



Premier of Queensland

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– 8 JUN 2012

Senator Trish Crossin
Chair
Senate Legal and Constitutional Affairs Committee
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Dear Senator

Thank you for your email of 24 May 2012 about the Legal and Constitutional Affairs Legislation Committee inquiry into the *Passenger Movement Charge Amendment Bill 2012*.

The Queensland Government strongly opposes the Bill and the proposed \$8 increase to the Passenger Movement Charge (PMC) that is contained within it. This would constitute a further tax on the Queensland tourism industry at a time when Australia is already a high cost destination for international tourists, largely due to the strength of the Australian dollar. An increase to the PMC will have a direct impact on the costs for international visitors to fly into Australia.

My Government is committed to rebuilding demand for tourism in Queensland and has set a 2020 Growth Target of doubling overnight visitor expenditure to \$30 billion in line with the 2020 National Growth Target to achieve \$115 billion to \$140 billion overnight visitor spend.

I am sure that the Honourable Martin Ferguson MP, Federal Minister for Tourism will be as concerned as I, and the industry, are about how far back the increased PMC will put Australia in trying to meet this very ambitious target.

Consequently, my Government is greatly concerned about any increase in taxation on the tourism industry and we join industry in asking that the Federal Government look at other ways to raise its revenue. We also ask whether the Federal Government has modelled the impact of increasing the PMC on inbound tourism numbers, and if not, why not?

In addition, the reinvestment of the funds raised from the PMC increase raises concerns for my Government as it would appear only a token amount will be provided to tourism. Tourism Australia will receive just \$8.5 million of the extra \$85 million raised in 2012–13. If the Australian Government persists with this revenue grab, all funds should be given to direct action initiatives agreed by industry and state governments in conjunction with the Commonwealth.



**Queensland
Government**

For example, the Queensland Government has committed to rebuilding Queensland's tourism industry, which has been severely impacted by recent natural disasters, the Global Financial Crisis and the high Australian dollar. To meet this commitment, and to work toward the 2020 Tourism Growth Target, my Government has established an Aviation Investment Fund to secure new aviation business and is taking urgent measures to cut through red tape and reduce costs for businesses that inhibit and restrain Queensland's tourism industry. This Fund is exactly the kind of direct action program we believe the Commonwealth should fund and help us to deliver real and tangible benefits for the industry.

My Cabinet colleague, the Honourable Jann Stuckey MP, Minister for Tourism, Major Events, Small Business and the Commonwealth Games, can be contacted should the Committee require any further information or advice about the Queensland Government's position. Minister Stuckey is available at the following contact details:

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Thank you for the opportunity to contribute to the Committee's inquiry and I trust these views will be considered by the Committee.

Yours sincerely

CAMPBELL NEWMAN