



Passenger Movement Charge – indexation	
Party:	The Coalition
Summary of proposal: The proposal would annually index the Passenger Movement Charge (PMC) in line with the Consumer Price Index (CPI) for 10 financial years. The proposal would start on 1 July 2025.	

Costing overview

The proposal would be expected to increase the fiscal and underlying cash balances by around \$376 million over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects an increase in administered revenue.

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2035-36 is provided at Attachment A.

Table 1: Passenger Movement Charge – indexation – Financial implications (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	39.0	76.0	110.0	151.0	376.0
Underlying cash balance	39.0	76.0	110.0	151.0	376.0

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- If the proposal were not implemented, the PMC would remain at a charge of \$70 per person from 1 July 2025 (as currently legislated) until 30 June 2036.
- All revenue raised by the PMC would be received by the Australian Government in the financial year in which it was raised.
- 92.5% of all international departures from Australia would be eligible to pay the PMC (based on historical data).
- The PMC would be indexed annually on 1 July every financial year.
- The annual indexation of the PMC for a given financial year would be announced on 1 May of the previous financial year, and any international departures for that financial year paid for prior to this announcement will be subject to the existing PMC rate, rather than the yet-to-be-announced rate.

- 10% of all international departures for a given financial year are booked and paid for prior to 1 May of the previous financial year, and so the booking is subject to the previous financial year's PMC rate.

Methodology

Estimates of international departures from Australia and PMC receipts for 2024-25 to 2026-27 was based on the Financial Impact Statement of the Explanatory Memorandum for the *Passenger Movement Charge Amendment Bill 2024*¹, and extended to 2035-36 using trend data gathered from historical total international departures between January 1976 and February 2025.

The estimated indexed annual PMC was calculated using the currently legislated PMC as at 6 May 2025 of \$70 per person and estimates for CPI as per the *Pre-election Economic and Fiscal Outlook 2025*.

Financial implications were rounded consistent with the PBO's rounding rules.²

Data sources

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025*, Commonwealth of Australia.

Australian Border Force (ABF) (2025) [Passenger Movement Charge \(PMC\)](#), ABF website, Australian Government, accessed 6 May 2025.

Australian Bureau of Statistics (ABS) (2025) [Overseas Arrivals and Departures, Australia - February 2025](#) [data set], ABS, Australian Government, accessed 6 May 2025.

Australian National Audit Office (ANAO) (2000) [Passenger Movement Charge - Follow-up Audit Report](#), ANAO, Australian Government, accessed 6 May 2025.

Department of Home Affairs (2020) [Department of Home Affairs Annual Report 2019-20](#), Department of Home Affairs, Australian Government, accessed 6 May 2025.

Department of Home Affairs (2021) [Department of Home Affairs Annual Report 2020-21](#), Department of Home Affairs, Australian Government, accessed 6 May 2025.

Department of Home Affairs (2022) [Department of Home Affairs Annual Report 2021-22](#), Department of Home Affairs, Australian Government, accessed 6 May 2025.

Department of Home Affairs (2023) [Department of Home Affairs Annual Report 2022-23](#), Department of Home Affairs, Australian Government, accessed 6 May 2025.

Department of the Treasury (2012) [Low Value Parcel Processing Taskforce - Final Report](#), Department of the Treasury, Australian Government, accessed 6 May 2025.

Parliament of Australia (2008) [Senate Legislative and General Purpose Standing Committees Consolidated Reports on the Consideration of Bills January-June 2008 Volume 2 - Legal and Constitutional Affairs - Passenger Movement Charge Amendment Bill 2008](#), Parl Paper 311/2008, Australian Government, accessed 6 May 2025.

¹ [Passenger Movement Charge Amendment Bill 2024 – Parliament of Australia \(aph.gov.au\)](#)

² <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

Parliament of Australia (2024) [*Passenger Movement Charge Amendment Bill 2024 Explanatory Memorandum*](#), Australian Government, accessed 6 May 2025.

Parliamentary Budget Office (2014) [*Trends in Australian Government receipts \(1982-83 to 2012-13\)*](#), PBO, Australian Government, accessed 6 May 2025.

Attachment A – Passenger Movement Charge – indexation – Financial implications

Table A1: Passenger Movement Charge – indexation – Fiscal and underlying cash balances (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Revenue													
Administered tax													
<i>Department of Home Affairs (from indexation of Passenger Movement Charge)</i>	39.0	76.0	110.0	151.0	196.0	245.0	298.0	355.0	417.0	484.0	555.0	376.0	2,926.0
Total – revenue	39.0	76.0	110.0	151.0	196.0	245.0	298.0	355.0	417.0	484.0	555.0	376.0	2,926.0
Total (excluding PDI)	39.0	76.0	110.0	151.0	196.0	245.0	298.0	355.0	417.0	484.0	555.0	376.0	2,926.0

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

Table A2: Passenger Movement Charge – indexation – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Fiscal balance	1.0	3.0	8.0	14.0	22.0	33.0	47.0	63.0	84.0	108.0	137.0	26.0	520.0
Underlying cash balance	1.0	3.0	7.0	12.0	20.0	30.0	43.0	59.0	79.0	102.0	130.0	23.0	486.0

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary³.

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

³ [Online budget glossary – Parliamentary Budget Office \(pbo.gov.au\)](https://pbo.gov.au)