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MEDIA RELEASE

TOURISM INDUSTRY UNITES AGAINST PMC INCREASE AS A 'TAX ON TOURISM'

Three major tourism industry bodies have joined forces to oppose the Federal Government's increase to the Passenger Movement Charge (PMC), warning the additional cost risks undermining Australia's international tourism competitiveness and placing further pressure on regional visitor economies.

As announced in the 2026 Federal Budget, the PMC is proposed to increase from $70 to $80 per passenger. From next year, passengers aged 12 and over departing Australia by air or sea will pay the increased charge. The increase is currently under discussion within the Australian Parliament.

Airlines for Australia & New Zealand (A4ANZ), the Tourism & Transport Forum (TTF) and Accommodation Australia (AA), are standing together to voice their disapproval for the increase of the tax and push for policies that strengthen Australia's competitiveness as an international tourism destination.

A4ANZ Chair Professor Graeme Samuel AC said, "The hike in the Passenger Movement Charge is part of a broader cost wave now hitting airline services, with fuel volatility, higher government levies, increased security and credentialling costs, airport passenger charges, accessibility reforms and sustainability-related policy measures all adding pressure at the same time.

"Airlines have been warning governments that piling new taxes, fees, charges and regulatory costs onto aviation will inevitably flow through to higher airfares, fewer services, or both. That is not academic; it is the commercial reality of operating routes on tight margins.

"The pressure is felt first on thin and marginal routes, including services that connect regional communities and support tourism, trade and investment.

"Recently we've seen airlines cut international routes from the Sunshine Coast and Cairns to New Zealand, between Darwin and Singapore, and on a range of domestic routes servicing key areas such as Uluru, Alice Springs, Wollongong, Mount Gambier, Coffs Harbour, Devonport, Burnie and King Island, all due to rising costs on marginal routes.

"Air travel is not a luxury. Governments and regulators need to consider the cumulative impact of these decisions before more routes are lost, competition is weakened and travellers are priced out of the market."

TTF CEO Margy Osmond said Australia could not afford to make international travel more expensive at a time when the tourism sector was still rebuilding its international visitor base.

"Australia is competing in one of the most competitive tourism markets at a time of significant global uncertainty.

"Our industry has demonstrated extraordinary resilience, but resilience cannot be the policy response to every challenge our sector faces.

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“Tourism businesses, particularly those in regional Australia, have worked incredibly hard to rebuild, invest and deliver exceptional experiences for visitors. We now need policy settings that support that work, not additional costs that make Australia less competitive.

“International visitor numbers only recently returned to pre-pandemic levels in November of last year, and then again this past February. However, this ‘recovery’ has steadily been falling ever since. We should be focused on accelerating that recovery and growing our visitor economy, not introducing additional barriers to travel.”

AA CEO James Goodwin said, “Ten dollars may appear relatively small in the context of a Federal Budget, but for a family or group trying to manage the cost of an international holiday, every additional expense matters.

“It makes Australia a more expensive destination and sends the wrong signal to the world when Australia needs international visitor growth.

“We already face the disadvantage of being a long-haul destination for most international visitors and this increase adds to the total cost of visiting Australia.

“Australia cannot simultaneously say it wants to grow its visitor economy while continually increasing the cost of coming here. If government insists on collecting more from international travellers, that additional revenue should at the very least be reinvested in tourism and a faster, more seamless Australian border experience.”

The three organisations are calling on the Federal Government to prioritise policies that improve Australia's international tourism competitiveness.

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