



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM
Mr Jeremy Hanson MLA (Chair), Ms Suzanne Orr MLA (Deputy Chair),
Mr Michael Petterson MLA

Submission Cover Sheet

Inquiry into drone delivery systems in the ACT

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Mr. Jeremy Hanson MLA
Chair
Standing Committee on Economic Development & Tourism
GPO Box 1020
London Circuit
Canberra ACT 2601

Dear Mr. Hanson,

Inquiry into Drone Delivery Systems in the ACT

I thank the standing committee for the opportunity to make this submission into the ACT Legislative Inquiry into drone delivery systems in the ACT. I have read the terms of reference for this inquiry and have provided responses in this submission addressing them. I grant permission for this submission to be made public.

Regards

Damien Haas

[Redacted signature block]

The arrival of disruptive and innovative technology will always have an impact. How that impact is managed in the ACT is something that can have legal, business, social, and environmental implications. It is important that the committee receive a broad range of views before reaching any conclusion, or making any recommendations.

The recently concluded Wing drone delivery trial in the ACT is a good example of the ACT Government's willingness to embrace and encourage new business in the territory. For a new business to only have to meet local regulations and not state government AND local council regulations, provides a unique business environment and opportunity in Australia that other state governments cannot offer.

Regulatory issues associated with drone trials

It was a good decision for Wing to base their trial in the ACT, as it sets a good example for other international companies thinking of a location to trial a new business model. The ACT community embraces new business models (as Uber and Airbike demonstrate) and this progressive community support encourages the ACT Government to work through the regulatory, environmental, community, social and legal implications of trialling innovative technology. It is something the ACT Government should promote internationally and domestically, to attract new businesses and established businesses seeking a business friendly environment to operate in. Government support coupled with willing consumer support, is a significant advantage, and an important factor when investors make decisions.

Where the Uber and Airbike arrivals have demonstrated that cooperation between the ACT Government, and the private companies investing in the ACT can work successfully with a single regulatory environment to navigate, the Wing trial has demonstrated that new technologies can expose gaps in regulatory frameworks that provide unclear pathways to resolving perceived negative impacts and disruption to ACT residents.

The authority granted to Wing by the federal government, through the regulating agencies Air Services Australia and the Civil Aviation Safety Authority, did not provide a satisfactory mechanism for residents' issues to be addressed. An inability to seek a remedy through the ACT Environmental Protection Agency, Worksafe or Access Canberra, by residents in the trial area, is the issue that led to this inquiry, and requires resolution.

This unclear delineation between federal and territory government responsibilities in addressing residents concerns over perceived noise, privacy

and environmental impact, is an area that the ACT Assembly can resolve through legislation or regulation, and ensure that future technology or business model trials satisfy the business community and the ACT community.

Business impact of drone trials

It was a good decision by Wing to base their drone technology trial in the ACT as it provides an international example for other businesses looking for a progressive environment to trial new technology or business model in. The ACT Government should welcome and encourage all businesses to explore the ACT as a place to establish new business and investment.

Ultimately, it is not a decision of the ACT Assembly whether it allows or invites disruptive or innovative technologies or business models to operate in the ACT. The ACT Assembly can however, through cooperation, regulation and legislation, provide a simple framework that businesses seeking a test market can satisfy.

As international experience shows (and share bike operations around Australia amply demonstrate), some companies simply arrive and operate without invitation. Where community impact is minimal or gradual (such as the replacement of video cassette rental stores, first by DVD's and now by downloadable media) there may be no requirement for new or more regulation or legislation to be introduced, as the business and wider community adjust and incorporate it. In other instances, such as Uber providing a more attractive business model than the taxi industry (where monopolistic practices placed artificial values on licences to operate), there may be a negative outcome for individual businesses, but a more positive outcome for consumers.

The economic impact of the recent drone trial has already been proven as positive. The decision by Wing to establish a local business venture in Mitchell, following a trial in Bonython, illustrates this. Some local businesses took advantage of the Wing trial to establish a new low cost delivery system. Will the establishment of a business in Mitchell attract new partners to use the same technology? That remains to be seen, and like all business ventures the success or failure is the concern of its investors and creditors, and consumers it attracts.

A negative impact may be seen in the employment sector, as the people displaced by drone delivery would require alternate employment. This has not occurred during the limited trial, but may occur as the commercial operation based in Mitchell expands.

The willingness of Wing to partner with local businesses instead of international franchises would demonstrate greater commitment to the Canberra business community, and provide a greater incentive for the ACT Government to ease regulatory burdens to business operation when trials move into larger commercial operations.

Environmental impacts of drone trials

The environmental impact of drone trials and operations are important to consider. The potential replacement of fleets of internal combustion engine vehicles criss-crossing Canberra delivering packages or food, is significant and warrants further study and analysis.

The impact of drone operations (either by the noise the drones emit, or their mere flying presence) on wildlife (birds, dogs etc) should also be studied. Anecdotal data supplied by residents opposed to drone operations may not be clinically accurate, but does indicate that a problem may exist, and requires study.

A small fleet of test drones in one suburb of Canberra may show no environmental impact outside that of a loud motorcycle on a suburban street, a large scale commercial operation (or multiple providers of the same type of technology) could see several hundred drones in operation at all hours of the day. While flocks of birds may have adapted to avoid colliding with each other in flight, it is not clear that flocks of drones have yet reached that evolutionary level.

During the trial delivery could only be made to standalone residences. If this was to continue in commercial operations, would prospective customers place a premium on standalone low density housing with driveways and backyards (required for touchdown of parcels delivered by drones), instead of medium or high density housing with shared public space. The long term planning impacts from consumer behaviour change may not be immediately felt in the planning and property sectors, but are worthy of further study.

While some of these issues may seem problematic, they do provide an opportunity for prospective businesses to partner with local academic institutions to study environmental impacts, and benefit both the commercial partner and local research organisations.

The Environmental Protection Agency may also as a result of the drone trial, community concerns and this inquiry, seek to broaden its legislative and regulatory ability to cover drone operations of this type.

Community Consultation

The recently concluded drone trial has demonstrated the importance of business ventures that may have an impact on the community, performing proper community consultation before they commence, and during any trial. Early Wing consultation was poorly communicated, and contact mechanisms not optimal. Community consultation initiated when resident concerns became quite public, were provided by local public relations firms, and not by technical staff performing the trials, or management from Wing.

At community consultation events, (community council meetings, shopping centre or fete stalls for example) Canberra residents really do want to speak to the decision makers or technical staff, and not simply be advised or directed to information already found in promotional material. Wing management managed to phone in to local radio stations but not appear in public, and this was clearly noted by the community.

As the Wing trial was a private business venture with no ACT Government investment, or regulatory approval required. This also meant that points of contact between residents and the private business were unclear, and problems unresolved. Residents expected the ACT government to listen to or remedy issues arising from the trial, and were unable to understand that the ACT government and the Environmental Protection Agency had no powers of enforcement for (as an example) noise complaints. Similarly the privacy and data retention issues had no clear point of contact for a resident to ask for a federal or territory agency to take action.

The expectations raised by affected Bonython residents during the Wing trial around community consultation were valid, and illustrate the difference between a government agency and a private business. If an ACT or Federal Government agency had trialled a speculative venture (perhaps in partnership with business) there would be consultation framework in place, points of contact for advice, to report issues etc. These were lacking during the Wing trial.

It may be useful for the ACT Government to establish a guide for future similar business ventures, that list the types of community consultation expected, and a list of community, business and ACT government agencies that could be consulted with.

Conclusion

The recent drone trial was a positive experience for the ACT and further trials by other businesses should be encouraged.

Many residents welcomed the trial and used the service offered by Wing for the duration of the trial, providing valuable commercial data for future commercial operations and furthering the advance of drone technology for non-commercial functions such as delivering medical supplies, emergency supplies to stranded hikers, or people stranded by flood waters.

Even though some residents reported negative experiences arising from the drone trial, this is actually a positive outcome for the longer term. Establishing the regulatory gaps, the areas in which the communities expectations weren't met, any environmental issues that could arise – it is much better that these things are uncovered in a small scale trial than if a disruptive innovator simply arrived in the capital and commenced business operations territory wide.

The establishment of a commercial operation in Mitchell further demonstrates the success of the drone trial. The willingness of the commercial operator to work with the ACT Government in establishing some guidelines that could be applied to similar operations locally and Australia wide, indicates that the ACT Government is business friendly and seeking to enable new business models, not proscribe them, if they can deliver community and business benefits.

Through this inquiry, the committee now has the ability to recommend regulatory and legislative changes (at Territory and federal government level) that can ease future business trials, provide ACT Government enforcement mechanisms and satisfy community concerns.