

SENATE STANDING COMMITTEE ON LEGAL AND CONSTITUTIONAL AFFAIRS
AUSTRALIAN CUSTOMS AND BORDER PROTECTION SERVICE

Question No. 73

Senator Brandis asked the following question at the hearing on 12 February 2013:

In relation to the tourist refund scheme:

- 1) What is the total budget for the Tourist Refund Scheme?
- 2) Has Customs conducted any reviews or studies into moving to an electronic system or privatising the program?
- 3) What are the total labour costs associated with the administration of the Tourist Refund Scheme (TRS) in Australia?
- 4) Can a cost breakdown of TRS administration be provided including:
 - a) the number and level of staff (actual and full-time equivalent) allocated to TRS functions at each international airport and shipping port; and
 - b) the number of staff allocated to back-of-office administration of TRS payments and refunds?
- 5) What are the total non-labour costs associated with the administration of the TRS in Australia?
- 6) What is the total monthly expenditure incurred by the agency for the rental of airport premises for TRS processing and export verification activities?
- 7) What has the Government paid in commissions to airlines to administer the PMC since its inception, including:
 - a) how much has been paid each year since 1996;
 - b) how much has been paid to each airline; and
 - c) how much is paid per ticket?

The answer to the honourable senator's question is as follows:

The answer to the honourable senator's question is as follows:

- 1) The operating budget for the Tourist Refund Scheme (TRS) for 2012-13 is \$6.42 million. This figure includes direct staff costs within the Tourist Refund Office in Canberra; the proportional costs for Customs and Border Protection staff who attend the TRS desks at the international airports; and consumables required to administer the scheme. TRS payments for 2012-13 were forecast to be \$89.9m.
- 2) Customs and Border Protection has not conducted any formal reviews or studies into moving to electronic systems or privatising the Tourist Refund Scheme (TRS) program. However, the

agency is about to develop some business requirements that will provide a basis for going to market for an alternative processing arrangement by self-service submission of low-value claims.

3) Customs and Border Protection’s labour costs for the administration of the TRS in Australia are estimated at approximately \$5.34 m in 2012-13.

4) TRS Staff at Airports:

All TRS functions in airports are undertaken by Customs Level 1 officers. FTE figures reflect the allocation of officers to the TRS function for the period the airport is open. For airports that are open 24 hours per day, the TRS function must be resourced for multiple shifts. The daily average headcount indicates the average FTE per shift allocated to that function.

Airport	2012-13 FTE	Daily average headcount
Melbourne	14.8	4.0
Adelaide	1.9	1.0
Perth	5.0	1.0
Darwin	0.4	1.0
Cairns	0.5	1.0
Brisbane	7.0	2.0
Gold Coast	2.2	1.0
Sydney	21.3	4.0
TOTAL	53.1	15

TRS Staff at Shipping Ports:

In the shipping environment, Customs and Border Protection processes TRS claims from passengers at the final port of departure from Australia for overseas. As such, not all ports are required to process TRS claims, as they only have intermediate departures to another Australian port. At ports where TRS claims are processed, Customs and Border Protection usually allocates resources based on an historical understanding of the likely number of claims and the associated work load.

Where previous data indicates there are likely to be few TRS claims for a particular cruise ship voyage, Customs and Border Protection will typically assign one Customs Level 1 officer to the function. If a queue builds up, another officer may be assigned to the function, depending on other taskings at the time.

Where previous data indicates there are likely to be a larger number of TRS claims for a particular cruise ship voyage, Customs and Border Protection will typically assign between two and four Customs Level 1 officers to the function. Sometimes there may also be a Customs Level 2 officer assigned to oversee the function.

For small craft departures, TRS claims will generally be handled by two Customs Level 1 or 2 officers as part of their normal departure clearance processes.

TRS Back of Office Administration

TRS Back of office administration activities are directly conducted by four officers ranging from Customs level 1 to Customs Level 3 with a Customs Level 4 officer overseeing TRS and other functions.

- 5) The TRS total non-labour cost for 2012-13 was budgeted as \$1.09 million. Current year to date expenditure as at 31st March 2013 is \$807,075.
- 6) The total monthly expenditure for rental of premises for TRS processing is \$68,077 (excluding GST).
- 7) (a) Customs and Border Protection has detailed records dating back to 1998. Records are not available prior to this.

The total amount of PMC administration costs paid to airlines between 1998 and 2012 is \$24,911,582.

The table below outlines PMC administration costs per year:

1998	1999	2000	2001	2002
\$968,164	\$1,020,819	\$1,195,817	\$1,112,890	\$1,406,182
2003	2004	2005	2006	2007
\$1,135,597	\$1,051,783	\$1,451,500	\$1,751,512	\$1,805,244
2008	2009	2010	2011	2012
\$1,729,759	\$2,409,582	\$2,144,726	\$2,652,879	\$3,075,127

- (b) The table below outlines all administration costs reimbursed to airlines since 1998.

Name Of Carrier	Grand Total
Aerolineas Argentinas	\$67,307
Air Caledonie International	\$250,757
Air Canada	\$93,848
Air China	\$1,152
Air Mauritius	\$286,188
Air New Zealand	\$942,783
Air Pacific	\$52,975
Air Vanuatu	\$42,440
Alitalia	\$51,247
All Nippon Airways	\$31,261
Ansett Airlines	\$238,532
Austasia Airlines	\$6,360
Austrian Airlines	\$117,011
Britannia	\$697

British Airways	\$235,270
Cathay Pacific	\$1,002,790
China Airlines	\$4,494
Emirates	\$4,609,252
EVA Airways	\$122,400
Japan Airlines	\$229,145
Jetstar Airways Pty Ltd	\$313,477
KLM Royal Dutch Airlines	\$162,732
Malaysia Airlines	\$2,144,737
Our Airline	\$115,151
Philippine Airlines	\$267,339
Polynesian Airlines	\$3,021
Qantas Airways	\$9,625,311
Qatar Airways	\$168,247
Singapore Airlines	\$203,536
South African Airways	\$40,450
Thai Airways	\$1,343,607
Tiger Airways Singapore Pte Ltd	\$322,130
United Airlines	\$560,976
Vietnam Airlines	\$21,532
Virgin Atlantic Airways	\$10,137
ZEAL 320	\$1,223,289
Grand Total	\$24,911,582

(c) Administration costs are not paid on a per ticket basis. Administration costs are paid to airlines based on the activities and costs incurred directly related to the collection and remittance of the PMC.