

23 February 2007



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Jackie Morris
Committee Secretary
Standing Committee on Legal and Constitutional Affairs
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Ms Morris,

Melbourne Airport (MA) supports, in principle, the centralisation of ASIC background criminal and security checks under the AusCheck banner. However, the initial \$35.00 fee increase is not supported.

The aviation industry is going through a period where other additional costs are being imposed, many leading to higher labour cost. These charge increases have resulted mainly from:

- Increased screening requirements including airside staff and vehicle inspections,
- The pending Liquids, Aerosols and Gels (LAG's) security requirements,
- Upcoming introduction of 100% in line domestic checked baggage screening, and
- Rising fuel costs.

MA believes that Federal Government initiatives, such as the AusCheck scheme, should be incorporated as part of the wider national security measures. With this in mind, MA contends that the pending AusCheck proposal should follow a similar model as that of the Counter Terrorism First Response model, whereby changes are now funded by the Commonwealth.

MA recognises that there will be tangible benefits to the industry should the purported five day ASIC application turnaround (in 75% of cases) be realised. Nevertheless, the proposed cost increase is a concern.

Presently, ASIC costs are borne by the industry across the board. MA is currently in the process of negotiating with the Airline Industry, as endorsed by Government, to set prices from July 1, 2007, for a period of five years. The uncertainty of the final ASIC price (including the GST uncertainty) makes MA's pricing negotiations problematic.

MA requires price certainty for a period of five years. It is MA's view that a price freeze for this period would enable AusCheck to work towards efficiently providing its service and give the industry the pricing certainty it requires.

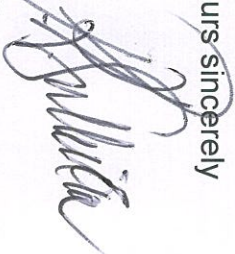


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At the end of this period prices could be reset for the next five year period, with the industry given ample notice to incorporate the changes.

In summary, MA's view is that if full Commonwealth funding is not available that as an alternative to the \$35.00 fee increase, a price freeze for five years on ASIC checks price would be in the best interest of the industry.

Yours sincerely



For

John Nahyna

General Manager, Operations

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