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Director, Aviation White Paper Project Office
Aviation White Paper
Department of Infrastructure, Transport, Regional Development, Communications and the Arts
GPO Box 594
CANBERRA ACT 2601

SUBMISSION TO THE DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT, COMMUNICATIONS AND THE ARTS: AVIATION GREEN PAPER

The Tourism & Transport Forum (TTF) is the peak industry group for the aviation, tourism, transport, and related infrastructure sectors. TTF is a national, member-funded CEO forum, advocating for the public policy interests of our members. TTF represents a broad range of operators which include airports, airlines, tourism, attractions and travel operators, accommodation providers, major events, retail and hospitality businesses, and leading private & public transport operators with a state and national presence.

TTF is the leading industry voice and plays an important and active role in advocating for the policy interests of our members. TTF would like to take this opportunity to thank its members for their valuable contributions in shaping our response.

We welcome the opportunity to provide a response to the Department of Infrastructure, Transport, Regional Development, Communications and the Arts' Aviation Green Paper, to support the development of the White Paper. The Green Paper has a wide remit of items to respond to, however TTF has selected four key components which form the basis of our submission.

Our Aviation Green Paper submission includes the following parts:

- **Part One** - Maximising aviation's contribution to net zero (Pages 2 – 5)
- **Part Two** - Airport development planning processes and consultation mechanisms (Pages 6 – 7)
- **Part Three** – Disability access (Pages 8 – 9)
- **Part Four** - Border processes and passenger facilitation (Pages 10 – 20)

Part One - Maximising aviation's contribution to net zero

(In response to Green Paper Chapter 5.1 - Opportunities and challenges in decarbonising aviation; and Chapter 5.2 - Sustainable aviation fuel)

Introduction

Australia's tourism, transport and aviation sectors are firmly committed to supporting a sustainable aviation industry, to help secure the long-term viability of air travel. As a long-haul destination, Australia's ability to attract international business and leisure travellers hinges on taking feasible and practical steps to reduce aviation's carbon footprint.

The White Paper is a critical opportunity to guide the policy framework required to ensure the industry can successfully meet the global aviation target of net zero emissions by 2050 and lead the transition to a sustainable future. While decarbonising aviation is a multifaceted challenge, TTF urges policymakers to prioritise the development of Sustainable Aviation Fuel (SAF) and establish a local SAF industry in Australia. The sector hopes the newly founded Jet Zero Council will be a driving force in achieving this, complementing the White Paper, to help advise the Federal Government on the best path forward to maximise aviation's contribution to net zero. With a large percentage of aviation's carbon emissions arising from the combustion of conventional liquid aviation fuel (kerosene known as Jet A-1) in aircraft engines, SAF can be used as a safe replacement of conventional liquid aviation fuel without the need to develop new aircraft and engines. This is why SAF has a crucial role to play in providing an alternative, low carbon source of energy to power the world's fleet of aircraft including those that operate within, and to and from Australia. While the chemical and physical characteristics of SAF is very similar to conventional liquid aviation fuel it delivers significantly lower lifecycle emissions, on average around 70-80 per cent.

Sustainable Travel Trends

TTF members acknowledge the future success of Australia's tourism industry rests heavily on the successful integration of sustainable practices, particularly within aviation. This growing focus on sustainability is evident in the latest consumer travel trends, which highlight the priority placed on protecting the planet for future generations. 74 per cent of travellers globally now recognise the need to make more sustainable travel choices, according to Booking.com's Sustainable Travel Report 2023, increasing from 66 per cent in 2022¹. This recognition is already impacting consumer decision-making, with 76 per cent of travellers indicating they want to travel more sustainably over the coming 12 months and 74 per cent wanting travel companies to offer more sustainable travel choices.

To reap the benefits of changing attitudes and remain competitive, Australia must continue to position itself as a leading, environmentally conscious tourism destination, in which sustainable aviation is at the heart of everything. Reducing emissions from air travel to, from and within Australia will help increase Australia's desirability amongst international tourists, as well as facilitate business travel, which is also being impacted by the growing focus on environmental sustainability.

Companies are increasingly prioritising environmental credentials when selecting flights and accommodation for business travel, with 63 per cent of international companies, on average, now interested in increasing sustainable business travel¹. While new research from Deloitte highlights the potential impact of this increased focus on sustainability if the business travel sector does not comply, estimating about 80 per cent of European companies and 75 per cent of U.S. companies will have to cut spending on business travel by 10 to 30 per cent to meet their 2030 sustainability targets. This poses

¹ Booking.com, Sustainable Travel Report 2023, globalnews.booking.com/download/31767dc7-3d6a-4108-9900-ab5d11e0a808/booking.com-sustainable-travel-report2023.pdf

risks for Australia in particular as a long-haul destination, unless urgent action is taken to successfully reduce emissions from aviation. This also has broader implications on Australia's ability to host and bid for international major and business events as companies and associations will choose not to travel to Australia due to the long distance. Business events are critical to the success of the Australian visitor economy, directly generating \$17.2 billion (FY19) for the economy and directly employing 229,000 people².

Benefits of Sustainable Aviation Fuel (SAF)

The single biggest lever for the Australian aviation sector to decarbonise is Sustainable Aviation Fuel (SAF). SAF is a low carbon alternative drop-in replacement to conventional liquid aviation fuel which can be produced from a range of feedstocks, such as plant and animal wastes, used cooking oil and fats, or chemical compounds such as carbon dioxide or green hydrogen. SAF offers the best alternative to traditional jet fuel derived from crude oil, with the potential to contribute up to 65 per cent of aviation emissions reduction by 2050. It meets the same chemical and safety specifications as conventional aviation fuels, whilst reducing carbon emissions by up to 91 per cent compared to traditional fuel over its lifecycle.

Australia risks falling behind other developed countries on both policy and direct investment to support the development of a local SAF industry. However, with the right policy settings, a domestic SAF industry could provide a range of benefits, including:

- Secure Australia's domestic fuel security by removing reliance on imported conventional liquid aviation fuel.
- Create more than 7,400 jobs by 2030 and up to 15,600 jobs across the country by 2050, mostly in regional areas.
- Contribute an additional \$2.8 billion in GDP per year by 2030, and up to \$7.6 billion per year in 2050.

Developing a local SAF industry

Australia needs significant government support to enable SAF to be produced locally at a scale and pace required to successfully decarbonise the sector. The industry appreciates the Federal Government's interest and commitment to helping develop the right policy settings to achieve this but emphasises that they must be implemented without delay, to match the speed in which the global SAF landscape is evolving.

In the past year, other developed nations have taken a commendable lead in this space, accelerating SAF development by introducing supportive policy frameworks, such as SAF blending mandates in the EU, financial subsidies for SAF producers in the US, and a potential hybrid of the two, coupled with grant funding in the UK.³ Australia risks lagging behind if the right policies to encourage SAF production domestically are not prioritised.

Individual airlines in Australia should be lauded for setting their own ambitious targets for their SAF and sustainability reform, such as Qantas' goal for 10 per cent of its jet fuel to come from SAF by 2030, increasing to 60 per cent by 2050. While the industry has also sought to expedite local SAF production, for example through the \$400 million Qantas Climate Fund, established in partnership with Airbus in June 2022. The Fund, which is the largest of its kind in the world, has already led to investment in a feasibility study, with the support of the Queensland Government, for the development of a Queensland biofuel production facility, which would produce SAF from ethanol derived from agricultural products. It

² Value of Business Events to Australia 2020, https://www.meetingsevents.com.au/sites/default/files/uploaded-content/website-content/beca_2019_update_report_v4.pdf

³ Qantas Sustainability Report 2023, https://investor.qantas.com/FormBuilder/Resource/module/doLLG5ufYkCyEPjF1tpgyw/file/annual-reports/QAN_2023_Sustainability_Report.pdf

has also led to investment in the Wheatbelt Connect project in Western Australia, to support native reforestation and carbon farming, along with a study to investigate the conversion of native Mallee biomass into renewable fuels. Virgin Australia has outlined ambitious sustainability outcomes such as commitment to target net zero carbon emissions by 2050 and a carbon intensity reduction objective of a 22 per cent reduction in emissions intensity by 2030. Tangible measures are also underway such as the fleet renewal project and SAF Trial. In 2018-19, Virgin participated in a sustainable aviation fuels trial, in partnership with the State of Queensland. In addition, the fleet renewal project will see- the current 737-800 NG be replaced with the more fuel efficient, 737-8 which is approximately 40 per cent quieter. It is anticipated that the fleet renewal program, along with other fuel efficiency initiatives, will support over 80 per cent of our interim 2030 ambition to reduce the carbon emission intensity of VA by 22 per cent.³

Another example is the recently announced Memorandum of Understanding between IFM Investors and GrainCorp, to explore the use of agricultural feedstocks to produce SAF. This includes feasibility studies on production facilities in Australia, through long-term domestic feedstock supply, including waste and residues, crop-based oils and bio-organics, as well as SAF end user market locations. They will also assess sustainable farming practices, including opportunities to reduce the carbon intensity of feedstock product for sustainable fuels.

While these are promising new initiatives led by industry, the Federal Government must provide the supportive policy environment needed to further advance these broader industry efforts.

To help develop a local SAF industry in Australia, key considerations for government, in cooperation with the Jet Zero Council, should include:

1. Stimulate demand by considering a Low Carbon Fuel Standard and a potential SAF blending mandate for Australian producers. If this approach is taken, it's important that industry is adequately consulted and involved in the decision-making process before any final positions are formed.
2. Incentivise the private sector by redirecting fossil fuel subsidies towards SAF uptake. For example, repurposing the existing Fuel Tax Credit scheme for fossil fuels to redirect subsidies towards the uptake of renewable liquid fuels.
3. 'Prime the pump' of the emerging SAF industry by increasing direct investment in research and development, such as new production facilities.
4. Protect local feedstock availability for domestic use, in the context of competition from overseas markets.
5. Prioritise SAF as the main endpoint of low carbon alternative aviation fuels production, rather than other sectors which are easier to abate, through the energy transition and use of green hydrogen or electric vehicles.

SAF cooperation with key partners

Significant opportunities exist for Australia to explore closer cooperation with other nations, to jointly address sustainability challenges impacting aviation. This could be particularly beneficial in the short-term, to help bridge the gap until domestic SAF production in Australia is well-matured.

One example is possible collaboration with the US, through a bilateral Book and Claim arrangement. This mechanism would allow airlines to operate net zero flights by purchasing SAF credits through the Book and Claim system, without receiving physical supply. TTF members recognise this has the potential to help preserve affordable air travel for Australians, and support long-term cost competitiveness amongst all airlines, including those unable to invest directly in the SAF supply side. From a strategic perspective,

such a bilateral arrangement would align strongly with the Australia-US Climate, Critical Minerals and Clean Energy Transformation Compact agreed to earlier this year, to help advance clean energy action between our two countries within this decade. However, to succeed, the arrangement would require robust traceability, certification and accounting to ensure the legitimacy of the emissions savings recorded.

While industry has taken initial steps to investigate these opportunities, the sector would benefit from further government-facilitated access to, and pursuit of these discussions with countries also interested in decarbonising their aviation sector. However, any arrangement would still need to be undertaken in conjunction with key policy incentives to help grow a local SAF industry in Australia and reach the scale required to meet the sector's emissions targets.

Australia is in a competitively unique position to be a leader in SAF production and development as other nations will look to Australia for supply, especially for New Zealand and Pacific Island nations. Many of these countries do not have adequate feedstock availability or production capacity and will look to Australia to take a leadership position. We need to leverage this opportunity and step up to be a leader in SAF development.

Importance of industry-led approach through Jet Zero Council

TTF commends the Federal Government for establishing the Jet Zero Council, announced on 21 June 2023 to further progress issues relating to sustainability and decarbonisation. The Council brings together key stakeholders from across the aviation industry and its supply chains to help inform and guide government policy settings to reduce aviation emissions and achieve net zero by 2050. Following the first meeting which was held on 15 August 2023, regular meetings of the Jet Zero Council will be critical to successfully addressing the urgent, unresolved challenges that remain in transitioning the aviation sector towards a more sustainable future. During development of the White Paper and following its release, the Council will be an invaluable resource to help implement the policy framework best suited to achieving these goals.

We welcome the communique published online following the meeting on 15 August and appreciate the Department's commitment to ensure all future meeting outcomes are made publicly available. Regular status updates to the industry will be critical to ensuring the Council's success and maintaining the broader industry's engagement with progress in this space.

Part Two - Airport development planning processes and consultation mechanisms

(In response to Green Paper Chapter 6.3 - Land use planning on-site at airports)

Introduction

TTF advocates for reforms to the regulatory framework for airport planning processes to encourage the development needed to support expected increases in capacity and improve the passenger experience. The existing system of preparing Master Plans and Master Development Plans (MDPs), which has not been reformed for more than 25 years, is no longer fit for purpose. As a result, airports are at a competitive disadvantage due to the time, cost and uncertainty associated with the current MDP process.

Land use planning on-site at airports

TTF would like to see a more strategic policy framework around development, including a review of the monetary threshold at which an MDP is required. The current threshold of \$25 million does not reflect the increased costs of developments, including the current labour and material costs as well as supply chain challenges.

TTF would like to see the planning requirements streamlined for developments, for which there is expected to be minimal community impact. This would also involve providing more detailed definitions around community health and social impacts in relation to thresholds, which are currently too ambiguous under the current system.

Changes should also be considered to reduce the complexity and cost of MDPs, which can take up to 18 months from date of lodgement to receive approval. This timeframe is not in line with equivalent State and Local Government development approval processes across Australia and is impeding development.

Other recommended reforms, in relation to planning regulations raised by TTF members, include:

- Improve processes around environmental impact assessments. Development projects which qualify for consideration by the Department of Climate Change, Energy, the Environment and Water, under the Environment Protection and Biodiversity Conservation Act, have previously faced lengthy delays. Guidance and thresholds are not clearly defined, and the process is not subject to statutory timeframes. These processes are worth reviewing to reduce unnecessary delays without diminishing environmental outcomes.
- Give exemptions for developments of strategic, state or national importance, such as vaccination facilities or aircraft maintenance facilities.
- Review conditions for approval durations, which are currently subject to a requirement that developments be 'substantially completed' within five years, with extensions available. This requirement is not feasible for very large developments and should be reviewed or even potentially removed.
- Improve definitions as to what constitutes a significant change to a project that therefore requires variation to an MDP approval, as the existing definitions are ambiguous and not applied consistently.

Long-term Commonwealth lease duration

The duration of leases for Leased Federal Airports, which is currently 50 years with an option for a further 49 years, is discouraging long-term infrastructure investment and other major commercial developments. The current arrangement is frequently restricting airports' ability to give assurance of continuity to interested tenants for developments beyond the current lease end. Concerningly, this challenge is expected to worsen as the number of remaining years on each lease decreases. This makes it difficult for airports to deliver on their obligations in accordance with the terms of their lease, which include developing airport sites to accommodate future growth and maintain a certain level of quality and access.

TTF recommends the White Paper review the current limit on lease duration to encourage development and provide long-term certainty, in line with airports' obligations and objectives.

Airport Building Controller (ABC)

Another constraint on development projects is the inadequate resourcing of the Airport Building Controller (ABC), which oversees the quality of airport developments. Current processes mean that essential improvements are slower than necessary. This has a lasting impact on the customer and tourist experience in the airport which is concerning given we are in an extremely competitive international tourist market. The department should also consider the implications and conduct proper consultations before increasing airport associated costs; an example was the recent increase to Airport Environment Officers. The current policy environment is unbalanced with these disproportionate increases along with other taxes such as the Passenger Movement Charge which goes directly back into Commonwealth consolidated revenue and is not used for aviation purposes. Airports are seeking an urgent resolution to their concerns and have engaged with the Department on improving this service. TTF welcomes this issue being additionally pursued through the White Paper process.

Aviation Security

Current regulations mean that tier 3 airports are not required to undertake security screening ahead of a flight and tier 2 airports are only required to conduct security screening for aircrafts with 40 or more seats. All passengers boarding aircraft at tier 1 and 2 airports should be screened in the interest of security. This will also provide greater consistency as passengers are required to be screened from tier 1 airports even when the aircraft is under 40 seats.

Part Three – Disability access

(In response to Green Paper Chapter 3.3 - Disability access)

Introduction

The tourism, transport and aviation sectors remain committed to making air travel more accessible for people living with a disability. We welcome the Green Paper's focus on removing accessibility barriers so all Australians and international visitors can enjoy a more equitable and dignified experience when travelling.

People living with disability continue to face challenges engaging with aviation services, as heard by the Disability Royal Commission. Some of the difficulties encountered, previously outlined in the Green Paper, include:

"... being seen as an afterthought amid flight cancellations, being denied travel with assistance animals, a lack of accessible flight options in regional and remote areas, limited aircraft capacity to accommodate wheelchairs, extended and unreasonable check-in times, insufficient information from airlines on accessibility arrangements and a lack of communication and complaint mechanisms." (p.44)

The industry recognises that people living with disability may also be affected in instances where it is unclear whether airport or airline staff hold responsibility for providing assistance. This can result in a lack of necessary support for passengers living with disability to undertake or complete their journey.

TTF welcomes the reform process currently underway to address some of the existing barriers impacting people living with disability, including to modernise the Disability Standards for Accessible Public Transport 2002 (Transport Standards). The second tranche of reforms is undergoing an Australian Government approval process and we keenly await the details of those reforms and implementation arrangements, which are expected to be made public following this process.

We also welcome the final report of the 2022 review of the Transport Standards, conducted every five years, which will be provided to the Minister for Transport and the Attorney-General this year.

Improving air travel accessibility in regional and remote areas

People living with disability face unique obstacles in travelling by plane to regional or remote areas. These challenges may be amplified due to fewer services or inadequate infrastructure in these locations. Some of the deterrents impeding people living with disability from flying to or from regional and remote areas can include:

- Lack of accessible infrastructure, such as ramps, seating areas and accessible restrooms.
- Reduced public transport options to access regional airports.
- Reduced aircraft capacity or support services to adequately accommodate passengers living with disability.
- Reduced access to airline updates and ability to communicate special assistance requirements due to regional airline limitations.
- Limited access to nearby medical facilities in remote areas.

Collaboration between government, industry and people living with disability is needed to adequately address these challenges. Governments should focus their efforts on providing accessible infrastructure and public transport services, whilst working with regional airlines to reduce other barriers to air travel.

Disability Access Facilitation Plans

Disability Access Facilitation Plans (DAFPs) in aviation are a critical tool used by airports and airlines to improve accessibility for air passengers living with disability. They help communicate essential information to passengers about the accessibility services available throughout the entire passenger journey, from the initial booking process to arriving at the destination airport.

Ongoing consultations between people living with disability, industry and government will be crucial to making sure DAFPs are fit for purpose. Government can support industry efforts to achieve this by developing a guiding framework for the design and implementation of DAFPs. The industry would be well-served by a clear template with a standardised structure, which outlines precise expectations for compliance. TTF members suggest this template could factor in airport configuration, customer presentation and landside access, which vary for each airport across Australia. Creating a uniform method of formulating DAFPs would achieve greater consistency in addressing the needs of passengers living with disability and ensure procedures are implemented more effectively.

Aviation Access Forum

The Aviation Access Forum (AAF) needs to be restructured to improve its effectiveness and adequately enforce change to address disability access issues in Australian aviation. The AAF would be best served by the following reforms, including:

- Establish a clear Terms of Reference in consultation with key stakeholders, to define the scope of the forum's efforts and detail measurable outcomes with specific timeframes.
- Develop comprehensive guidelines to outline the precise expectations for airports, airlines and other stakeholders, including practical recommendations to enhance accessibility in all relevant areas.
- Collect formal feedback to identify and prioritise key concerns, and regularly discuss the industry's performance in addressing these.
- Introduce a framework for industry to regularly self-assess its performance and report the findings, to help foster industry accountability.
- Establish a reporting and maturity assessment, to encourage industry to follow the guidelines and enhance transparency.
- Develop resources and other practical tools for industry to implement the guidelines effectively.

Part Four - Improving the efficiency of border processes and passenger facilitation

(In response to Green Paper Chapter 8 – Fit-for-purpose agencies and regulations)

Introduction

It is essential that the experience of passengers using Australian airports is of the highest quality - safe, efficient and enjoyable. Airports are also focal points for border protection and aviation security. It is in everyone's interest that these processes and outcomes for national security and economic wellbeing are continuously enhanced, to use resources more efficiently and decrease intervention for travellers who present little or no risk.

We are at a time in history when there is a powerful nexus between digitalisation, automation and data processing, which can be harnessed to achieve smarter and better outcomes for passenger journeys, aviation security and border protection. We firmly believe it is time to achieve this outcome through a whole of industry approach.

We have prepared Part Four of our submission, with the assistance of global aviation consultancy Airbiz, to outline TTF's vision for partnerships between governments and industry, to use advance data collection and processing, to streamline passenger journeys and border processing at our airports.

Our border is such a vital asset to the tourism and transport industries and Australian Border Force is currently working on many projects and initiatives to ensure it is safe, efficient, and technologically advanced. In an extremely competitive international tourism market, it's incredibly important that we also make sure the passenger and tourist experience is the best it can be. The border is the first and final interaction for travellers and creates a lasting impression on their experience of travelling to and from Australia. Australian Border Force needs to be adequately funded to ensure that tourists and travellers have efficient experiences when arriving and departing through Australia's border, especially to protect our global brand as a leading travel destination.

The first part of this section (**Funding**) will respond to Chapter 8.4 "Agency funding and cost recovery approaches" and recommend a direct relationship between Border Force (ABF) funding and a user-pays framework. The second part of this section (**Initiatives**) will respond to Chapter 8.7 "Passenger facilitation" and outline three key initiatives to support TTF's vision for passenger facilitation, working towards a global standardised approach. Finally, the third part of this section (**Partnerships**) will respond further to Chapter 8.7, to detail how the government can optimise partnerships with industry to streamline the movement of passengers, modernise the border and enhance security.

Context for needing to improve border processing and passenger facilitation

- **The Covid-19 experience**

Aviation was one of the industries hit hardest the pandemic, bringing air travel to a halt and resulting in workers and vital skills leaving the sector. Challenges remained once borders reopened, as systems and resources struggled to cope with scaling back up operationally. The pandemic also resulted in additional health screening, which in some ways, has led to passenger processing becoming more complex post-Covid.

- **Australian international air travel is recovering well**

Improving border and passenger processing would help support the continued, solid demand for international air travel. Nearly 30 million international air passenger movements were recorded by the Bureau of Infrastructure and Transport Research Economics (BITRE) in the year to June 2023. This represents 71 per cent of pre-pandemic levels, compared with the year to June 2019. While the

number of passengers travelling between Australia and New Zealand was 5.37 million, or 74 per cent of pre-pandemic levels. While traffic between Australia and Singapore was almost fully recovered, at 94 per cent of pre-pandemic levels over the same period.

The total number of international flights operated was 151,000 in the year to June 2023, which is 73 per cent of pre-pandemic levels compared to the year to June 2019, with capacity already increasing and forecast to continue rising next year.

- **The economic value of our borders, enabling export revenue**

A seamless border would help support our export revenue. The best measure of the economic value of our borders is to examine the return of international visitors, whose spend in Australia is counted as exports, given much of the trade statistics are skewed by the value of sea freight. Encouragingly, international visitor traffic is climbing, reaching 79% of pre-pandemic levels on average from June to September 2023, compared with the same period in 2019.

- **Contactless processes have become increasingly mainstream**

We now live in a world that has widely adopted contactless processes. Cash transactions are steadily declining, mobile apps are widely accepted and in China, facial recognition is being used for store purchases. Yet international border processing is lagging behind, in particular the international arrival card for Australia, which in most cases is the primary source of data for assessment of passenger and baggage risk, is still paper-based.

- **The opportunity for contactless border processing**

This submission will also explore the opportunities offered by the power of digitalisation, automation and data processing to evolve a smarter, better way to streamline air travel to and from Australia.

The ability for passengers to process seamlessly through Australian airports, facilitated by biometrics, digitalisation and innovative industry-sharing of data and technologies will significantly enhance passenger experience, and in so doing will contribute to the Green Paper's principles by:

- Enhancing **efficiency** through a reduction in manual, face-to-face processing and the removal of duplication of tasks and data collection across agencies,
- Reducing paper-based processing resulting in greater **sustainability**,
- Improving **productivity** of border force staff and resources,
- Reducing the eventual cost base of border processing, resulting in the delivery of more **competitively priced** services, while
- Maintaining **safety** and security of passengers and air services as the number one priority.

TTF Submissions

1) Funding

This section of our submission responds to Green Paper Question 8.4 Agency Funding and Cost Recovery Approaches: *What should the Australian Government consider when determining **cost recovery arrangements** to ensure a safe, equitable and accessible aviation system?*

In Chapter 8 of the Green Paper (Fit for Purpose Agencies and Funding), clear parallels are drawn between direct funding mechanisms for the Civil Aviation and Safety Authority (CASA) and Airservices

Australia related to and aligned with industry-based levies, effectively in a form of user-pays model. By comparison, the Australian Border Force (ABF) is funded by the Department of Home Affairs with no direct funds sourced from or aligned with any metrics relating to international travel (air or maritime).

Separately, the Passenger Movement Charge (PMC) is collected on departures (air and maritime) and goes to consolidated federal revenue. The PMC (first introduced as the Departure Tax in 1978) was initially \$10 and after the increase announced in this year's federal budget, will rise to \$70 from July 2024. This is a 600 per cent increase since the inception of the PMC, which is has no correlation with increases in funding to respective government agencies.

As a matter of importance to the industry, TTF, the Australian Travel Industry Association (ATIA) , Cruise Lines International Association (CLIA) and the Australian Airport Association (AAA) have jointly called for a five-year freeze on any increases to the PMC. This will give the industry certainty and more stability moving forward as it still recovers from the pandemic which saw the industry come to a halt.

The border should be seen as an asset and as such, requires active investment or else it will depreciate. Australia must prioritise investment in seamless border processes or risk falling behind the other nations already making progress. However, the Green Paper is silent on the availability of future funding for ABF to actively participate in border processing reforms. The objectives of the Green Paper are to achieve a competitive, productive, safe and efficient aviation industry, yet that can only be delivered by world-class border processing utilising the best technology to protect our borders, ensure the safety of our residents and deter those who may act against us, including through cyber threats.

2) Initiatives

TTF Recommendation:

1. Australian Government should fund Australian Border Force activities, both operational and research/development, with a direct relationship to the scale of international travel and the collection of PMC revenues.
2. Australian Government should not increase the Passenger Movement Charge (PMC) further and commit to a five year freeze.

Applicability for Australian Border Processing Reform:

- Direct relationship with scale and complexity of operational requirements to maintain secure borders,
- Certainty of funding for essential research and development of enhanced fit for purpose tools (processes and technologies) for border protection, including new and emerging.

This section of our submission responds to Green Paper Question 8.7 Passenger Facilitation: *Are there any specific initiatives that should be supported globally, regionally and nationally to continue improvement in international passenger facilitation?*

Current situation

ABF currently relies on several sources of data and information for border processing and assessing risks relating to passengers departing or arriving at Australian airports, which include:

- **Passport database**, held by the Department of Home Affairs, which contains information about a person's identity, gender, appearance, eligibility for citizenship, residential address, parental and spousal relationships and (assumed) travel history.

- **Advanced Passenger Processing (APP)**, which is a sharing of Advance Passenger Information (API) provided by airlines to the Department of Home Affairs/ABF about all passengers and crew arriving into and departing from Australia. This information is transmitted by airlines prior to departure or arrival after a passenger has checked in for his/her flight. APP contains limited information but enables verification of personal information and travel documents that confirms eligibility to enter terminal airside areas and board an aircraft when departing and establishes eligibility to enter Australia when arriving.
- **Passenger arrival declaration**, which is currently a manual paper-based process for arriving travellers comprising of a range of questions which generate Customs, Biosecurity and Health declarations. ABF personnel sight these declarations for the first time as travellers are approaching the exit from border processing, and have just seconds to make decisions about whether there should be intervention and inspection of passengers and baggage to manage potential risks to border integrity.

These current sources and processes have been established for decades and have had little or no improvements during that time. Without detracting from the skills and experience of individual ABF officers making these judgements, it is possible that some no-risk passengers are being unnecessarily delayed and screened while other higher-risk passengers are being cleared for exit when they should be further examined. The opportunity to optimise the Australian border through technological advancements allows for a more productive and interconnected air services as resourcing becomes more efficient. This also allows for an increase in international aviation capacity for not only major but also restricted use airports.

TTF vision for contactless border processing

The TTF vision is for contactless border processing for most passengers departing from and arriving at Australian airports.

We envisage that this can be achieved through enhancement of the collection, digitalisation, timing, sharing and utilisation of Advance Passenger information and Authorisation (APIA) processes, collectively referred to as Advance Passenger Processing (APP).

TTF's vision is the enhancement of APP through the:

- **Collection** of additional and more comprehensive data necessary for effective risk assessment and border processing, principally data from screening of passengers, carry-on and checked baggage at departure.
- **Digitalisation** of data that is currently paper-based, principally the traveller arrival declarations.
- **Timing** or collecting data earlier in the passenger journey, enabling earlier and more effective risk-assessment, principally earlier collection of traveller declarations and data from screening of passengers, carry-on and checked baggage at departure.
- **Consolidation and sharing** of the data, principally sharing between airlines and border agencies, and between border agencies in departure and arrival countries.

Utilisation of the data for both departure and arrival border processing, principally assessing risks prior to arrival while passengers are in-flight, to pre-clear most no-risk and low-risk passengers and bags for direct exit on arrival without intervention.

The diagrams below detail the TTF vision for border processing reforms for both departing and arriving passengers.



By way of example, TTF has identified three specific initiatives that would substantively contribute to reforming and improving border processing at Australian airports, described as follows. These are not intended to be all-encompassing of possible initiatives, as there are likely to be others.

Initiative 1: Digital Travel Credential (DTC)

The current technology of paper passport documents has been long established and widely used. A more recent enhancement has been the incorporation of a “digital chip” into the cover of the paper document to produce an e-passport. The e-passport performs two functions. Firstly, the “physical component” of the actual document demonstrates the individual’s entitlement to the identity, which is secondly, detailed in biographic and biometric information contained in the chip, being the “virtual component”.

It is this data which is proposed to be used in concepts being developed by the International Civil Aviation Organisation (ICAO) for a Digital Travel Credential. ICAO’s Digital Travel Credentials (DTC) work has been ongoing for a number of years, identifying that the usage of a paper-based passport is rapidly declining.

The DTC is in essence, an electronic data file continuing the identity and biometric information from the e-passport chip that is able to be shared, transmitted and stored digitally.

ICAO has established the Use Cases, for which a DTC can be used.

- Seamless travel through biometrics stored in the DTC,
- Advance travel authorisation usage for data collection for visas/travel authorities such as ETA/DTA, (which IATA notes would have more accurate data collection if it was digitalised, rather than submissions of photocopies of passports),
- Improving border processing time compared to reading an e-passport, particularly if the DTC is received in advance,
- Emergency Travel Document – in the event of the loss of an e-passport, a DTC has many benefits, including the ability to be issued in a location where there is not a consular presence.

TTF envisages that there would be significant benefits for ABF to receive a DTC as part of advance passenger information so that they already have biometric data when a passenger starts their process through a passenger terminal. This would be better than the current process in which ABF only has access to that biometric data when a passport is presented to an ABF officer or at an e-gate kiosk. Having biometric data in advance will enable facial recognition passenger identification without passengers needing to be stopped. This would be particularly useful to:

- Identify, verify and authorise passengers entering outbound border processing, as a single transaction with dual purpose:
 - To identify passengers as they enter security processing to provide real-time access to passenger profiles, enabling streaming and screening by targeted risk and need, and
 - To complete the emigration transaction.
- Assist the automation of the aircraft boarding process.
- Verify identity of pre-cleared arriving passengers without needing contact intervention.

Digital Travel Credential

TTF Recommendations:

1. Australian Government should participate in IATA working groups for DTC development.
2. ABF should establish a working group to establish protocols for how DTC would be applied at Australian airports and progress to implementing operational trials.

Applicability for Australian Border Processing Reform:

- Alignment to global (universal) standards and processes
- Important component for enhanced Advance Passenger Information and Authorisation
- Enables contactless authorisation of passengers entering departure outbound border processing and security screening
- Enables border and security processing agencies to have advance identification of passengers and real-time access to passenger profiles, to potentially differentiate security screening by targeted risk and need
- Enables contactless identity and authorisation of pre-cleared arriving passengers without needing contact intervention

Initiative 2: Digitalisation of Passenger Arrival Declarations

There is an opportunity to enhance Customs, Biosecurity and Health declarations by scrapping the handwritten version of the Incoming Passenger Card, in favour of a digital version completed by passengers before pre-departure processing.

The New Zealand Government is currently trialling the cessation of its international arrivals card, offering passengers the opportunity to submit the information digitally, up to 24 hours prior to making their journey. Passengers can choose to make their declaration on a website or through the NZ Traveller Declaration (NZTR) app. The expectation is that there will be a move to full digitalisation of the declarations.

Options for advance digital declarations include:

- Mobile apps before departure or on arrival (such as the NZ trial)
- Apps integrated into aircraft inflight entertainment systems (transmitted via inflight WiFi)
- Kiosks on arrival
- Incorporating declarations as a process within airline check-in, with information being included in the Advance Passenger information being transmitted by airlines to border agencies, or
- Requiring declarations as a step to complete at the end of the airline check-in process via a link referral to a declaration app of the arrival destination border processing agency.

TTF sees considerable merit in the last option incorporating declarations as a process required to be able to complete airline check-in, as it would facilitate pre-clearance decisions being made for most passengers at the time of, or soon after completion of check-in. This would enable APP information to be available to both departure and arrival border processing agencies and be implemented prior to departure.

Airline check-in is increasingly conducted by passengers using mobile devices or kiosks, to confirm seating, meals and bags. Some airline check-in apps also already include questions requiring a yes/no response, such as Safety and Security declarations.

After checking-in online, the airline could then require the passenger to transfer onto a border processing agency to complete their passenger declaration. The airline would effectively be acting as a gateway referrer to the border processing agency. Airlines already provide API to border agencies for departure and arrival including information relating to identification and recording of a person's entry and departure.

Enhanced API incorporating Customs, Biosecurity and Health declarations would provide border agencies with earlier advice, giving them more time for assessment, leading to better quality decisions on clearance or intervention than is presently possible. Any 'yes' response would trigger a 'red flag' to agencies and an instruction for passengers to select red channel on departure or arrival (including a flag on a paper or digital boarding pass).

Digitalisation of Passenger Arrival Declarations

TTF Recommendations:

1. Australian Government should change the passenger arrival declaration process to be digital rather than handwritten and undertaken by passengers as a required step to complete pre-departure processing.

Applicability for Australian Border Processing Reform:

- Customs, Biosecurity and Health declarations received as APP prior to departure would provide arrival border agencies with earlier advice giving more time for assessment, leading to better quality decisions on clearance or intervention, than is presently possible with the passenger card process.
- The ability for arrival border agencies to assess risks prior to arrival while passengers are in-flight would enable agencies to pre-clear most no-risk and low-risk passengers and bags for direct exit on arrival without intervention.

Initiative 3: Arrivals Pre-clearance

TTF sees an opportunity for targeted data to be obtained during outbound security screening for departing passengers, carry-on and checked bag and shared with arriving border agencies as an enhancement of APP. That would give that agency time in-flight to consider each passenger against risk-based factors, to assess the necessity of secondary screening on arrival. This would enable the arrival border agency to pre-clear most no-risk and low-risk passengers and bags for direct exit on arrival without intervention.

Increasingly, equipment technologies for departure security screening and arrival Customs and Biosecurity screening are converging, with detection algorithms becoming more sophisticated and effective.

The opportunity exists for arriving border agencies to classify three categories of passenger in advance of arrival, by using enhanced API and data by arriving border agencies. These categories include:

- Terminating passengers who are pre-cleared to collect their bags and exit the terminal, with no further screening/intervention. Their bags would be delivered to a pre-cleared carousel and not require secondary screening for biosecurity and passengers would be sent an authorisation message by mobile app.

- Passengers who are pre-cleared and have onward connections to a domestic flight, could connect with no further screening/intervention. Their bags could connect directly to their domestic aircraft, without passengers needing to collect their bags, present for biosecurity screening and check their bags back in for the domestic flight. Qualifying passengers would be sent authorisation message by mobile app.
- Passengers presenting some form of risk which do require intervention for secondary screening. These are passengers who do not fall into the previous two categories and are still required to be manually processed on a risk-selection process. Their bags would be delivered to a non-cleared carousel and passengers would be sent a message by mobile app.

The impact of identifying and pre-clearing a substantial proportion of low-risk passengers through API would significantly reduce the manpower and time required, to process the remaining arriving passengers in the third category, through the current manual triage process.

Arrivals Pre-clearance

TTF Recommendations:

1. Border agencies at departure and arrival airports should collaborate to obtain targeted data during outbound security screening for departing passengers, carry-on and checked bags and share with arriving border agencies as an enhancement of APP, giving that agency time in-flight to consider each passenger against risk-based factors, to assess the necessity of secondary screening on arrival.

Applicability for Australian Border Processing Reform:

- Terminating passengers who are pre-cleared could collect their bags and exit the terminal, with no further screening/intervention.
- Passengers who are pre-cleared and who have onward connections to a domestic flight, could connect with no further screening/intervention. Their bags could connect directly to their domestic aircraft, without passengers needing to collect their bags, present for biosecurity screening and check their bags back in for the domestic flight.

3) Partnerships

This section of our submission responds to Green Paper Question 8.7, Passenger Facilitation: *How can Government optimise partnerships with industry to streamline the movement of passengers and modernise the border, while also enhancing security?*

Partnership Approach

Critical to achieving the TTF vision is the adoption of a partnership approach between governments, agencies and the private sector, including airlines and airports. All those involved in the process must be party to defining, realising and delivering the vision, as it evolves. The vision will not happen overnight, and it will not happen in a single event, but rather in a series of evolutions over time. The necessity of all stakeholders partnering and contributing together will be the key success factor in realising the vision.

Global Partnerships

The Green Paper clearly identifies the principle that any facilitation initiatives are to be implemented to a global standard and makes clear Australia's commitment to ICAO. Influencing, adopting and aligning with international standards and ICAO's long-term objectives ensures that Australia's connectivity with other nations will be as effective as possible at all times.

The TTF vision for reform sets objectives and goals as to what the passenger experience could be and initiatives that can happen in the short term to realise this. The vision is based on work that has already been investigated, trialled or developed by agencies and parties around the world, ensuring that it is not developed in isolation, but builds towards a global standard.

TTF strongly supports Australia's active involvement in international working groups, particularly at ICAO, and also with other bilateral and multilateral groups working on similar reforms. However, we recommend that Australia should also have the confidence to be a leader in these reforms, to undertake its own research, development and trials locally and regionally. We can share our findings and achievements with international partners so that the learnings are two-way, rather than passively waiting for the world to dictate the way forward.

Singapore and the Middle East have taken leadership positions in this space. Notably, Singapore will commence automated, passport-free immigration processing in 2024, superseding any ICAO-based global roll out. Singapore has publicly stated that operating a dual paper-based system is not sustainable and they will look to move to full digital processing in the short term. As a global hub, Singapore's advancements will influence what happens in our region, including Australia, New Zealand and the Pacific, and will also likely influence global outcomes through ICAO.

Regional Partnerships

We recommend Australia takes a safe, risk-aware and measured approach to reform of border processing through developing processes and protocols in a "regulatory sandbox". This could be achieved through working group, proof-of-concept trials, with our nearest, lowest-risk neighbours, to understand the risks and rewards.

TTF recommends that Australia should initiate a regional working group to examine and trial the concepts and initiatives that TTF has described in this submission. We envisage that such a working group should be a partnership between government and industry representatives – parties that are interested and committed to reforms that produce effective and sustainable outcomes.

We recommend that a regional working group should initially be between Australia and New Zealand but extended to include Singapore in a subsequent phase. We would like to see whole of government support for a working group and appropriate commitment to funding government agency participation. We recommend that the developments in Singapore be closely monitored and assessed for concepts and trial between Australia and New Zealand, in the lowest risk setting.

Nations requiring support

International engagement of the Pacific in aviation is a priority, particularly in capability and capacity building. Chapter 11 of the Green Paper states:

"The Australian Government is focusing on opportunities to its longer-term aviation support in the Pacific, including enhancing regional safety, connectivity, and sustainability outcomes. The development of a strong aviation industry is vital for Pacific economies and livelihoods – increasing interconnectedness and people-to-people links across the region and with Australia. A stable, peaceful and resilient Pacific region is central to Australia's interests and national security".

TTF supports the Australian Government's commitment to the Pacific, recognising the importance of providing regional aviation support and leadership, cognisant of developing high-tech solutions which, over time, can be accommodated within the region.

TTF's vision is for a pathway to enable reforms to progress in a measured and responsible way, acknowledging that the pace of change will vary between early adopters and the nations requiring Australia's support to implement reform.

Partnerships for Border Processing Reforms

TTF Recommendations:

1. Australia should have a long-term objective of influencing, adopting and aligning with international standards and ICAO's long-term objectives.
2. Australia should be actively involved in international working groups, particularly at ICAO and also with other bilateral and multilateral groups working on similar reforms.
3. Australia should initiate a regional working group to examine and trial the concepts and initiatives that TTF has described in this submission. The regional working group should initially be between Australia and New Zealand but then extend to include Singapore and other jurisdictions in a subsequent phase.
4. Government should support and commit to funding Government agency participation in a working group.

Applicability for Australian Border Processing Reform:

- Australia should also have the confidence to be a leader in these reforms, to undertake research, development and trials locally and regionally, sharing findings and achievements with international partners so that the learnings are two-way, rather than passively waiting for the world to dictate the way forward.

Conclusion

TTF welcomes the opportunity to respond to the Aviation Green Paper and looks forward to continuing to work with the Government as the White Paper roadmap is further developed. Please reach out to the TTF Manager Policy and Government Relations Mitch Coveney on [REDACTED] if you have any questions or would like any additional information.

Yours sincerely,



Margy Osmond
Chief Executive
Tourism & Transport Forum