

SENATE ESTIMATES COMMITTEE
AUSTRALIAN CUSTOMS SERVICE
QUESTIONS ON NOTICE

Senator Ludwig asked the following question at the hearing of 20 November 2002:

Can the ACS provide us with an update on the development of the technical specifications for the Coastwatch contract?

I am advised that the answer to the honourable Senator's question is as follows:

At this stage, no decision has been made on whether there will be a single contract or multiple contracts for the provision of civil maritime surveillance and response services.

Coastwatch is working on the Statement of Requirements, which will include the technical specifications for the contract(s). This should be completed in the second quarter 2003.

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Senator Ludwig asked the following question at the hearing of 20 November 2002:

When does the ACS envisage that part of the process will be completed and the actual tendering process begin?

I am advised that the answer to the honourable Senator's question is as follows:

It is anticipated that the tendering process will commence with an initial stage of *Industry Notification and Comment* on the draft Statement of Requirements and related tender documents. This should be in the second half of 2003. Once Industry feedback is obtained and considered, a *Request for Proposals* will be issued.

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Senator Ludwig asked the following question at the hearing of 20 November 2002:

The Passenger Movement Charge (PMC) is a tax introduced in the 1995 Budget on international passengers departing Australia. Labor introduced the charge to recover the cost of providing passenger processing and short-term visa processing services. Initially the charge was \$27. Amendments to the Act have seen the charge increase to \$30 in 1999 and subsequently \$38 in 2001 (this is despite the Prime Minister's guarantee not to increase taxes in their third term!). Amendments to the Act have also included quarantine inspection services under the PMC. Specifically, what services does the PMC cover?

I am advised that the answer to the honourable Senator's question is as follows:

The PMC was initially introduced to recoup the full accrual costs of all Customs, Immigration and Quarantine (CIQ) functions relating to the processing of incoming and outgoing international passengers and the cost of issuing short-stay visitor visas. Increases in the rate of charge since its introduction have been to cover the estimated cost of specific CIQ initiatives consistent with the original basis of the charge. The PMC is, however, a tax and the revenue collected is paid into the consolidated revenue fund.

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Senator Ludwig asked the following question at the hearing of 20 November 2002:

What are the costs associated with the provision of passenger processing services on an annual basis?

I am advised that the answer to the honourable Senator's question is as follows:

Costing for CIQ processing activities from the commencement of the PMC was undertaken in response to a Question on Notice from Mr Martin Ferguson MP in December 2000. Totals were as follows:

Financial year ending	Customs \$'000	Immigration* \$'000	Quarantine \$'000
1995	46,643	Not available	Not available
1996	94,209	6,911	12,746
1997	93,695	7,714	13,922
1998	124,997	7,139	15,450
1999	122,717	7,154	19,817
2000	124,545	8,119	19,345

* Immigration figures are only based on airport costs and do not include the costs involved in issuing visitor visas.

Border control agencies are currently updating costings and these figures will be made available as soon as this work is completed.

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Senator Ludwig asked the following question at the hearing of 20 November 2002:

What are the costs associated with the provision of visa processing services on an annual basis?

I am advised that the answer to the honourable Senator's question is as follows:

Visa processing services are provided by the Department of Immigration and Multicultural and Indigenous Affairs. The question has been referred for a response.

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Senator Ludwig asked the following question at the hearing of 20 November 2002:

What are the costs associated with the provision of quarantine inspection services on annual basis?

I am advised that the answer to the honourable Senator's question is as follows:

Quarantine inspection services are the responsibility of the Australian Quarantine Inspection Service. In response to a question on notice in December 2000 the following information was provided:

Financial year ending	Quarantine \$'000
1995	Not available
1996	12,746
1997	13,922
1998	15,450
1999	19,817
2000	19,345

Border control agencies are currently updating costings and these figures will be made available as soon as this work is completed.

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Senator Ludwig asked the following question at the hearing of 20 November 2002:

How much money has been collected through the PMC in each of the years since it was introduced?

I am advised that the answer to the honourable Senator's question is as follows:

PMC Collections in each of the years since it was introduced are as follows:

Financial year	PMC Collected Total (\$m)
1994/95*	64.1
1995/96	147.8
1996/97	174.5
1997/98	189.0
1998/99	200.1
1999/00	226.2
2000/01	242.8
2001/02	283.6

* PMC commenced on 1 January 1995

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Senator Ludwig asked the following question at the hearing of 20 November 2002:

Has there been any significant increase in the costs associated with the services covered by the PMC in recent times. Specifically what do these increases relate to?

I am advised that the answer to the honourable Senator's question is as follows:

Yes. Costs associated with CIQ passenger processing activity have increased in recent times in response to:

- requirements for additional staff and equipment at international ports (both air and sea) necessary to implement increased quarantine intervention initiatives announced in the May 2001 Budget;
- additional expenditure on systems necessary to implement advance passenger information and airline reservation system access provisions of the Border Security Legislation Amendment Act 2002.

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Senator Ludwig asked the following question at the hearing of 20 November 2002:

The Passenger Movement Charge Amendment Act 1998 increased the rate of the PMC by \$3. Budget Papers state this "will help meet the additional costs arising from the movement of people and games-related equipment across Australia's borders at the time of the Sydney 2000 Games. Can you confirm that this \$3 charge is still being collected? How much revenue relating to this \$3 charge has been collected since the conclusion of the Sydney 2000 Games?

I am advised that the answer to the honourable Senator's question is as follows:

The current rate of the PMC incorporates the \$3 increase introduced in 1998 and, based on the number of non-exempt departing passengers, this element of the charge would have raised around \$50m since October 2000.

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Senator Ludwig asked the following questions at the hearing of 20 November 2002:

128 Isn't it the case that the PMC continues to operate beyond its initial intention, that is, it no longer simply covers the costs associated with the provision of services?

129 What happens to the excess of funds collected?

130 Is it now the case that the Government continues to return a profit from outgoing tourists through the PMC?

131 Is this revenue earmarked for any specific purpose?

I am advised that the answer to the honourable Senator's questions is as follows:

The PMC is set at a level sufficient to cover the costs of CIQ services.

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Senator Ludwig asked the following question at the hearing of 20 November 2002:

An article in the Australian on Friday, 15th November noted the potential imposition of tax of between \$8 and \$10 to fund the implementation of the terrorism package of legislation. Can the ACS provide more detail on this matter?

I am advised that the answer to the honourable Senator's question is as follows:

Funding arrangements for the terrorism package of legislation is a matter for the Attorney-General's Department and the Department of the Prime Minister and Cabinet.

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Senator Ludwig asked the following question at the hearing of 20 November 2002:

What impact will this additional tax have on tourism?

I am advised that the answer to the honourable Senator's question is as follows:

Customs is not in a position to perform this analysis.