



QUEENSLAND
TOURISM INDUSTRY
COUNCIL

The Voice of Tourism

Submission to the
**Department of
Agriculture and Water
Resources**
on the
**Intergovernmental
Agreement on
Biosecurity Review Draft
Report**

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INTRODUCTION

The Queensland Tourism Industry Council (QTIC) welcomes the opportunity to provide comment to the *Intergovernmental Agreement on Biosecurity Review Draft Report* (the Draft Report).

Biosecurity threats and incidents can have a devastating impact on the Australian tourism economy. The scalability, preparedness and responsiveness of Australia's biosecurity system will be essential as Australia experiences a fast growth of travel and tourism activity in the coming years.

QUEENSLAND TOURISM INDUSTRY COUNCIL

QTIC is the state peak body for tourism in Queensland. As the voice of tourism, QTIC represents the interests of the tourism industry, including business operators, Regional Tourism Organisations (RTOs) and sector associations.

QTIC is a private sector, membership-based tourism industry organisation; all of Queensland's 13 RTOs are members of QTIC as are 18 of the industry sector associations and in excess of 3,000 regional members, operating in all sectors of the tourism industry. QTIC works in partnership with government agencies and industry bodies at a local, state and national level (Australian Tourism Industry Council), to strengthen the voice of tourism in all relevant policy forums.

FEEDBACK 3: FUTURE-FOCUSSED BIOSECURITY R&I

QTIC **does not support** ‘a new national charge applied to incoming passengers’, as suggested in section 6.3.3 of the Draft Report:

“Funding could be sourced from a new national charge applied to incoming passengers. By way of precedent, in January 2016, the New Zealand Government introduced a Border Clearance Levy (incoming) of approximately \$20; the Great Barrier Reef Marine Park Authority levies most commercial activities and tourism activities within the marine park including a visitor charge of \$6.50 per day.”

Extract from section 6.3.3 of the Intergovernmental Agreement on Biosecurity Review Draft Report.

While, QTIC agrees that ‘research and innovation (R&I) underpin Australia’s science-based approach to biosecurity’, and that a funding source is required to adequately resource R&I programs, QTIC **does not support ‘a new national charge applied to incoming passengers’** as proposed in the Draft Report. **QTIC entirely rejects any proposition to further increase any passenger movement levies, inbound or outbound.**

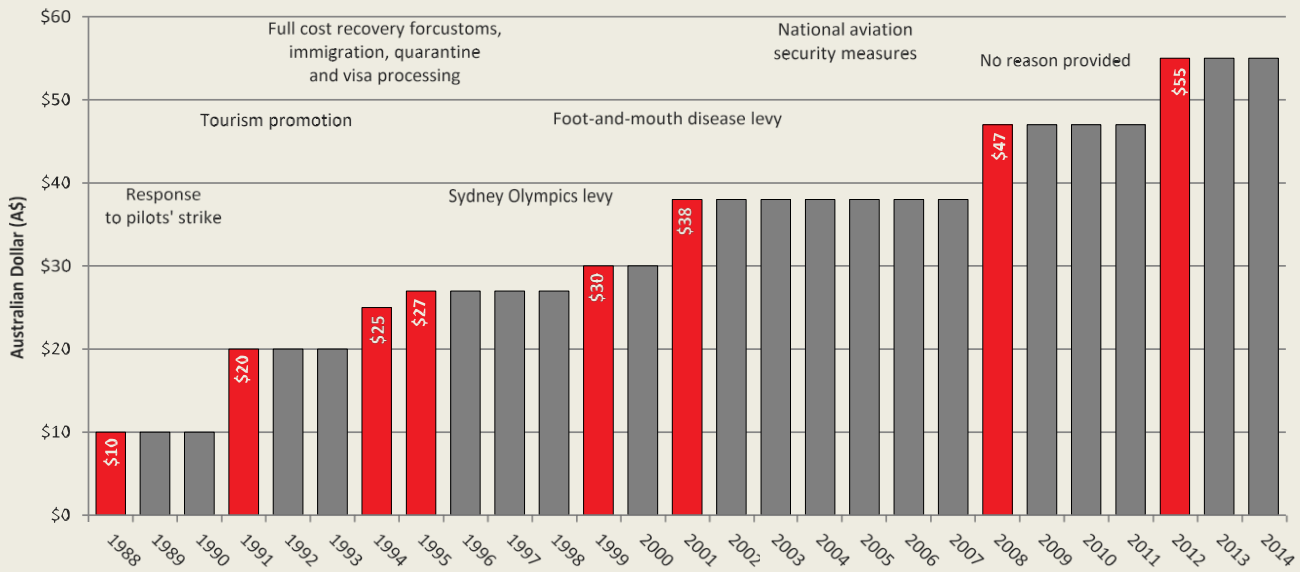
The Passenger Movement Charge (PMC) is a Commonwealth tax introduced in the 1995 budget levied on passengers departing Australia, replacing the departure tax. The Labor government at the time initially introduced the tax to recoup the full accrual costs of **Customs, Immigration and Quarantine (CIQ) processing** for international passengers and the cost of issuing short-stay visitor visas. However, **collection from the PMC now exceeds these costs**, and it is the amount of over-collection that represents a **disproportionate tax burden on the tourism industry**.

Recognised as an excise tax since 1996, the official hypothecation of the tax continued until 2001, when the federal government conceded that the PMC had moved beyond cost recovery and was a contributor to consolidated revenue¹. That year the then-Department of Finance and Administration admitted an over-recovery of around \$80 million, created by the non-removal of the \$3 per passenger additional levy to cover Sydney Olympics passenger processing². Successive governments have since raised the PMC rate, often using aviation security or health pandemics as justification. None of the rate rises have been reversed. The history of justifications up to 2014 for increases to the PMC are shown over the page in Chart 1.

¹ Auditor-General, “Audit Report No. 12 2000-2001 Performance Audit Passenger Movement Charge”, Canberra, 2001

² Darryl Williams, Press conference by the Attorney General, Hon Daryl Williams AM QC MP, 18 December 2001, 2001

Chart 1: Justification for Increases to the Passenger Movement Charge



Government revenue from the PMC is significantly more than the amount required to fund the Australian Customs and Border Protection Service’s passenger facilitation programme (including Biosecurity), shown below in Table 1.

Table 1: Australian Border Fees and Charges, 2014-15

AUSTRALIAN BORDER FEES AND CHARGES, 2014-15		
Income	Collected by	Amount
Passenger Movement Charge	Australian Customs and Border Protection Service	\$908 million
Visa fees and fines	Department of Immigration and Border Protection	\$1.7 billion
Passport fees and consular service charges	Department of Foreign Affairs and Trade	\$376 million
TOTAL INCOME		\$3 billion
Expense	Administered by	Amount
Passenger facilitation	Australian Customs and Border Protection Service	\$230 million (est)
Passport issuance	Department of Foreign Affairs and Trade	\$263.3 million
Consular assistance	Department of Foreign Affairs and Trade	\$12.8 million
Biosecurity	Department of Agriculture	\$360 million
Migration and temporary entry	Department of Immigration and Border Protection	\$872 million
TOTAL EXPENSES		\$1.7 billion

Sources: Budgeted Expenses for Outcome 2 (passport and consular services), Department of Foreign Affairs and Trade Annual Report 2013-14; Australian Quarantine Inspection Service Special account, Department of Agriculture Budget Statements 2014-15; Programme Component Expenses for Outcome 1, Department of Immigration and Border Protection Budget Statements 2014-15, Estimate for passenger facilitation based on Australian Customs and Border Protection Service Budget Statement 2012-13 with annualised programme reduction forecast

In December 2016, the Australian Government increased the Passenger Movement Charge an additional \$5 (to \$60 – among the highest passenger movement levies by international comparison) as part of a ‘compromise package’ on the Working Holiday Maker Review – a further revenue raising measure which was not supported by industry. The tourism industry does not receive fair re-investment from the revenue raised from the Passenger Movement Charge, and to again impose an increase on travel levies would further compromise the competitiveness of travel to Australia.

The *Passenger Movement Charge Amendment Bill (No.2) 2016*, amended the *Passenger Movement Charge Act 1978* to provide that the rate of passenger movement charge of \$60 to apply from 1 July 2017 and to **not increase for a minimum period of five years** from that date. **This commitment from the Australian Government of no further increases to the passenger movement levy is a commitment the tourism industry deems applicable to any additional charge applied to passenger movements, inbound or outbound.**

Further, the suggestion (in the Draft Report) of the precedent of the Great Barrier Reef Marine Park Authority levy on commercial tourism activities within the marine park, ‘including a visitor charge of \$6.50 per day’, as a possible funding mechanism for national biosecurity program funding is **out of touch with the specific research and conservation needs of the Great Barrier Reef, which QTIC strongly advocates is already under-resourced by way of federal funding.**

The funding of biosecurity (and biosecurity research and innovation programs) must not only be borne by the tourism industry, paid for by visitors to Australia, but cost-shared by the Australian public.

QTIC strongly recommends an investigation into alternative funding sources for biosecurity research and innovation programs which will not undermine existing research and conservation programs or undermine the competitiveness of the tourism industry.

QTIC entirely rejects any proposition to further increase any passenger movement levies, inbound or outbound.

DRAFT RECOMMENDATION 1: A NATIONAL STATEMENT OF INTENT

As cited in QTIC’s previous submission and in the Draft Report, QTIC supports Recommendation 1 for a National Statement of Intent, along with an explanation of the governance arrangements and the roles and responsibilities that different industry sectors can play in the national biosecurity system.

As the peak industry body for tourism in Queensland, QTIC is well positioned to assist in the dispersal of information on biosecurity programs to industry, as well as continue to provide input in multi-sector collaborations and forums related to the national biosecurity system.

DRAFT RECOMMENDATION 7: STRONGER ENVIRONMENTAL BIOSECURITY

QTIC supports the recommendation of including explicit commitment by jurisdictions to financially and systematically support risk management programs. Transparency through the documenting of evidence-based decision-making is critical for informing and giving confidence to communities, industry and government.

DRAFT RECOMMENDATION 8: FORMAL ARRANGEMENTS BETWEEN JURISDICTIONS AND AGENCIES

QTIC supports the recommendation for jurisdictions to institute formal arrangements between agriculture and environment agencies, defining the objectives of cooperation, roles and responsibilities, information, resources and deliverables.

DRAFT RECOMMENDATION 9: INSTITUTIONALISING ENVIRONMENTAL BIOSECURITY

QTIC supports the principles and actions of Draft Recommendation 9, particularly the development of a program of work for managing priority pests and diseases, and for a focus on industry partnerships.

DRAFT RECOMMENDATION 10: ESTABLISH A CHIEF ENVIRONMENTAL BIOSECURITY OFFICER

QTIC supports the recommendation to assign a leadership position for managing and reporting on Australia's biosecurity programs, and for these reports to be made publically available. It is recommended that such reports be published online for easy access by any concerned agency or member of the community. This leadership role must also involve a stakeholder informant role, to effectively support community, agency and industry partnerships.

DRAFT RECOMMENDATION 11: ESTABLISH A NEW ENVIRONMENTAL BIOSECURITY COMMITTEE

QTIC supports this recommendation, and encourages that the Committee regularly seeks feedback from community and industry representatives. The Committee should also regularly share information at various stages of the national biosecurity program, either published publically online or to be shared with subscribed interested stakeholders.

FURTHER ENQUIRIES

QTIC welcome the opportunity for further discussion regarding the points raised in this submission. For all enquiries, email policy@qtic.com.au.