

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

Question No. 172

Senator Macdonald asked the following question at the hearing on 24 May 2012:

The Government has announced in its 2012-13 Budget Paper #2 that the passenger movement charge will increase from \$8 to \$55 per passenger (an increase of approximately 17%). This measure is calculated in the budget paper to provide revenue of \$610m over the four-year forward estimate period.

- a) How was the size of the increase determined in terms of cost:benefit?
- b) Will the tourism industry be provided subsidy to offset this substantial disincentive (particularly for operators of group-tours)?
- c) How will this revenue be collected?
- d) How much of this revenue will go to the customs and border protection service (as the body that is imposing the fee)?

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

- a) The Passenger Movement Charge increased by \$8 from \$47 to \$55 on 1 July 2012. The increase was a revenue measure which was managed by the Treasury. These questions should therefore be directed to the Treasury.
- b) The increase to the Passenger Movement Charge will assist in the establishment of the Asia Marketing fund. The Asia Marketing fund is aimed at supporting the promotion of Australia to growing markets in Asia as a premium holiday and business travel destination. Further questions about business funding should be directed to Resources Energy and Tourism.
- c) Passenger Movement Charge is generally collected by an airline, shipping or charter company at the time a passenger pays for their ticket. The Passenger Movement Charge is remitted to Customs and Border Protection at the time the passenger departs Australia. The payments between airlines and Customs and Border Protection are governed under formal arrangements agreed by both parties.
- d) All revenue collected from Passenger Movement Charge is returned to consolidated revenue. Customs and Border Protection does not retain any revenue collected as part of the Passenger Movement Charge.