



## Board of Airline Representatives of Australia (BARA) Media Release

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### Hiking Passenger Movement Charge by a third in three years puts further pressure on international airlines and travellers

The Board of Airline Representatives of Australia (BARA) has criticised the Federal Government's increase to the Passenger Movement Charge (PMC) from \$70 to \$80 announced in the May-26 Federal Budget, warning it will put pressure on international airfares on top of ongoing global fuel and other cost challenges.

BARA Executive Director Stephen Pearse said the industry was also extremely disappointed by the lack of consultation ahead of the announced increase, coming just three years after the last hike was announced in the May-23 Budget.

"The international aviation sector plays a critical role in Australia's economy, tourism industry and international connectivity," Mr Pearse said.

"The Government has now increased the PMC by 33% (by \$20 per passenger) in just 3 years\*, yet there has been very little additional investment in modernising Australia's border, and no commitments made in this budget for future improvements.

"The Australian PMC is already amongst the highest in the world, and this additional increase will simply result in international airlines questioning further their future growth plans for services to Australia.

"Decisions that directly impact passengers by adding a direct cost to airfares should not be made without meaningful engagement with the international airline industry, particularly in this challenging global environment.

"If increased airfares result in fewer international airline services operating to Australia than there would have been, increasing the PMC provides less revenue to the Government than would have been collected from overseas visitor spending and the increased economic activity that creates. Increasing the PMC is a tax grab at the expense of a more productive and internationally connected Australian economy."

According to the most recent IATA figures, aviation in Australia supports more than 600,000 full-time equivalent jobs and contributes almost \$100 billion to the national economy. Almost every Australian interacts with the sector – whether through travel, freight, employment, or services. Further, every international aircraft that lands in Australia delivers around \$700,000 of economic value from direct visitor spend and associated activity.

"Passengers increasingly expect streamlined, digital travel experiences. Instead, Australia continues to rely on outdated processes that create inefficiencies for travellers, airlines and border agencies alike, while ever-increasing PMC revenue still fails to be apportioned to deliver against these obvious priorities," Mr Pearse said.

"BARA calls on the Australian Government to fund a modern border as an immediate and firm priority."

*\*PMC increased \$10 in May-23 and an additional \$10 in May-26.*