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Audit Report No. 16, 1998–99 Aviation Security in Australia

Introduction

2.1   The purpose of the audit into aviation security in Australia was to assess the economy, efficiency and effectiveness of the implementation by the then Department of Transport and Regional Development (DTRD)[1] of Annex 17 to the Chicago Convention of 1944. The Annex '…sets out the broad parameters of the world aviation security regime with which Australia…must comply.'[2]

2.2   The audit focused specifically on DTRD's aviation security function and did not examine the responsibilities of other agencies, airports, airlines or regulated agents. The audit also excluded matters concerning the preparation for the 2000 Olympic Games, adequacy of international standards, the role of the Australian Protective Service, and the Department of Defence's counter-terrorism role.[3]

2.3   The audit concluded that DTRD had established a regulatory regime which ensured Australia's compliance with the standards embodied in

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1   The Department of Transport and Regional Development (DTRD) was renamed the Department of Transport and Regional Services (DTRS) in October 1998.

2   Auditor-General, *Transcript*, p. 4.

3   Auditor-General, *Audit Report No. 16, 1998–99*, p. 31.

Annex 17. However, the report also identified areas where Australia's aviation security regime could be strengthened. [4]

2.4   The Department of Transport and Regional Services (DTRS) agreed in full with all but one of the fourteen recommendations, accepting Recommendation 3 with qualification.[5] This recommendation is discussed in this chapter in the section headed 'Risk management'.

2.5   At the public hearing, the Committee sought further information in relation to:

■ risk management practices; and

■ auditing and compliance procedures.

Risk management

2.6   The goals of risk management are to '…reduce the chances of something going wrong and failing that, to minimise the consequences of something having gone wrong.' It attempts to achieve these goals through '…a systematic process involving an integrated structured and formal approach to identifying, analysing, assessing, treating and monitoring risk.'[6]

2.7   In the aviation industry, a risk management system must take into account a range of factors, including ongoing changes to the industry structure and emerging security threats. [7]

2.8   The audit report made the following observations with respect to risk management.

■ The department's approach emphasised the management of politically motivated violence despite the fact that this has been declining in prevalence.

■ Aviation security could be enhanced by the development of information alliances with both industry and off-shore regulators.

■ At the time of the audit, the department had not produced a comprehensive risk management strategy.

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4   Auditor-General, *Audit Report No. 16, 1998–99*, pp. 21–5.
5   Auditor-General, *Audit Report No. 16, 1998–99*, pp. 59–60.
6   Auditor-General, *Audit Report No. 16, 1998–99*, p. 33.
7   Michael Lewis, ANAO, *Transcript*, p. 14.

2.9   At the public hearing the Committee followed up several issues relating to the management of risk as it relates to aviation security. These were:

- the development of a risk management model;

- regional arrangements; and

- interaction between DTRS and others.

Risk management model

2.10   DTRS informed the Committee that it was developing a risk management methodology for airports and airlines that would ultimately underpin the risk management strategy for aviation security. A process of consultation, external advice and testing was planned. Implementation is envisaged by 30 June 2000.[8]

Regional arrangements

2.11   The audit recommended that DTRS work towards a common level of aviation security in the Asia-Pacific region by entering into formal pro-active alliances with aviation industry regulators in neighbouring countries, under the aegis of existing bilateral agreements.[9]

2.12   DTRS agreed with the recommendation but with qualification. At the public hearing Mr James Wolfe of DTRS explained that the same objective may also be achieved:

- through the security panel of the International Civil Aviation Organisation (ICAO), the major policy making body in the world for aviation security; and

- by the inclusion of specific security clauses in bilateral agreements with countries in the region.[10]

2.13   As well, if DTRS became aware of security concerns in a particular country, the department would raise the issue with Australia's bilateral partner.[11] The department was also updating security clauses in bilateral talks as they occurred and would be represented at the ICAO security panel's next meeting in early 2000. [12]

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8   DTRS, *Submission No. 3*, 10 May 1999, p. 2.

9   Auditor-General, *Audit Report No. 16, 1998–99*, p. 59.

10   James Wolfe, DTRS, *Transcript*, p. 13.

11   James Wolfe, DTRS, *Transcript*, p. 14.

12   DTRS, *Submission No. 3*, 10 May 1999, p. 3.

2.14   The Auditor-General acknowledged that the department's position was reasonable.[13]

Interaction between DTRS and others

2.15   Aviation security is dependent on the quality of interaction between various players. At the public hearing, DTRS informed the Committee that it had initiated discussions with the Australian Bureau of Criminal Intelligence and the state police forces with a view to improving the amount of intelligence available to DTRS. The department also flagged the possibility of more formal arrangements with the Australian Bureau of Criminal Intelligence. [14]

2.16   DTRS also informed the Committee that it

> …receives intelligence information from many sources including ASIO, the NZ Civil Aviation Authority, the US Federal Aviation Administration, the airlines and airport operators and through Airport Security Committees, local police, Immigration and Customs.[15]

Auditing and compliance

2.17   DTRS audits security-categorised airports, airlines and regulated agents to ensure compliance with regulatory requirements.

2.18   The Australian National Audit Office (ANAO) made the following observations about the department's auditing and compliance practices.

- Systematic analysis of the results of airport audits would help to identify higher risk airports and systemic issues.[16]

- Airline audits would be more efficient and effective if they were systems-based and risk-based.[17]

- Resource constraints have inhibited the effectiveness of audits of regulated agents.[18]

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13   Auditor-General, *Transcript*, p. 17.
14   James Wolfe, *Transcript*, p. 7.
15   DTRS, *Submission No. 3*, 10 May 1999, p. 4.
16   Auditor-General, *Audit Report No. 16, 1998–99*, p. 16.
17   Auditor-General, *Audit Report No. 16, 1998–99,*pp. 16–17.
18   Auditor-General, *Audit Report No. 16, 1998–99*, p. 17.

- Systematic evaluation of the results of individual audits or the audit function would facilitate a greater overall understanding of risks.[19]

2.19   It was also noted that the department recognised the importance of passenger screening and had taken measures to improve its effectiveness.[20]

2.20   At the public hearing, the Committee pursued the following issues:

- passenger screening;

- language barriers and

- the department's approach to auditing airlines.

Passenger screening

2.21   Passenger screening was a significant issue discussed at the public hearing. DTRS assured the Committee that a number of safeguards were already in place and that further improvements were underway. These developments included: 'check bag screening' which should be in place before the Olympic Games, and efforts to establish a certified course for screeners.

Language barriers

2.22   The ANAO noted that language barriers had the potential to pose serious problems for agencies such as DTRS which are charged with assessing foreign airlines' compliance with Australian aviation security requirements. The report identified several examples where language barriers had the potential to cause problems, including:

- interviews about security risks with cabin crews with a low level of English fluency;

- non-English speaking passengers being asked check-in questions by cabin crew, where DTRS auditors/inspectors were unable to check translation accuracy of questions and answers;

- airline representatives providing documentation about airline security training programs in languages other than English, which DTRS auditors may not comprehend; and

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19   Auditor-General, *Audit Report No. 16, 1998–99*, p. 17.
20   Auditor-General, *Audit Report No. 16, 1998–99*, p. 16.

- foreign airlines submitting airline security programs in languages other than English, which DTRS auditors may not comprehend, or signing off on DTRS model airline security programs in English where the foreign airline may not fully comprehend the terms.[21]

2.23   On this point, DTRS indicated that its auditors would benefit from a better understanding of the languages of some of the airlines they are dealing with. However, it pointed out that English was the universal language in international aviation and that airlines should not be presenting people who were unable to speak English. [22]

2.24   The department also noted that its audit approach was developing in such a way as to overcome the barriers imposed by non-English speaking crews. See discussion in the section headed 'Auditing airlines'.

Auditing airlines

2.25   DTRS informed the Committee that it would undertake a major review of its approach to airline auditing in 1999. It aimed to implement a systems and risk based approach to airline security regulation by early 2000.[23] Mr Wolfe also commented that airline auditing is moving towards a situation where DTRS speaks to the people who are responsible for an airline's security about the practices employed.[24] This approach represents an improvement on the current approach where the crew of a particular flight is questioned. It is in line with the views expressed by the ANAO in that it facilitates a more systematic approach and would also identify airlines with substandard practices.

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21   Auditor-General, *Audit Report No. 16, 1998–99*, pp. 75–6.
22   James Wolfe, DTRS, *Transcript*, p. 15.
23   DTRS, *Submission No. 3*, 10 May 1999, p. 3.
24   James Wolfe, DTRS, *Transcript*, p. 15.

Committee comments

2.26   The Committee notes that, while the focus of policy on aviation security relates to politically motivated violence, there are risks and security issues arising from criminal activity.

Recommendation 1

2.27   **The Committee recommends that the Department of Transport and Regional Services and the Attorney-General's Department review arrangements for cooperation between airport authorities and police forces in dealing with criminal activity at airports.**

The Committee recommends that the Department of Transport and Regional Services review passenger and hand luggage screening, including: the training, capability and responsibilities of operators; and the effectiveness of response by relevant authorities (Federal Police or Protective Services officers) in the event of contraband being detected, or other critical events occurring during screening procedures.

2.28   The Committee notes that an understanding of language is a crucial aspect of communication. Therefore, in view of the increased in air traffic associated with the Olympic Games, the Committee strongly believes that DTRS should provide its auditors with training in cross-cultural communication. This could be assisted by DTRS employing Australian trained and certified interpreters.