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Ms Jessica Shaw MLA  
Chair  
Economics and Industry Standing Committee  
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Dear Ms Shaw

## INQUIRY INTO WESTERN AUSTRALIA'S ECONOMIC RELATIONSHIP WITH THE REPUBLIC OF INDIA

Perth Airport is Australia's Western Hub, connecting our communities and businesses to the rest of Australia and the world.

Perth Airport plays a major role in generating jobs and economic growth for Western Australia. Each year the airport contributes \$3.5 billion to the Western Australian economy and helps generate around 17,000 direct and indirect jobs.

Perth Airport welcomes the opportunity to assist the current Inquiry into Western Australia's Economic Relationship with India.

The number of Indian visitors to Western Australia has risen 9.1% per year in the past five years to 65,000, while the number of Australian residents to India has increased 4.7% per year in the past five years to 87,000. The majority of Indians coming to Australia are visiting friends & relatives (58%), followed by education (17%), business travellers (17%), and leisure (8%).

Western Australia is the only Australian state where India is the largest market for international students, representing 15% of all enrolments between January - May 2019. Over the last four years, Indian student enrolments to Western Australia have increased 161% to about 8,000 students.

Perth Airport, as part of Team Perth, has been working on achieving a new, non-stop scheduled service between Perth and a major Indian city, with a primary focus on Delhi and Mumbai, but also potentially Chennai or Bangalore.

Direct flights between India and Perth could provide an economic hub to act as a catalyst for further growth in social, cultural, research and economic ties between Australia and India.

Perth has a significant advantage as the west coast entry point into Australia, with the opportunity for a medium-haul journey between India and Perth, followed by a domestic connecting flight to all Australian capital cities and possible direct access to New Zealand.

There is currently no direct airline route between Perth and India, and while Air India flies five times a week from Delhi to Sydney and Melbourne, there are currently no direct services between Australia & Mumbai. A typical daily international flight between Perth and a major Indian city could generate more than 600 full time equivalent jobs and \$70 million in value added GDP.

The launch of the WA State Government's 'Asian Engagement Strategy 2019-2030' in August 2019 further emphasised the importance that India represents to Western Australia. Nationally, Australia's ties with India are long standing and strong. India is currently our fifth largest trading partner and our fifth biggest export market. Australia exported \$20 billion worth of goods and services to India in 2017. Freight from Western Australia to India is high value, particularly gold, but also zinc oxide (raw material to batteries and sunscreen), lamb meat, and medicaments.

A formal agreement has been reached with India's Department of Civil Aviation to work towards the start of a direct service. Significant effort has gone into relationship building and information gathering to support the development of a new route including ministerial-led visits including representatives from Perth Airport with a focus on tourism, direct flights, and international education.

This all underscores Team Perth's commitment to the India market.

There is an existing Open Skies Agreement which was signed in June 2018 to enable traffic flows between India and Australia without capacity constraints, and prior to COVID-19, India's Directorate General of Civil Aviation had approved a 22% expansion to Indian airlines' domestic Winter schedules.

There are no operational constraints in Perth as Perth Airport operates 24/7 with flexibility in terms of slots so an Indian airline could operate this 8-to-10-hour medium-haul sector within a 24-hour return trip, providing a good aircraft utilisation rate.

Over the next 20 years, a growing India will need many of Western Australia's goods and services – in education, agriculture, energy, resources, tourism, healthcare, financial services, infrastructure, science and innovation, and sport.

According to the last Australian Bureau of Statistics Census data, there has been rapid growth in the number of people of Indian heritage living in Perth (65% since 2016). In the same period, the Indian diaspora in Perth has risen to about 100,000, representing an increase of more than 30%, with commonalities of English language, democracy, arts & culture (cricket) and online media channels.

The market size between India and Perth for the year end to February 2020 is about 152,000, a year on year growth from February 2019 to February 2020 of 7.8% and is well-balanced with 56% residents and 43% visitors.

Perth Airport believes Western Australia can further capitalise on this growing market, however there are some issues that are hindering efforts. Acknowledging that this is ultimately a Federal Government issue, since 1 July 2017 Indian nationals have been able to lodge a Visitor (tourist or business) visa subclass 600 online. Applicants must demonstrate their intent to stay temporarily with the financial means to support their visit. There are several steps required in the application process including a \$140 payment, and the processing time is 15-30 days for an e-authorisation to be granted.

A simplification and streamlining of processes would benefit visitors to Australia, including Indian applicants, however there are some measures that could be taken in the short term:

- 1) Prioritise work that is already underway to use technology to ensure the provision of more easily accessible and longer duration visas for Indian business and tourist travellers, consistent with Australia's global visa policy and effective risk management;
- 2) Strengthen efforts to improve the timeliness and simplicity of issuing visas. The Department of Home Affairs could ensure resources are available to process the high Indian lodgement rates of tourism and other visas;
- 3) Fast track the processing of visas that are available for \$1,000 with a turnaround within 48 hours.

Both the Western Australian State Government and the Federal Government should be encouraged to invest in a sustained campaign to support Team Perth's efforts in securing a direct air route between Perth and India.

There is a need for enhanced marketing of Perth and Western Australia in India. India has only recently become a priority market for Tourism WA. There is much work to be done and it needs to remain a high priority with adequate funding committed for in-market business development. This applies to human resources promoting Western Australia in India and significant funding for tailored marketing campaigns.

The international education sector would also stand to benefit through increased resourcing of StudyPerth in India. An example could be the provision of a competitive Western Australian-sponsored scholarship for an Indian student demonstrating academic excellence, providing opportunity as well as increased awareness of the exceptional, sought-after education experience available here in Western Australia.

The corporate meetings and events industry is active in India and Perth is well-positioned as a destination for Indian companies looking to incentivise sales forces and engage with their global teams. Again, sufficient funding and resourcing of entities such as Business Events Perth is required to ensure Perth is proactively engaging with this lucrative and highly competitive sector.

India is the fastest growing aviation market in the world, and the importance of developing direct flights between Perth and a major Indian city to strengthen the tourism and broader trade relationship should not be understated.

Perth Airport will continue to work as part of Team Perth to take full advantage of the opportunities presented by a comprehensive economic relationship between Western Australia and India, and I look forward to an opportunity to discuss any aspects further with the Committee.

Yours sincerely,

  
Kevin Brown  
CHIEF EXECUTIVE OFFICER