



**Australian
BORDER FORCE**

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

Dear Director, Aviation White Paper Project Office

Over the past twelve months, we—senior representatives from the aviation and cruise sectors and the Australian Border Force (ABF) Commissioner—have come together to consider modernisation and investment in the Australian border. Our joint vision for a future border will ensure it continues to drive our economy, facilitate ongoing growth in volumes and remain responsive to managing the ever-evolving threats and increasing demand for aviation services.

We appreciate this opportunity to provide feedback relating to your Department's 2023 *Aviation Green Paper* to inform the development of an Aviation White Paper to be released in mid-2024.

Enhancing the Australian border, our national strategic asset

The Australian border is a national strategic asset which enables economic prosperity. A well-managed border ensures Australia's interest is protected and continues to connect Australia to the world. Border investment is a continued priority; we see the importance in investing in our border to ensure Australia remains competitive within the global economy.

As we work towards 2050, we see there are short to medium-term opportunities to set goals in delivering a modernised border. For example, utilising the 2032 Brisbane Olympics as a platform to provide an improved, streamlined and digitalised experience for international travel.

Key factors driving the need for modernisation of the border

Traveller numbers continue to increase post-COVID 19

Australian international airports, airlines and the aviation sector more broadly play a significant role to the Australian economy and society. During COVID-19, there was a dramatic drop in air travel, however, air traveller movements have recovered strongly through 2023. The International Air Transport Association (IATA) announced that passenger traffic in October 2023 increased by 31.2 per cent compared to October 2022.

Australia's customs service

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Globally, traffic is currently at 98.2 per cent of pre-pandemic levels, and IATA expects overall traveller numbers will continue to grow.

Need to invest in technology, digitisation and innovation to meet travel demands and changing expectations

With more people travelling and demanding to travel, investment in new technology is needed to manage increasing volumes and create efficiencies for travellers, airlines and airports and border agencies. Companies worldwide, including in the aviation and cruise industries, are investing in technology, digitisation and innovation, and are looking at how to phase out their legacy systems and not just building around their legacy systems in order to unlock business innovation.

Increased digitisation, automation and the deployment of new technologies provides the opportunity to enhance our collective facilitation of travellers and the management of border threats, and will inform investment in infrastructure and airport development designs.

The COVID-19 experience has accelerated appetite for digital and self-managed services to provide easier, faster, convenient and seamless travel experience. Results from IATA's 2023 Global Passenger Survey shows speed and convenience as passengers' top priorities.

People are experiencing new and innovative services from companies in an evolving consumer market, and porting their experiences from other industries. In the aviation sector, we are seeing carriers and port operators around the world investing in trials and implementation of new systems and processes in response to an increased demand from travellers for digital technologies. This includes move to contactless biometric processing and digital arrival declarations.

As we emerge from the pandemic, there is an increasing expectation, from both travellers and businesses, that their experience when traversing the border is as seamless as other interactions in their lives.

Major airport developments are underway to meet growth in traveller volumes

Prior to the COVID-19 pandemic, growth in air travel was placing considerable pressure on existing infrastructure and resourcing. Planning and development for multi-billion dollar infrastructure investments for 2030 and beyond is now happening to meet the expected growth in traveller numbers.

Major airports are looking to maximise the return from this growth and are planning for redevelopment. This includes exploring best use of existing infrastructure and ways to design infrastructure to flexibly support services at various airport space and considering options to integrate domestic and international departures. Marginal and remote airports are considering expansion given lower operating costs for aircraft and their potential desirability as international destinations.

Increasing traveller volumes will place compounding pressure on the workforce

The COVID-19 pandemic had major impact on the workforce across the aviation sector, with skills lost as a result. Some aviation workers left the sector and others sought secondary employment given the instability during that period.

With a tight labour market and challenges in building workforce levels, increasing traveller volumes will place significant pressure on the current workforce. There is a need to consider how we can better attract and retain talented workers who can adapt, innovate and deliver in this changing environment.

Furthermore, working in partnership, the ABF and the aviation industry will need to explore how workforce pressures can be mitigated through other means. Enhancing and streamlining current processes including through technology will enable increasing numbers of travellers to be effectively and efficiently managed and processed at our airports.

Investment is needed to prepare for changing threat environment

Terrorism was once the priority threat, however, we have seen through the pandemic how rapidly border threats can emerge and evolve. As threats become more complex, so too must our approaches to managing them. The experience through the COVID-19 pandemic demonstrates the need for organisations to be flexible, prepared and ready to respond to the next threat.

While some of these threats can be effectively managed with innovative technologies, there is a need to balance digital solutions with the processes and humans that interact with them.

Investment is critical now to ensure we can respond quickly to protect the border, meet our security outcomes and ensure Australia can continue to contribute to economic security and productivity.

We have worked together on a shared vision for the border

The ABF has worked with industry to develop a vision for a contactless, digitalised and secure border, that efficiently facilitates legitimate travel while effectively disrupting those who would do Australia harm. Strong collaborative-partnership between government and industry is fundamental in achieving the vision. Investment must be focussed whilst flexible to meet future needs and challenges.

Our shared vision requires ABF, industry and other key partners continuing to work together to improve the border—system-wide—and to streamline the interactions in a traveller’s journey. Our vision foresees early and high-quality, verified data to better manage risks, shared and simplified processes to reduce touch points, and integration of existing systems and processes pre- and at the border to increase effectiveness, achieve efficiency and avoid duplication.

We must now build on our achievements to date, to meet future aviation demand and traveller expectations, and to ensure Australia’s long-term competitiveness in aviation.

Realising our vision requires ongoing support and investment.

Work is underway to achieve our vision and investment is now critical

The ABF and industry are collaborating on trials to prove ‘future traveller concepts’ and move us closer to our vision.

The ABF is partnering with industry to test the business process of next generation SmartGates that employ contactless processing (passengers will be able to clear the border without the need to present their physical passport). This technology will improve processing times at the border and enable greater throughput of passengers.

We are working together on a new approach to the capturing incoming passenger card (IPC) information. This initiative would see a digital collection of the IPC, with the ABF and Department of Home Affairs managing the questions and dataset, and airlines and cruise lines would support the completion of these requirements in their passenger mobile apps. This collaboration simplifies the process for passengers and is a critical enabler for the ABF and industry in moving to a paperless, digital model.

We are also working collaboratively on industry-led initiatives that include streamlining the transfer of passengers and their baggage from international to domestic flights and investigating a 'combined departures' model where international and domestic passengers would be able to co-mingle, significantly improving the efficiency of use of terminal infrastructure.

We support and welcome opportunities to further discuss the development of the customs and border modernisation agenda.

Yours sincerely



Michael Outram APM
Commissioner
Australian Border Force

8 December 2023



Jayne Hrdlicka
Chief Executive Officer
Virgin Australia Airlines

5 December 2023



Cam Wallace
Chief Executive Officer
Qantas International and Freight
Qantas Airways Limited

7 December 2023



Gert-Jan de Graaff
Chief Executive Officer
Brisbane Airport
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1 December 2023



Geoff Culbert
Chief Executive Officer
Sydney Airport Corporation

1 December 2023



Joel Katz
Managing Director
Cruise Lines International
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1 December 2023

Australian Border Force submission on the Department of Infrastructure, Transport, Regional Development, Communications and the Arts—2023 *Aviation Green Paper*

The Australian Border Force (ABF) appreciates this opportunity to provide feedback related to the Department of Infrastructure, Transport, Regional Development, Communications and the Arts' 2023 *Aviation Green Paper*¹ (the Paper) to inform the development of an Aviation White Paper to be released in mid-2024.

The Australian border and ABF

The Australian border is a national strategic asset which enables economic prosperity. A well-managed border ensures Australia's interest is protected and continues to connect Australia to the world.

The ABF is Australia's frontline border law enforcement agency and customs service. We play a critical role in protecting the Australian border and contributing to economic security, productivity and competitiveness while enhancing the wellbeing of Australians. Our role is to enable legitimate travel and trade through facilitation of the movement of people and goods across the border. We protect our border by detecting, deterring and prosecuting those who attempt to do Australia harm. This includes detecting people smuggling and prohibited good and illicit drugs from being imported into Australia. As Australia's customs service, the ABF is the second highest revenue collector for the Commonwealth.

We consider our border as a system, rather than a line on a map or an entry or exit point, which means it can be calibrated to achieve national goals—to drive economic activity, build resilience and strategically manage security risks. With the right vision and investment, our border can be—and will be—one of Australia's greatest national assets.

Drivers for border modernisation and investment

Traveller numbers continue to increase post-COVID 19

The COVID-19 pandemic had devastating impact on the aviation sector, but the sector is rebounding with people taking to the skies again. While there was a dramatic drop in air travel during COVID-19, air traveller movements have bounced back in 2023. The International Air Transport Association (IATA) announced that strong passenger traffic continued in October 2023, with total traffic in October 2023 increased by 31.2 per cent compared to October 2022. Globally, traffic is

¹ Commonwealth of Australia— Department of Infrastructure, Transport, Regional Development, Communications and the Arts (2023) *Aviation Green Paper*. Accessible online at <https://www.infrastructure.gov.au/infrastructure-transport-vehicles/aviation/aviation-green-paper>

currently at 98.2 per cent of pre-pandemic levels.² IATA expects overall traveller numbers will continue to grow.

Major airport developments are underway to meet growth in traveller volumes

Prior to the COVID-19 pandemic, growth in air travel was placing considerable pressure on existing port infrastructure and resourcing. Planning and development for multi-billion dollar infrastructure investments in new and redeveloping ports for 2030 and beyond is now happening to meet the expected growth in traveller numbers. Major airports are looking to maximise the return from this growth and are also planning for redevelopment. This includes exploring best use of existing infrastructure and ways to design infrastructure to flexibly support services at various airport space and considering options to integrate domestic and international departures. Marginal and remote airports are considering expansion given lower operating costs for aircraft and their potential desirability as international destinations.

While airport developments should benefit the national economy, a strategic approach is needed to ensure the sustainability and viability of airport developments. This requires governments and industry to consider the location of each development, proposed development timeframe, and proposed services to understand and assess how it may benefit the local and national economy. It is critical for airport developments to take into account the lead time required to ensure the ABF resourcing and infrastructure is in place to support proposed operations and meet legal requirements.

Increasing traveller volumes will place compounding pressure on the ABF workforce

The increasing traveller volume will place compounding pressure on the current ABF workforce. The ABF, like the aviation sector and businesses across Australia, faces challenges in attracting and retaining officers in the tight labour market. We need to consider how we can recruit talented workers who can adapt, innovate and deliver in this changing environment, including in remote locations.

Working in partnership, the ABF and the aviation industry will need to explore how workforce pressures can be mitigated through other means. Enhancing and streamlining current processes including through technology will enable increasing numbers of travellers to be effectively and efficiently managed and processed at our airports.

Rapid adaption of technology and accelerated appetite for digital and self-managed services

Alongside the growth in traveller numbers, we are seeing travel being revolutionised by technology, digitisation and innovation. Globally, carriers and port operators are responding to an increased demand from travellers for digital technologies by investing in trials and implementation of new systems and processes. Singapore, the United Kingdom and the United Arab Emirates have announced plans to move to contactless biometric processing. Some countries that still require an arrivals card, such as New Zealand, Singapore, the USA and Chile, have moved to digital platforms.

Although Australia has been at the forefront of innovation in border clearance with our introduction of SmartGate in 2007, which was fundamental for the ABF to meet rising passenger volumes, this will not be enough to meet the challenges of the coming decade, particularly in the lead up to the 2032 Brisbane Olympics.

² IATA Press Release No. 67 "Passenger Demand Recovery Continues On Track in October", 5 December 2023. Accessible online at <https://www.iata.org/en/pressroom/2023-releases/2023-12-05-02/>

The COVID-19 pandemic has accelerated appetite for digital and self-managed services to provide easier, faster, convenient and seamless travel experience. Results from IATA's 2023 Global Passenger Survey shows speed and convenience as passengers' top priorities. There is an increasing expectation, from both travellers and businesses, that their experience when traversing the border is as seamless as other interactions in their lives.

Rapidly evolving patterns of trade

Australia's cargo industry serves as the backbone to our economy, connecting Australia to the world through facilitation of the movement of goods. Patterns of trade are continuing to evolve and cargo volumes are forecast to continue to increase. Inbound international freight tonnage on scheduled flights grew an average of 3.5 per cent per year in the 10 years up to 2018–19, but fell somewhat during the pandemic. In 2021–22, it was at 96 per cent of its previous peak. Air cargo consignments have increased by 62 per cent over the last five years, from 53 million in 2018–19 to 86 million in 2022–23.³ This is a significant workload increase for border agencies risk assessing and inspecting cargo at the border. Continued steady growth in cargo volumes and a highly inter-connected and globalised world increasingly makes the job of risk and threat management more complex and challenging for border agencies.

Diversity of threats continue to evolve. This ranges from illicit goods such as drugs, firearms and weapons to biosecurity hazards such as organic materials and harmful pests, which are managed by the Department of Agriculture, Fisheries and Forestry. The ABF continues to manage threats to the supply chain by malicious insiders. This includes employees who are infiltrating and exploiting vulnerabilities within cargo environments. The malicious insider threat is pervasive, providing organised crime groups with detailed knowledge about information systems and operational and compliance processes, to evade border detection.

Investment is critical to ensure our border management processes are scalable and can adapt to the expected increasing volumes of trade and complexity of risks and threats at the border. Consideration should also be given to exploring opportunities to harness advanced technology and leverage international best practice to improve effectiveness and unlock efficiencies in cargo intervention processes.

Ever-changing threat environment

Terrorism was once the priority threat, we have seen through the pandemic how rapidly border threats can emerge and evolve. As threats become more complex, so too must our approaches to managing them. The experience through the COVID-19 pandemic demonstrates the need for organisations, including the ABF, to be flexible, prepared and ready to respond to the next threat.

While some of these threats can be effectively managed with innovative technologies, there is a need to balance digital solutions with the processes and humans that interact with them.

Investment is critical now to ensure we can respond quickly to protect our border, meet our security outcomes and ensure Australia can continue to contribute to economic security and productivity.

³ See Commonwealth of Australia—Department of Home Affairs (2019) *2018–19 Annual Report*, page 35, accessible online at <https://www.homeaffairs.gov.au/reports-and-pubs/Annualreports/home-affairs-annual-report-2018-19.pdf> and Commonwealth of Australia—Department of Home Affairs (2023) *2022–23 Annual Report*, page 76, accessible online at <https://www.homeaffairs.gov.au/reports-and-pubs/Annualreports/home-affairs-annual-report-2022-23.pdf>

Vision for our future border and the need to invest

The ABF has worked with industry to develop a vision for a contactless, digitalised and secure border that efficiently facilitates legitimate travel and trade, while effectively disrupting those who would do Australia harm and ensuring we have the necessary defensive layers to safeguard against future global shocks.

There is an urgent need for investment in our border to ensure it can accommodate ongoing growth in the aviation and cargo sectors and respond to the ever-changing global landscape, including changing traveller demands, terrorism threat and pandemic.

Modernising the border will take time, and action is needed now to start the journey towards our future border. Investment, commitment and strong collaboration and partnership between government and industry are essential to achieving our vision.

Emerging technologies are advancing rapidly and are key to reducing pressure on frontline staff as passenger numbers continue to grow, and to ensure Australia returns to the forefront in border management. Testing, procurement and implementation of new business and technology models will take time and this must commence immediately.

Investment in our border is critical if Australia is to remain competitive and respond with precision to security and border threats without ‘turning off the tap’ of trade and travel flows, which are so crucial to Australia’s prosperity.

How we modernise the border—key focus areas

Enhanced data collection

Early data, collected digitally, is fundamental to our current and future border; this was highlighted through the response to the COVID-19 pandemic, with paper-based processes ineffective and leaving us vulnerable to the next border shock. Digital processes and early engagement with travellers and traders is crucial to effectively risk assess and manage travellers and air cargo offshore and streamline processing upon arrival.

Data driven processes reduce the burden on industry and travellers and require intervention where risk or ambiguity is unresolved. Governments should leverage industry innovation and investment where possible, particularly in biometric technologies, to reuse data collected as part of industry’s process, removing duplication and in turn touchpoints.

Earlier and improved data collection will enable greater personalisation of services and enhanced security outcomes.

Remove unnecessary and duplicative processes

Governments and industry must collaborate to remove unnecessary and duplicative processes, while improving the security and efficiency of the traveller network.

Historically, individual government agencies and industry stakeholders have developed their own capabilities to meet their respective responsibilities across the traveller pathway. This has resulted in siloed and duplicated systems. There is a need to review existing systems, particularly legacy systems to understand what enhancements could be achieved to help unlock business innovation. Systems consolidation and integration, where practical, could help achieve interoperability and minimise the need for traveller to provide the same information at multiple touchpoints.

Digitisation and automation

Digitisation will help transition away from a process reliant on paper transactions at the border. It also addresses duplication of data entry and the requirement to download multiple government

applications to clear the border; things regularly cited by travellers as key bugbears to streamlined travel and trade.

Automation, especially through SmartGate technology, has enabled the ABF to significantly improve its productivity and manage the doubling in traveller numbers in over the past decade without a commensurate increase in staffing. The first iteration of SmartGate processing has reached end of life and we now need to transition to the use of digital travel credentials and contactless processing in order to meet the challenges of the next decade. Enhancement to automated processing will enable ABF officers to focus on higher order risks and further improve passenger facilitation and border protection at our international airports.

Work is underway to achieve our vision

The ABF and industry are collaborating on trials to prove future traveller concepts and move us closer to our vision.

The ABF is partnering with industry to test the business process of next generation SmartGates that employ contactless processing (passengers will be able to clear the border without the need to present their physical passport). This technology lifts productivity by improving processing times and enables greater throughput of passengers and better utilisation of the physical footprint of the ABF.

Joint exploration of a new approach to the incoming passenger card (IPC) is also now underway. This initiative would see a digital collection of IPC, with the ABF and Department of Home Affairs managing the questions and dataset, and airlines would support the completion of these requirements in their passenger mobile apps. This collaboration simplifies the process for passengers and is a critical enabler for the ABF and industry in moving to a paperless, digital model.

Industry, supported by the ABF, are leading on initiatives that include streamlining the transfer of passengers and their baggage from international to domestic flights and investigating a 'combined departures' model where international and domestic passengers would be able to co-mingle, significantly improving the efficiency of use of terminal infrastructure.

On air cargo, the ABF is currently developing new intervention models for Australia's high volume air- and sea- ports. The new models are estimated to significantly reduce inspection delays at the border and enable the seamless flow of legitimate cargo, while also improving supply chain integrity. This would improve economic productivity, while protecting the Australian community by a reduction in illicit goods crossing the border. The ABF is also investigating the use of advanced technologies to improve the scalability, adaptability, and security of ABF intervention activities at the border.

The first steps on the pathway to a future border have been taken; however, investment in one of Australia's strategic assets—its border—is needed to scale up this work with industry partners. It is only through modernising our border that we will be able to successfully facilitate the growth in travellers and air cargo, drive economic activity, build resilience and manage border risks.

Changes are required to the current framework for the Provision of Border Services at New and Redeveloping International Ports (the Framework)

The ABF supports and welcomes further consultation regarding the proposed review of the Framework as mentioned in Chapter 11.4 of the Paper.

Historically, port operators seeking to grow their businesses by increasing existing international passenger services or commencing new international operations did not have certainty that border services would be available prior to investment in architectural designs, building construction and/or entering contracts with carriers.

The implementation of the Framework in 2018 provided a mechanism for port operators seeking to introduce international services at a port where no border services are provided, or where there is a

change to an existing business model that impacts on border services capabilities, to apply to the Department of Infrastructure, Transport, Regional Development, Communications and the Arts. Through this application process, the ABF can participate in early engagement about terminal design and consider how border services could be established and provided to the relevant port operators to support their proposed international operations.

Since then, there is an increasing industry demand to expand or redevelop airports across Australia to facilitate international travel. This has placed increasing pressure on the ABF to quickly engage in terminal design; recruitment and training; and seek funding to ensure international border clearance services (customs and immigration) could be provided.

The proposed review should consider border agency challenges including:

- whether the Framework remains fit for purpose and provides suitable coverage for the breadth and complexity of contemporary port redevelopment projects;
- whether the assessment criteria continue to support decision making by government that reflects the national interest;
- how Framework processes, including funding arrangements and timing, can be strengthened to better support border agencies engagement with port operators to deliver approved projects; and
- opportunities to streamline application and government decision making processes to enable timely consideration of applications, particularly when received concurrently and in a short timeframe.