

Submission from the Department of Resources, Energy and Tourism (RET) to the Senate Rural and Regional Affairs and Transport Reference Committee's Inquiry into Biosecurity and Quarantine Arrangements

Adequacy of the current arrangements

RET recognises the importance of maintaining Australia's unique biodiversity through an appropriate balance of biosecurity and quarantine. RET notes that the biodiversity of the Australian environment and the protection of this biodiversity is as important for the Australian tourism sector as it is for the agricultural sector and the wider community. Australia's unique environment provides for a competitive advantage over other tourism destinations. RET notes however the need to balance adequate biosecurity with maintaining an international competitiveness by keeping government charges to a minimum and ensuring the passenger experience is as smooth as possible.

RET strongly supports the work of Australian border agencies and argues that the benefits from biosecurity and quarantine accrue to the greater community and economy. As such the cost of such services must be borne by the Australian public at large, in a way that is transparent and clearly linked to the services provided. RET does not support increases in the Passenger Movement Charge to fund such services.

Projected demand

Tourism is an important sector for the Australian economy, employing almost 500,000 people and contributing approximately 4 per cent of GDP. In 2009 there were 5,584,000 inbound arrivals. According to the Tourism Forecasting Committee, inbound arrivals are set to increase to 8,217,000 visitors by 2020.

RET notes that while significant inbound growth will flow through Australia's airports, the cruise sector is also forecast to experience significant growth. Cruise tourism is the fastest growing sector of the Australian tourism industry with forecasts suggesting that the industry has the potential to reach one million passengers by 2020 (significantly more than double current passenger levels). RET further notes that increased passenger arrivals may lead to the construction of additional airports and the re-designation of some limited use international airports where permanent border security services do not currently exist. These changes can be expected to have an impact on biosecurity and quarantine resourcing requirements. The design of future arrangements needs to take these changing market dynamics into account.

Australian Quarantine and Inspection Service export fees and charges

Given the strong export focus of the portfolio, RET notes the importance of keeping fees and charges to a minimum, with rigorous application of risk management principles required to keep prices down to aid competitiveness.

Progress on the implementation of the Beale Review Recommendations

As highlighted earlier in this document, RET would not support any increases in the Passenger Movement Charge to fund the biosecurity or quarantine measures. RET contends that these measures benefit the broader Australian community, and should be funded accordingly.

RET did not support proposals in the *Beale Review* to fund its recommendations through an increase in the Passenger Movement Charge as previously noted. RET argues that there is no direct connection between the Passenger Movement Charge and the cost of border protection measures.

Further, RET notes that in 2009 Australia was ranked ninth in the World Economic Forum's Travel and Tourism Competitiveness Index (TTCI). This index measures the different regulatory and business-related issues that have been identified as levers for improving travel and tourism competitiveness in countries around the world. The tenth pillar of the TTCI measures price competitiveness in the tourism industry, and in relation to ticket taxes and airport charges, Australia is ranked 119 out of 123 countries. This ranking highlights the already high ticket taxes and airport charges in place in Australia. RET contends that any further increases in the Passenger Movement Charge would have an additional impact on Australia's tourism competitiveness.

Other comments - Passenger Facilitation

RET notes that the interaction with border agencies at Australia's airports and ports helps to shape the tourist's first impression of Australia. It is important that passengers are made to feel welcome and that they are able to navigate the essential border clearance processes as easily and efficiently as possible.

RET acknowledges the positive approach taken by border agencies in facilitating passengers and the Australian Quarantine and Inspection Service's decision to move to a risk-based approach to passenger interception at Australia's gateways airports and the resultant improvements to passenger flows. RET supports the ongoing improvements and innovation in passenger facilitation, and suggests that trans-Tasman travel offers opportunities for further innovation.

The National Passenger Facilitation Committee has been able to make significant inroads into improving the passenger experience. RET would hope that this Inquiry could investigate the feasibility and value of further streamlining to improve this experience at Australia's airports and ports.