

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

Question No. 107

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

- a) The Budget papers have indicated that the Passenger Movement Charge (PMC) will rise from \$47 this financial year to \$55 in 2012/13. (2012-13 Budget Paper No 2, pg11). What is the rationale behind this additional charge and where will the additional revenue go?
- b) Have there been any assessments on whether this increase will undermine the competitiveness of Australia's tourism sector at a time when the industry is vulnerable to current unstable global economic conditions?
- c) What consultation has Customs had with the tourism industry and airports regarding the PMC increase? Was the Government involved in these consultations?

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

(a) and (b)

The Australian Customs and Border Protection Service is the operational agency responsible for administration of the Passenger Movement Charge (PMC). Responsibility for the rate and any changes to the PMC rests with the Treasury. Questions regarding the rationale behind the recent change should be directed to the Treasury. Questions regarding impacts on Australia's tourism sector should also be directed to the Treasury and the Department of Resources, Energy and Tourism.

(c)

On 17 May, Customs and Border Protection advised of the budget announcement at the National Passenger Facilitation Committee which is attended by senior executives from the airline industry, tourism industry and government agencies.

In addition, letters were sent to all PMC remitters on 14 May and again to Regular Public Transporters (Airlines) that remit PMC on 23 May to advise of the PMC rate increase. PMC remitters were advised that further information will be provided to explain how the indexation of PMC will be calculated.

The agency's Internet site was also updated with details of the PMC rate increase on 29 May 2012.

Through an internal review of its PMC processes by an engaged contractor, after the budget announcement Customs and Border Protection has consulted with 15 airlines and one charter operator to obtain further understanding of the impacts on industry and the processes they will use to calculate the PMC after the increase.

Customs and Border Protection consultation of the changes to the PMC rate has been completed as part of its normal administration processes without involvement from the Government.