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Mr. Bob Charles MP Chairman
Joint Statutory Committee of Public Accounts and Audit
Department of the House of Representatives
Parliament House
CANBERRA ACT 2600

5 September 2002

Dear Mr. Charles

**REVIEW OF AUSTRALIA'S QUARANTINE FUNCTION: MELBOURNE AIRPORT'S
SUBMISSION TO THE JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT**

Australia Pacific Airports (Melbourne) Pty Ltd (APAM), the operator of Melbourne Airport, is aware that the Joint Committee of Public Accounts and Audit (JCPAA) is conducting a review of the efficiency and effectiveness of Australia's quarantine function. In particular, it is understood that the Committee's focus includes:

- The coordination of AQIS with other border control agencies;
- The identification of potential risks to Australia and the application of resources to meet those risks;
- AQIS border operations;
- The development of import risk analyses;

APAM, in its role as operator of Melbourne Airport, is concerned that the Committee's review of efficiency and effectiveness of the quarantine function, in relation to the third of the above points, is being limited to the issue of "identification" of potential risks. In APAM's view an equally important issue is "process" - that is, the manner in which the identification process is implemented at the border.

In February 2001, there was an outbreak of foot and mouth disease (FMD) in the UK and Europe. The Government's response to this was to implement 100% quarantine intervention at all border entry points. The policy was imposed with little consideration of the impact on operations at the borders, and in particular arriving international passengers.

Due to a lack of provision of suitable equipment and facilities to efficiently achieve the intervention policy, overnight the average international arrivals process time per passenger increased from 30 - 45 min to 60 - 90 min. Furthermore, 18 months on the Government has yet to commit to facility development works at Melbourne Airport,

the country's second largest international gateway, to rectify this severe processing problem.

An initial reaction to this fact may be the additional inconvenience to the passenger is substantially offset by the benefit to the country in having its borders protected by 100% intervention.' However, this assessment disregards the importance of international passengers to the tourism industry and the local, state and national economies. To the best of our knowledge a detailed cost benefit analysis has not been undertaken.

In June 2002, the Federal Government published a discussion paper for developing a 10-Year Plan for Tourism. The paper noted that *"tourism is a significant part of the Australian economy and impacts on the environmentally sustainable development and the social and cultural well being of Australians"*. Statistics quoted in the paper indicate that the tourism sector directly contributed 4.7% or \$31.8 billion to the gross domestic product (GDP), and 11.2% of Australia's total export earnings (the largest export earner (thin the service sector).

Of import is the fact that the Tourism Forecasting Council expects around 10.4 million visitors per year to becoming to Australia by 2012. This represents a doubling of the current annual international visitors. With this level of growth, the tourism industry will only increase in its; importance to the country's economy.

In the period July 2001/June 2002 and despite the events of September 2001, Melbourne Airport recorded a record 3.4 million international passenger movements, and the international business mix by purpose of travel was:

- 43% tourists,
- 27% visit friends and relatives,
- 23% business
- 7% education

This good spread of "purpose of travel" is attributed to maintaining the tourism industry in Victoria through the Asian Crisis 1997-99 and the downturn in international travel following the USA terrorist attacks in September 2001. Without doubt, the ongoing success of the tourism industry is reliant on maintaining the high mix of tourism (holiday) traffic as the total volume of international visitors increases.

In an industry that is so heavily affected by word of mouth, it is crucial that tourists receive an excellent impression of Australia, from the moment of arrival to the moment of departure. It is also important in the impression created with potential business investors. There is sufficient evidence regarding the post September 11 arrivals' and departures processing procedures in the USA and the resultant change in travel patterns, to confirm that traffic flows and travel habits are affected by the changes to border agency processing policies.

When the Government introduced 100% quarantine intervention it did so without any consultation with airports and without consideration' of the impact on existing facilities, let alone the tourism industry. This occurrence was unacceptable at the time, and must not be repeated in the future.

It is pleasing to note that the Government appreciates this point. In the 10-Year Plan for Tourism discussion paper it is noted that *"Airports and the services they provide create first and last impressions of Australia and therefore have a powerful influence on Australia's image as a tourism destination"*. The paper goes on to note that *"the way in which travellers are processed at airports will be an important issue in the next decade. The combination of heightened screening procedures and increased passenger volumes will in turn have major implications for effectively managing passenger flows at airports- a threshold issue, in terms of making a good impression on visitors"*.

Given the above Government commentary and the fact that the JCPAA terms of reference includes a requirement to review "AQIS Border Operations", APAM is of the opinion that the review of the AQIS Border Operations quarantine function needs to include:

- Technology advancements
- Improved border agency cooperation, and
- **Process implications in the development of quarantine policy.**

APAM has adopted a collaborative and consultative approach in its relationships with the border agencies and it hopes that the Government will reciprocate this approach in the future - particularly with respect to agreeing how future policy changes can be implemented at the airport.

It is accepted that at a national, state, regional, and airport level different organisations operate and are guided by their individual priorities. Nonetheless, there also needs to be an acknowledgment of the 'team' environment that we work within and the 'ultimate' goal - development, protection and growth of the Australian economy. APAM believes that collaboration and consultation between agencies and operator will ensure that the borders are protected in an effective, efficient and passenger friendly manner.'

APAM looks forward to reading the outcome of the Committee's review. If there is any further information that the Committee requires regarding this communication, please do not hesitate to contact either Warren Mundy or Christine Carter on 03 9297 1348.

Yours sincerely

Chris Barlow
CHIEF EXECUTIVE OFFICER