



Monday, 4th September 2023

Aviation White Paper Branch  
Domestic Aviation & Reform Division  
Department of Infrastructure, Transport, Regional Development, Communications and  
the Arts  
GPO Box 594  
Canberra ACT 2601

Dear Aviation White Paper Branch,

I write to make this public submission in relation to the Australian Government's proposed Aviation White Paper and its Aviation Green Paper which is due to be released shortly.

The White Paper will explore the likely future trends in aviation over the period to 2050 and articulate long-term policy directions to set the scene for the next generation of growth and innovation in the aviation sector. Through the White Paper, the Australian Government will promote an efficient, safe, sustainable and competitive Australian aviation sector, that is critical to the economy and the standard of living of all Australians.

The White Paper will consider future trends on the wide range of actors within the aviation sector, including airports and their local communities, government, ground staff, flight crews, freight users, domestic and international airlines through to the travelling public. Scope and themes

The White Paper will examine the Government policy and economic reforms necessary to promote efficiency, safety, sustainability and competitiveness of the aviation sector out to 2050.

Other key policy areas to be considered in the White Paper include:

- aviation's role in economic development, trade and the visitor economy – general, domestic, regional and international aviation;
- how to maximise the aviation sector's contribution to achieving net zero carbon emissions including through sustainable aviation fuel and emerging technologies;
- changing aviation technologies and ways to position our policies, regulations and systems to encourage uptake and manufacturing of new, more efficient, transport technologies;
- airport development planning processes and consultation mechanisms that consider the impact and changing nature of aircraft noise and related expectations on the role of noise sharing and noise mitigation;
- how to support and regenerate Australia's general aviation sector;
- future industry workforce skills and training requirements;
- appropriate consumer protections and access to services;



- maintaining fit-for-purpose aviation safety, air navigation and aviation security systems and service delivery agencies;
- the role of airlines and airports in supporting regional economies; and
- other significant issues raised during the consultation process.

The White Paper will clearly articulate the Commonwealth Government's policies on desired aviation outcomes in relation to efficiency, safety, sustainability and competitiveness to ensure the sector is appropriately positioned to deliver aviation services for the Australian public and international visitors out to 2050.

The White Paper will not seek to replicate work underway through processes like the Employment White Paper, THRIVE 2030 strategy or Sustainable Aviation Fuel and the to be established Jet Zero-style Council. Instead the Paper will build and help cement priorities coming out of these processes into a long-term vision for Australian aviation.

The White Paper will set overarching principles and directions for aviation over the short/medium/long term, including concrete actions over the next five years to help position the sector to achieve these directions.

### **Timeframes and deliverables**

- Green Paper, due to be released in September 2023 – outline key challenges and opportunities for the aviation sector to enable government, industry and community to give feedback on Green Paper proposals
- White Paper, due to be released in the first half of 2024 – authoritative, in-depth report, drawing on feedback from the Green Paper.

### **Future Australian Aviation Industry Reforms**

Whilst it is clear that the Australian and global aviation industries face one of the toughest operating environments in recent history, in addition to addressing these short-term workforce, economic and diversification challenges, it is equally important that a National Aviation Policy provides a long-term vision for the Australian aviation industry to continue to grow and develop over the coming decades.

In this regard, Ben Blackburn Racing believes that the Australian Government should make every effort to attract additional low-cost carriers and develop Australia as a regional hub, supporting initiatives such as expanding Darwin Airport as a northern gateway to Australia and the continued expansion of Canberra Airport to attract international flights and transform Canberra Airport into a world class hub.

In Western Australia, Perth Airport is planning to invest up to \$2.5 billion to upgrade international terminal facilities, construct a new parallel runway, and build additional terminal capacity within the Terminal 1 precinct to allow consolidation of all commercial air services into the Airport Central precinct.

Ben Blackburn Racing believes that we should also be encouraging more market competition which will ultimately deliver better and cheaper domestic flights for all Australian consumers.

The White Paper must lay out a security policy framework supported by a workable funding model, balancing the need for a robust and best-practice security regime with the costs incumbent on airports in helping deliver it – and with the broader objectives of tourism and regional development policies in mind.



## **Learnings from September 11 terrorist attacks in the United States**

As we approach the 22nd anniversary of the September 11, 2001, terrorist attacks on the Twin Towers in New York City which ought to serve as a permanent reminder to all key policymakers in Canberra of the importance of providing the adequate airport security screening necessary along with increased security screening hubs at rural and regional airport security checkpoints.

In the post 9-11 era, airports must be secure gateways to and from Australia's cities and regions while operating efficiently as commercial entities.

An effective, focussed, risk-based and comprehensive aviation security system should be in place to mitigate the risk to Australia's air travellers and the general public from terrorism and criminal interference.

This should also be clearly articulated in the Australian Government's Aviation White Paper along with a timeline of improvements which have been made since the last National Aviation White Paper which was released in December 2009.

## **Competition**

New low-cost airline Bonza is now offering services on all 27 routes within its planned initial network after commencing regular services in February 2023. For many consumers, the primary benefit of Bonza's entry will be its low airfares and direct connections on new regional routes. Bonza is also offering extra choice and competition on 2 routes served by other airlines – Melbourne to Sunshine Coast and Mildura.

The duopoly market structure of the domestic airline industry has made it one of the most highly concentrated industries in Australia, other than natural monopolies.

As the ACCC (Australian Consumer and Competition Commission) has already reported in its '*Airline competition in Australia Final Report*' which was released earlier this year in June 2023:

***"...The lack of effective competition over the last decade has resulted in underwhelming outcomes for consumers in terms of airfares, reliability of services and customer service. The expansion of Rex and the entry of Bonza in recent years have created the opportunity for the industry to enter a more competitive period. However, both would need to expand significantly if they are to become more meaningful competitors to the Qantas Group and Virgin Australia".***

The Australian Government is currently considering various aviation policies as part of its Aviation White Paper process and the review of the demand management scheme at Sydney Airport. The best way to promote competition for the benefit of consumers would be to implement reforms already identified by the review which would help new and expanding airlines to better access take-off and landing slots at Sydney Airport.

Separately, consumers would be better able to resolve disputes with airlines, and airlines would be incentivised to provide improved customer service, if there was an effective independent dispute resolution ombuds scheme.

Under direction from the Australian Government, the ACCC has been monitoring and reporting on the domestic airline industry for the last 3 years.



Its monitoring role has significantly expanded the ACCC's knowledge of the airline industry, and it has developed a deep understanding of airline practices that may contravene the Competition and Consumer Act 2010 (Cth).

While the Australian Government's direction is expiring, the ACCC has indicated that it will continue to watch the airlines' conduct and where necessary use its broad enforcement powers to take action to achieve compliance with competition law and the Australian Consumer Law.

### **Legislative and policy reform could promote competition and better protect consumers**

As the ACCC has also noted, the Australian Government could promote competition by implementing reforms to help new and expanding airlines obtain slots at Sydney Airport.

The Australian Government could also incentivise airlines to improve their customer service by introducing an effective independent dispute resolution ombuds scheme.

### **The future use of Artificial Intelligence (AI) in the aviation industry**

The aviation industry is no stranger to Artificial Intelligence (AI) technology and has been using it effectively in various areas and across the value chain for decades.

However, Australia, the United States of America, the United Kingdom and Europe are entering an era in which AI capabilities are reaching new heights and it will ultimately have a major impact on how airlines, airports and passengers conduct their business.

There are various and differing expert opinions on the socio-economic long-term impact of AI.

Historical trends show a positive impact of emerging technologies, i.e. while some jobs are made redundant due to new technologies, other new jobs are created at the same time.

The AI adoption barrier to entry has become much lower due to an intense competitive environment with many technology providers offering AI solutions. Adopting such solutions has a lower risk exposure, in particular from a financial perspective. The long-term future of AI is difficult to predict; however, over the short- and medium-term, the aviation industry has the potential to extract significant benefits from this technology.

Some of the potential future characteristics, capabilities and use cases of AI systems in the aviation context include:

**24-7 AI Services:** AI never gets tired and has a multi-layer parallel redundant architecture, i.e. unlikely to fail and if failure does occur there are many backups.

**100 per cent up-to-date:** AI system can be loaded with a complete competence packages for all the systems, tools and equipment used in an airline; with updates as and when there are changes.

**More comfortable flight experience:** While IATA and airlines are already working on a real-time turbulence database, AI could enhance this, for example with a real-time multidimensional pressure data feed of the airspace within a radius of certain value, which can be used for optimisation purposes as well as avoidance of turbulence.

**Safety & Real-time Monitoring:** AI could make it possible to have an Aircraft Real-time Health Monitoring System (ARHMS), driven by sensors at the atomic level on every part of the aircraft, its content, and surroundings. Any anomalies (e.g. stress, pressure, magnetic, temperature, humidity fluctuations) can be measured and acted upon.





Upon landing, AI could conduct a physical safety check, inspecting the entire aircraft through the ARHMS and using an autonomous multi-drone system.

Baggage Delivery: AI could deliver the bags in partnership with a Drone Service Provider that flies bags from the aircraft straight to the location indicated by the passengers.

Commercial Decision Making: AI can also fulfill central duties (e.g. aiding commercial decision making, revenue management, Service Level Agreement monitoring, management of all Smart Contracts with value chain partners, invoicing and settlement, and procurement).

Ben Blackburn Racing believes that there is a responsible role for the Australian Government to play in relation to raising awareness and supporting airlines and the wider value chain to reap the benefits of new technologies such as AI.

Through applied research and development, proof of concepts, pilots and engagement with the academic and start-up sectors, the Australian Government should also have a clear policy focus on AI innovation in its final Aviation White Paper.

Thank you very much for taking the time to read and consider this correspondence and our public submission.

I look forward to your reply.

Kind regards,

A handwritten signature in black ink, consisting of the initials 'B. B.' followed by a series of connected loops, resembling the name 'Blackburn'.

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Mr Ben Blackburn  
Managing Director  
Ben Blackburn Racing  
Postal address: Unit 5/8 Meroo Road  
Bomaderry NSW 2541

