



**Alex Wilson**  
**Research Officer**  
**Senate Standing Committee on Legal and Constitutional Affairs**  
**Department of the Senate**  
**PO Box 6100**  
**Parliament House**  
**CANBERRA ACT 2600**

**Dear Alex**

**Re:- Passenger Movement Charge Amendment Bill 2008**

*Further to the invitation to comment on the Amendment Bill as advised in your e-mail of 18 June 2008, please note the following information from the Australian Airports Association.*

*The Australian Airports Association (AAA) is a non-profit organisation founded in 1982 and represents the interests of over 265 airports Australia-wide, from the local country community landing strips to the major international gateway airports. There are a further 85 Corporate members representing aviation stakeholder companies and organisations that provide goods and services to airports.*

*The Charter of the Association is to facilitate co-operation among all member airports and their many and varied partners in Australian aviation, whilst maintaining an air transport system that is safe, secure, environmentally responsible and efficient for the benefit of all Australians.*

*This submission is the AAA's response to the e-mailed dated 18 June 2008, inviting input to the examination and report on the above referred legislation.*

*The AAA has some fundamental issues in respect of the PMC and any subsequent increase to this charge in it's:-*

- 1 - possible impost on tourist perceptions of Australia and impacts on future passenger growth at our member airports;*
- 2 – the fact that the charge is not transparent, has undergone many changes over the past decade without consultation and it is not clear for what purpose the charge is levied;*
- 3 – historically, the Australian National Audit Office (ANAO) identified in 1996 that the charge over recovered by \$19.1 million and while the same ANAO audit found that the PMC was introduced as a cost recovery measure to fully offset the cost of Customs Immigration and Quarantine processing it in law was a tax;*
- 4 – The following ANAO Audit found that the PMC had under-recovered without any clear reason why which further invites our request for transparency;*
- 5 – This tax does not encourage the adequate provision of people and infrastructure to meet the increasing demand on the CIQ services leading to long queues, poor service standards and heated conflict between passengers and Border agencies;*
- 6 – The airlines collect this tax and pass it on to the Government having recovered their costs of collection;*
- 7 – Airports are obliged to make space available for the Border Agencies yet receive no compensation for the associated infrastructure costs – the 1996 ANAO audit suggested that a portion of the then over collection be passed to airports as a facility charge. The then Minister for*

*Finance advised in a letter to the Chairman/CEO of the Federal Airports Corporation (FAC) that there would be a postponement of this contribution to airports as the then FAC was a Government Business Enterprise and that Government would not take from one area to pay another but that the issue would be reviewed following the privatization of airports process – there is no subsequent evidence that this review has occurred;*

*8 – We also contend that the staffing and essential infrastructure for the Border Agencies should be pro-actively geared to airport traffic forecasts and that the allocation in these agencies budgets should be met from the general revenue raised from the PMC.*

*In regard to the issue identified in '7' above, the functions carried out at airports are not to protect the airport or those within and accordingly the AAA would recommend that as the function is to the benefit of the Nation as a whole that the provision of the facility to enable the border agencies to carry out this essential task should not be born solely by the airport operator but that the operator should receive some compensation by way of a relative portion of the PMC.*

*We welcome the opportunity to comment further or clarify any of the issues raised in this submission by way of telephone conference and I am able to be contacted on 08 8308 9221 – I look forward to the details of this discussion if deemed necessary.*

*Yours sincerely*

*John McArdle  
National Chairman*