

MEDIA RELEASE

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Hotels back push for Productivity Commission to look at PMC

Tourism Accommodation Australia (TAA), representing 600 accommodation hotels, has backed calls for the Productivity Commission to review Trans-Tasman travel arrangements in light of a Senate Estimates discussion on the recent increase to the Passenger Movement Charge (PMC).

TAA Managing Director Rodger Powell said the recent 17% increase in the PMC from 1 July had led to an immediate decline in visitation to Australia from New Zealand.

“The increase in the PMC from 1 July immediately caused a 4.5% drop in visitation from New Zealand in July and a further 2.4% decline in August”, Mr Powell said.

“New Zealand is our nearest and largest tourist market and this tax-induced decline is a major concern for the accommodation sector.

“TAA supports calls made in yesterday’s Senate Estimates hearing for the Productivity Commission to look into Trans-Tasman travel arrangements, particularly the PMC which raises far more revenue for the Government than is actually spent on customs, airport security and the recently Asia Marketing Fund.

“The Australian and New Zealand Productivity Commissions have already identified a need to streamline travel arrangements between the two countries, citing the PMC as an example of inefficiency. It’s time the Australian Productivity Commission followed through with a thorough inquiry and made some considered recommendations to the Federal Government.”

Mr Powell said timing is a critical issue, with the increased taxes on travel to Australia already having an impact on the tourism industry.

“The impact of this increase is the decline in international competitiveness as airfares increase, particularly for families where multiple tickets must be purchased.

“Given the closeness of the relationship between the two countries, we should be working towards instituting domestic-style travel arrangements rather than putting up new barriers to discourage visitors.”

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