security and counter-terrorism arrangements.
- 1.16 The outcome of this review, known as the Cornall review, was announced by the then Attorney-General in December 2001. Initiatives included transferring responsibility for airport physical security and counter-terrorism first response to the Attorney-General's portfolio,¹³ and the creation of Air Security Officers who became available for deployment in December 2001.¹⁴
- 1.17 The Cornall review also led to the announcement in December 2002 of changes to air passenger and baggage screening and access control.¹⁵ These changes were:
- an increased number of airports where there was mandatory screening of passengers and their carry-on baggage;
 - the introduction of the goal of ensuring cutting edge technology was used at the screening points at international and domestic airports;
 - the introduction by the end of 2004 of 100 per cent checked bag screening for all international services (a year ahead of the deadline set by ICAO); and
 - the introduction of checked bag screening for domestic services by the end of 2004.¹⁶
- 1.18 Meanwhile, during 2002 the Auditor-General reviewed DoTaRS' response to the heightened threat environment posed by the September 2001 terrorist attacks. The objectives of the audit also included determining the

13 Hon Daryl Williams MP, Attorney-General, Media Release, *Upgrading Australia's Counter-Terrorism Capabilities*, 18 December 2001, p. 2.

14 Hon Daryl Williams MP, Attorney-General, Media Release, *Air Security Officers*, 18 December 2001.

15 DoTaRS, *Submission No. 29*, p. 192.

16 Hon John Anderson MP, Minister for Transport and Regional Services, Media Release, *Background Paper: New Aviation Security Measures*, 11 December 2002.

extent to which DoTaRS' monitoring and compliance regime ensured that the aviation industry met its security obligations.¹⁷

1.19 The results of the audit were tabled in January 2003 as *Audit Report No. 26, 2002–2003, Aviation Security in Australia*. The Auditor-General found that:

- DoTaRS had responded well to the changed security threat environment following the September 2001 terrorist attacks;
- Australia's aviation regulatory framework was comprehensive with the combination of standard security measures and additional security measures providing a sound foundation for managing aviation security;
- the monitoring regime was essentially sound, but the quality of monitoring was variable;
- DoTaRS could show greater leadership and improve its response to non-compliance;
- DoTaRS could take a more strategic view of industry's performance and could better evaluate compliance by setting, monitoring and reviewing performance targets and using a wider range of strategies to encourage industry to meet those targets; and
- there had been slow progress in implementing some of the recommendations in the 1998 audit report.¹⁸

1.20 The Committee subsequently reviewed *Audit Report No. 26, 2002–2003* at a public hearing in May 2003.

1.21 A further review of aviation security was announced in August 2003 by the Minister for Transport and Regional Services. The review was conducted by the Secretaries Committee on National Security with the aim of ensuring that 'all aspects of the system are positioned to meet emerging threats.'¹⁹

1.22 The results of the review led to the announcement on 4 December 2003 of further changes to the aviation security framework. Besides administrative changes, additional aviation security measures included:

- an expansion of the regulatory regime to cover all of the 180 airports handling passengers, and operators of freight aircraft, charter flights, and private and corporate jets;

17 Auditor-General, *Audit Report No. 26, 2002–2003*, p. 22.

18 ANAO, *Submission No. 22*, p. 151.

19 DoTaRS, *Submission No. 29*, p. 192.

- the implementation of comprehensive security programs and security measures based on individual airport risk assessments;
 - the requirement for hardened cockpit doors on all regular passenger and charter aircraft with more than 30 seats (for non-jet regional aircraft this measure would be funded by the Government);
 - the extension of the current regulatory regime for international air freight to cover domestic services;
 - the trialling of new freight screening technology;
 - the expansion of the Aviation Security Identification Card (ASIC) scheme to cover all staff at airports servicing passenger and freight aircraft;
 - the extension of the checking process associated with the ASIC scheme to include all pilots and trainee pilots; and
 - the requirement for general aviation aircraft to have anti-theft measures.
- 1.23 The Minister for Transport and Regional Services also announced that an additional \$93 million would be spent by the Government to fund these measures. A Government grants program would also be created to assist, on a dollar for dollar basis, eligible smaller airports to implement appropriate security measures.²⁰
- 1.24 The recent history of aviation security in Australia, therefore, is one of continuous review and adjustment to meet changes in the threat environment. While many of the adjustments have been initiated by the Executive, other reviewers such as the Auditor-General and parliamentary committees have an integral role. It is in the context of this ever-changing environment that the Committee has conducted this inquiry.

The Committee's inquiry

- 1.25 The Joint Committee of Public Accounts and Audit has a statutory duty to 'examine all reports of the Auditor-General', and the powers to report to Parliament 'on any items or matters' in the Commonwealth's 'accounts, statements and reports, or any circumstances connected with them'.²¹

20 Hon John Anderson MP, Minister for Transport and Regional Services, Media Release, *Enhanced Aviation Security Package Announced*, 4 December 2003.

21 *Public Accounts and Audit Committee Act 1951*, Sections 8(1)(c) & (d).

- 1.26 The Committee reviewed the first audit report into aviation security in 1999 and reported its findings in *Report 371*. The second audit report, *Audit Report No. 26, 2002–2003*, was also reviewed by the Committee at a public hearing on 21 May 2003.
- 1.27 Shortly after the May 2003 hearing there were three serious aviation security incidents in Australia. 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.
- 1.28 In light of these incidents and the heightened security environment existing in Australia, the Committee resolved on 4 June 2003 to extend its review of *Audit Report No. 26, 2002–2003*, under broadened terms of reference.
- 1.29 Invitations to provide submissions to the inquiry were advertised in the national press on 13 and 14 June 2003. Over 90 submissions were received—a list can be found at Appendix A. Some 13 exhibits were received—a list is at Appendix B. A number of confidential submissions and exhibits was also received.
- 1.30 The Committee held public hearings in Canberra, Sydney, Melbourne, and Brisbane between September and November 2003. A list of witnesses at the hearings can be found at Appendix C.
- 1.31 As well, the Committee inspected facilities at two regional airports—Tamworth and Coffs Harbour—which complemented an inspection of Sydney’s Kingsford-Smith Airport conducted as part of the initial review of *Audit Report No. 26, 2002–2003*. Details of the three inspections are in Appendix D.

Report structure

- 1.32 This report can be seen as comprising three sections. In order, these are:
- a discussion of the current threat environment in which aviation operates in Australia (Chapter 2);
 - discussions of the ‘non-human’ aspects of aviation security:

- ⇒ the recent or potential security enhancements provided through using new or emerging technology (Chapter 3); and
 - ⇒ how the costs of these measures could be met (Chapter 4); and
 - discussions of the 'human' aspects of aviation security:
 - ⇒ information sharing (Chapter 5);
 - ⇒ the rules and procedures underpinning regulation (Chapter 6);
 - ⇒ auditing compliance with those rules and procedures (Chapter 7);
 - ⇒ the training of personnel (Chapter 8); and
 - ⇒ the culture of security (Chapter 9).
- 1.33 A copy of this report and the public submissions received by the Committee are available on the Committee's website at <http://www.aph.gov.au/house/committee/jpaa/reports.htm>