

PASSENGER MOVEMENT CHARGE

ARRANGEMENT BETWEEN

THE COMMONWEALTH OF AUSTRALIA

AND

“Insert Airline”

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AN ARRANGEMENT

BETWEEN

The Minister for Justice and Customs
Parliament House, Canberra

on behalf of the Commonwealth of Australia ('the Commonwealth')

AND

“Insert Airline”

WHEREAS:

- A. The Commonwealth wishes to enter into an Arrangement with the Airline under section 10 of the *Passenger Movement Charge Collection Act 1978*.
- B. The Airline and the Commonwealth have agreed that the Arrangement will be in the terms set out herein.

NOW IT IS HEREBY AGREED as follows:

1. INTERPRETATION

1.1 In this Arrangement unless the contrary intention appears:

"Administration costs" means reasonable costs incurred by the Airline directly and solely as a result of the obligations under this Arrangement including costs associated with the administration and collection of the Charge.

"Airline's flight number" means the alphanumeric designation given by the Airline to any of its flights, including flights actually operated by another carrier, including under code share arrangements and wetleased and chartered flights.

"Amount" means an amount equal to any Charge a passenger is liable to pay under the Arrangement as specified in section 10(1) of the Collection Act.

"Authorised officer" means an officer authorised in writing by the National Manager.

"Charge" means the passenger movement charge imposed by the Charge Act.

"Charge Act" means the *Passenger Movement Charge Act 1978*.

“code share arrangement” means an arrangement between two or more airlines whereby a passenger holding a ticket to travel on one airline departs Australia under another airline’s flight number.

"Collection Act" means the *Passenger Movement Charge Collection Act 1978*.

“Confidential Information” means:

- (a) the information and reports outlined in clause 5 and any information gathered in accordance with clause 12; and
- (b) all copies, notes and records and all related information generated by the Commonwealth based on or arising out of disclosure of the information set out in (a); and
- (c) the terms and conditions of this Agreement.

"Days" means calendar days.

"Exempt passengers" means:

- (a) passengers exempt from paying the Charge under section 5 of the Collection Act as amended from time to time; and
- (b) passengers who are deemed by section 4 of the Charge Act, as amended from time to time, not to have departed from Australia;

Note: A list of the categories of “exempt passengers” at the time the Arrangement was made is contained in Schedule C.

“Interest” means Interest payable under the Arrangement at the rate specified in Schedule E.

“GST” has the meaning given by section 195-1 of the GST Act.

“GST Act” means the *A New Tax System (Good and Services Tax) Act 1999*

“Input Tax Credit” has the meaning given by section 195-1 of the GST Act.

“National Manager” means the National Manager, Customs, whose responsibilities include management of this Arrangement and notified to the Airline or such other person specified in writing by the CEO and notified to the Airline.

“party” means a party to this Arrangement.

“payment date” in relation to a Remittance Period means the day, specified in Schedule A, on which the Airline is required to make a payment to the Commonwealth.

“Purpose” means the collection and remittance of the PMC by the Airline.

"Remittance Period" means a period specified in Schedule A.

"Supply" has the meaning given by section 9-10 of the GST Act.

"Tax Invoice" has the meaning given by section 195-1 of the GST Act.

- 1.2 Words importing a gender include any other gender.
- 1.3 Words in the singular number include the plural and words in the plural number include the singular.
- 1.4 Clause headings in this Arrangement are for convenient reference only and have no effect in limiting or extending the language of the provisions to which they refer.

2. DEPARTURES TO WHICH THIS ARRANGEMENT APPLIES

- 2.1 This Arrangement applies in respect to the departure of passengers between <insert date> and <insert date>.

3. DETAILS OF THE ARRANGEMENT

- 3.1 The Airline must collect from each passenger, other than exempt passengers, the Amount. The Airline must remit to the Commonwealth an amount equal to all Amounts collected during a Remittance Period.
- 3.2 The obligation in clause 3.1 only applies with respect to passengers who depart Australia under the Airline's flight numbers.
- 3.3 The Airline must collect the Amount by requiring each passenger, other than exempt passengers, to pay the Amount to the Airline.
- 3.4 The Airline must identify the Amount in Australian dollars, together with the code "AU", on the passenger's ticket.
- 3.5 The Amount collected from a passenger under clause 3.3 shall be levied at the time the ticket is sold, or if no sale takes place, at the time the ticket is issued to the passenger.
- 3.6 A passenger who has paid the Amount at the time the ticket is sold, or if no sale occurred, at the time the ticket is issued, but who subsequently does not depart from Australia for another country using that ticket, shall be entitled to a refund of the Amount from the Airline provided the passenger notifies the Airline and provides evidence to the satisfaction of the Airline.
- 3.7 The Commonwealth will refund an Amount paid to the Commonwealth by the Airline if the Airline is required to refund the Amount to a passenger accordance with clause 3.6.

4. LIABILITY OF AIRLINE FOR PAYMENT

- 4.1. The Airline must, by close of business on each payment date specified in Schedule A for a particular Remittance Period, remit to the Commonwealth the Amounts collected under clause 3.1 during that Remittance Period.
- 4.2. If a payment date specified in Schedule A falls on a weekend or public holiday the Airline shall remit the Amount liable to be paid under clause 3.1 by close of business on the next business day after the date specified.
- 4.3. Payment shall be made by cheque in Australian currency, forwarded to the address shown at Schedule B, or by direct credit to the bank account nominated at Schedule B.

5. REPORTING BY THE AIRLINE

- 5.1. This clause (clause 5.1) applies if, during the Remittance Period, no flights operated by the Airline were subject to code-share arrangements.

When the Airline makes a remittance to the Commonwealth under clause 4.1 the Airline must give the Commonwealth the following information about passengers carried by the Airline during the Remittance Period:

- (a) the total number of passengers; and
- (b) the number of exempt passengers in each category specified in Schedule C; and
- (c) the number of passengers who are liable to pay the Charge; and
- (d) the total amount of the remittance.

- 5.2. This clause (clause 5.2) applies if, during the Remittance Period, the Airline operated one or more flights under code share arrangements.

When the Airline makes a remittance to the Commonwealth under clause 4.1 the Airline must give the Commonwealth the following information about passengers carried by the Airline during the Remittance Period:

- (a) the total number of passengers for whom the Airline is remitting payment including:
 - (i) the Airline's passengers carried on the Airline's aircraft, i.e. those passengers holding tickets and boarding passes showing the Airline's flight number; and
 - (ii) the Airline's passengers on board another airline's aircraft under code share arrangements i.e. those passengers holding tickets and boarding passes showing the Airline's flight number where the Airline is remitting payment; and

- (iii) passengers carried by the Airline's aircraft who held tickets and boarding passes showing the flight number of another airline under code share arrangements and for whom the Airline is remitting payment; and
 - (b) the number of exempt passengers in each category specified in Schedule C; and
 - (c) the total number of passengers (other than exempt passengers) carried on the Airline's aircraft for whom the Airline is not remitting Amounts including:
 - (i) the name of each airline for which the Airline carried passengers under a code share arrangement; and
 - (ii) the total number of passengers (other than exempt passengers) carried by the Airline for each airline mentioned in subclause 5.2(c)(i); and
 - (d) the total amount of the remittance; and
 - (e) such other reports as may be agreed by the parties from time to time
- 5.3 The report must include a statement signed by an officer of the Airline certifying that the information supplied in the report is, to the best of the information available to the Airline, true and correct.
- 5.4 The Commonwealth
- (a) may use the Confidential Information but only for the Purpose in accordance with this Arrangement; and
 - (b) may copy the Confidential Information but only for the Purpose and must mark any such copy 'Confidential'; and
 - (c) may disclose the Confidential Information for the Purpose, but only:
 - (i) to employees who before disclosure have been directed and have undertaken orally or in writing to comply with these confidentiality obligations; and
 - (ii) to the extent that the employee has a need to know; and
 - (d) must keep the Confidential Information confidential; and
 - (e) must safeguard the Confidential Information in the same way as the Commonwealth safeguards its own confidential information; and
 - (f) implement security practices against any unauthorised copying, use, disclosure (whether that disclosure is oral, in writing or in any other form), access and damage or destruction.

5.5 The Commonwealth's obligations under this Agreement:

- (a) do not apply to the extent that information is:
 - (i) independently developed or known by the Commonwealth;
 - (ii) public knowledge (otherwise than as a result of a breach of this Agreement); or
 - (iii) required to be disclosed or retained by law; and
- (b) continue indefinitely in relation to Confidential Information, even if that Confidential Information is returned to the Airline or destroyed.

5.6 The Airline (including its officers, employees, agents or advisers):

- (a) does not make any express or implied representation or warranty as to the accuracy or completeness of the Confidential Information; and
- (b) is not liable for direct or indirect damage arising in any way out of the use of, or termination of the Commonwealth's right to use, the Confidential Information.

6. REPORT SUPPLIED BY THE COMMONWEALTH

6.1. The Commonwealth must, by the third working day following the end of each Remittance Period, prepare and despatch to the Airline the following information for each flight operated by the Airline which departed from Australia during the Remittance Period:

- (a) the number of children under the age of 12 years at the time of departure; and
- (b) the number of diplomatic and consular representatives.

7. RECONCILIATION AND AUDITS

7.1 The Audit philosophy which the Australian Customs Service, acting on behalf of the Commonwealth, will apply in its dealings with the Airline, and in particular reconciling the Amount, is specified in Schedule F.

8. LATE PAYMENT OF AN AMOUNT

8.1 If the Airline fails to make a remittance for a Remittance Period by the payment date for the Period, the Commonwealth may serve on the Airline a demand for payment of the outstanding amount for the Period. The demand may be served 14 days after the payment date.

9. INTEREST PAYABLE BY THE AIRLINE

9.1 If:

- (a) the Commonwealth serves a demand on the Airline under clause 8; and
- (b) the Airline fails to remit the outstanding amount mentioned in clause 8 within 14 days after the demand has been served;

the Commonwealth shall be entitled, after the 15th day from the date of service of the demand, to Interest on the outstanding amount until payment is made in full.

9.2 The Airline acknowledges that this amount is not a penalty but is liquidated damages.

9.3 The exercise of rights pursuant to this clause shall be without prejudice to any other right of action or remedy that has accrued or may accrue.

10. RECOVERY OF MONEY

10.1 Any money which is payable to the Commonwealth under the Arrangement and which the Commonwealth is legally entitled to recover, including Interest, damages, costs and expenses recoverable by the Commonwealth from the Airline may be deducted from any money due and payable to the Airline under the Arrangement.

10.2 Any money recoverable by the Commonwealth under this Arrangement shall be a debt due to the Commonwealth by the Airline and may be recovered from the Airline in any court of competent jurisdiction.

10.3 Any money which is payable to the Airline under the Arrangement and which the Airline is legally entitled to recover, including Interest, damages, costs and expenses recoverable by the Airline from the Commonwealth may be deducted from any money due and payable to the Commonwealth under the Arrangement.

10.4 Any money recoverable by the Airline under this Arrangement shall be a debt due to the Airline by the Commonwealth and may be recovered from the Commonwealth in any court of competent jurisdiction.

11 PAYMENT BY THE COMMONWEALTH

11.1 The Commonwealth shall pay to the Airline, Administration costs incurred by the Airline (including any taxes which includes, without limitation, GST).

11.2 Any claim for Administration costs shall be submitted with:

- (a) evidence supporting the claim; and

(b) a Tax Invoice;

to the Manager Accounts, Passenger Movement Charge Unit, NPAC at the address specified in Schedule B.

- 11.3 Unless expressly stated to be inclusive of GST, the amount payable for the Supply of any goods, services or other things under this Arrangement (other than as required by this clause) ("Base Price") is calculated exclusive of GST.
- 11.4 If GST is imposed on any Supply made pursuant to this Arrangement, the Commonwealth must pay the Airline, in addition to the GST-exclusive Base Price an amount equal to the GST payable by the Airline in respect of the Supply (without any deduction or set-off). Any amount payable under this clause is payable on the day that payment of the Base Price (or part of the Base Price) for the Supply that has given rise to the obligation to pay GST, is required pursuant to this Arrangement.
- 11.5 If the Base Price is expressly stated to be inclusive of any GST and if any applicable law increases or decreases the rate of GST, then the Base Price (inclusive of GST) shall be increased or decreased in proportion to take into account the increase or decrease in the rate of GST.
- 11.6 Each party will use its reasonable efforts to issue a Tax Invoice as required by the relevant GST legislation, and to do anything else which may be required to enable or assist the other party to claim or verify any Input Tax Credit, set off, rebate or refund in respect of any GST paid or payable in connection with Supplies under this Arrangement.
- 11.7 The Airline must submit any claims for Administration costs in relation to a financial year covered by this Arrangement within 6 months after the end of that financial year. Each claim must specify the period to which the claim applies. The supporting evidence shall apply to the entire period specified in the claim.
- 11.8 Despite clause 11.1, the Commonwealth will not pay a claim for Administration costs which is submitted after the time mentioned in clause 11.7.
- 11.9 The Commonwealth shall, subject to the reasonable satisfaction of the National Manager accept the evidence in the form provided by the Airline to enable the Commonwealth to substantiate the claim.
- 11.10 Administration costs will be paid to the Airline within 14 days of receipt of the remittance required to be paid under clause 4.1 and the certified report required to be provided under clause 5.
- 11.11 Any dispute arising out of clause 11.7 shall be dealt with in accordance with the requirements of clause 19.

12. EXAMINATION OF RECORDS OF AIRLINE

- 12.1 Subject to clauses 5.4, 5.5 and 5.6, if the Airline is given sufficient evidence of an Authorised officer's appointment, the Authorised officer may at all reasonable times and on reasonable notice being given, enter and remain (being limited to standard working hours) at the location(s) mentioned in clause 12.5 where the Airline's records are ordinarily kept and maintained for the purpose of verifying:
- (i) amounts paid to the Commonwealth under clause 3.1;
 - (ii) claims made under clause 11.2; and
 - (iii) the cost effectiveness of the Airline's administrative procedures and processes for identifying, tracking and calculating the amounts payable to the Commonwealth under clause 3.1.
- 12.2 An Authorised officer is not entitled to enter any premises under this clause unless, before so doing, the officer produces to the person occupying, or in charge of, the premises written evidence of the fact that he or she is an Authorised officer.
- 12.3 The person occupying, or in charge of, premises entered by an Authorised officer under clause 12.1 shall provide the officer with all reasonable facilities and assistance for the effective exercise of this clause, including, but not limited to, the provision of relevant information on the Airline's administrative procedures and processes for identifying, tracking and calculating the amounts payable to the Commonwealth under the Arrangement.
- 12.4 Subject to clauses 5.4, 5.5 and 5.6, an Authorised officer is entitled to inspect, examine, make copies of, or take extracts from accounts, books, documents or other records, and to have reasonable supervised access to computers that contain information specific to the calculation and collection of the amounts payable to the Commonwealth under this Arrangement and information stored on computers for purposes pursuant to clause 12.1.
- 12.5 For the purpose of this Arrangement an Airline must hold all information (including information on the Airline's administrative procedures and processes) relating to the identification, tracking, calculation and collection of the Amount under the Arrangement (except passenger coupons) at the office of the Airline in Australia agreed to between the Airline and the Commonwealth (or other location agreed to between the Airline and the Commonwealth) for a period of five (5) years from the date of the creation of that information.

13. DISCLOSURE OF INFORMATION

- 13.1 The Commonwealth acknowledges that it is bound by section 16 of the *Customs Administration Act 1985* not to disclose any information provided to the Commonwealth by the Airline, except in accordance with the requirements of that section.

14. NOTIFICATION OF CHANGE TO LEGISLATION

- 14.1 The Commonwealth shall use its best endeavours to provide the Airline with reasonable notice of any amendments or proposed amendments to the Charge Act and the Collection Act which will have a material impact on the obligations contained in this Arrangement.

15. LIABILITY

- 15.1 Subject to the provisions of this Arrangement, each party shall be liable for any loss, damage, cost or expense sustained by the other party as a result of a breach by the defaulting party of its obligations under this Arrangement or for any other common law or statutory cause of action arising out of any act or omission by the defaulting party in connection with this Arrangement.
- 15.2 The liability of a defaulting party for any loss, damage, cost or expense sustained by the other party shall be reduced proportionately to the extent that any act or omission by the other party has contributed to such loss, damage, cost or expense.

16. TERMINATION

- 16.1 The Commonwealth may, at any time by written notice, terminate this Arrangement. If this Arrangement is so terminated, the Commonwealth shall be liable only for:
- (a) payments under the payment provisions of this Arrangement for services rendered before the effective date of termination; and
 - (b) any reasonable costs incurred by the Airline and directly attributable to the termination.

17. DEFAULT

- 17.1 If either party is in default under this Arrangement on account of the failure to perform or observe any obligation or undertaking to be performed or observed on its part under this Arrangement, the party not in default may, subject to clause 17.2, by notice in writing to the other party,

terminate this Arrangement without prejudice to any right of action or remedy which has accrued or which may accrue in favour of either party.

- 17.2 Where the default is capable of being remedied, a party shall not exercise its rights of termination under clause 17.1 unless it has first given to the other party notice in writing specifying the default and requiring the other party to remedy it within the time (being not less than 10 working days) specified in the notice and the default is not remedied within the time allowed.
- 17.3 If the Airline goes into liquidation or a receiver and manager or mortgagee's or chargee's agent is appointed or, in the case of an individual, becomes bankrupt or enters into a scheme or arrangement with creditors, the Commonwealth may, by notice in writing, terminate this Arrangement without prejudice to any right of action or remedy which has accrued or which may accrue in favour of either party.

18. WAIVER

- 18.1 A waiver by either party in respect of any breach of a condition or provision of this Arrangement shall not be deemed to be a waiver in respect of any continuing or subsequent breach of that provision, or breach of any other provision. The failure of either party to enforce at any time any of the provisions of this Arrangement shall in no way be interpreted as a waiver of such provision.

19. DISPUTE RESOLUTION

- 19.1 Subject to clause 19.5, before resorting to external dispute resolution mechanisms, the parties shall attempt to settle by negotiation any dispute in relation to this Arrangement including by referring the matter to personnel who may have authority to intervene and direct some form of resolution.
- 19.2 If a dispute is not settled by the parties within 10 working days of one party first sending to the other party written notice that they are in dispute, the dispute may be submitted to such alternative dispute resolution mechanism as may be agreed in writing between the parties.
- 19.3 In the event that the parties are unable to agree on an alternative dispute resolution mechanism, or having agreed on such a mechanism, are unable to resolve the dispute, the parties to the dispute may proceed to litigation.
- 19.4 If one party fails to comply with clauses 19.1 and 19.2, the other party need not comply with those clauses and may proceed to litigation.
- 19.5 A party seeking urgent interlocutory relief is not obliged to comply with clauses 19.1 and 19.2.

20. ASSIGNMENT AND NOVATION

20.1 The Airline shall not assign, in whole or in part, its rights and obligations under this Arrangement without the prior written approval of the Commonwealth.

21. SEVERABILITY

21.1 Each provision of this Arrangement and each part thereof shall, unless the context otherwise necessarily requires it, be read and construed as a separate and severable provision or part. If any provision or part thereof is void or otherwise unenforceable for any reason then that provision or part (as the case may be) shall be severed and the remainder shall be read and construed as if the severable provision or part had never existed.

22. APPLICABLE LAW

22.1 This Arrangement shall be governed by and construed in accordance with the laws of New South Wales and the parties agree, subject to the Arrangement, that the Courts of that State shall have jurisdiction to entertain any action in respect of, or arising out of, this Arrangement.

23. NOTICES

23.1 Any notice, request or other communication to be given or served pursuant to this Arrangement shall be in writing and dealt with as follows:

- (a) if given by the Airline to the Commonwealth - addressed and forwarded to the Chief Executive Officer, Australian Customs Service, for the attention of the National Manager Passenger Operations at 5 Constitution Avenue, Canberra ACT 2601 or as otherwise notified by the National Manager; or
- (b) if given by the Commonwealth to the Airline - signed by the National Manager and forwarded to

.....
[title/address of person]

23.2 Any such notice, request or other communication shall be delivered by hand or sent by pre-paid security post or facsimile to the address of the party to which it is sent.

- 23.3 Any notice, request or other communication will be deemed to be received:
- (a) if delivered personally, on the date of delivery; or
 - (b) if sent by prepaid security post, on the day that the acknowledgment of delivery is completed by the recipient; or
 - (c) If sent by facsimile, on the business day next following the day of despatch providing that the sender receives an "OK" code in respect of the transmission and is not notified by the recipient by close of business of the next business day following the day of despatch that the transmission was illegible.

24. VARIATION TO ARRANGEMENT

- 24.1 This Arrangement may be amended at any time by an agreement in writing between the National Manager and the Airline.

SCHEDULE A – SCHEDULE OF PAYMENT

SCHEDULE OF PAYMENTS BY THE AIRLINE

In accordance with clause 4.1, the Airline shall remit to the Commonwealth the Amount liable to be paid for passengers departing in each Remittance Period specified below, by close of business on the payment dates specified below.

REMITTANCE PERIOD	PAYMENT DATE
1 July 2007 to 31 July 2007	25 August 2007
1 August 2007 to 31 August 2007	25 September 2007
1 September 2007 to 30 September 2007	25 October 2007
1 October 2007 to 31 October 2007	25 November 2007
1 November 2007 to 30 November 2007	25 December 2007
1 December 2007 to 31 December 2007	25 January 2008
1 January 2008 to 31 January 2008	25 February 2008
1 February 2008 to 29 February 2008	25 March 2008
1 March 2008 to 31 March 2008	25 April 2008
1 April 2008 to 30 April 2008	25 May 2008
1 May 2008 to 31 May 2008	25 June 2008
1 June 2008 to 30 June 2008	25 July 2008
1 July 2008 to 31 July 2008	25 August 2008
1 August 2008 to 31 August 2008	25 September 2008
1 September 2008 to 30 September 2008	25 October 2008
1 October 2008 to 31 October 2008	25 November 2008
1 November 2008 to 30 November 2008	25 December 2008
1 December 2008 to 31 December 2008	25 January 2009
1 January 2009 to 31 January 2009	25 February 2009
1 February 2009 to 28 February 2009	25 March 2009
1 March 2009 to 31 March 2009	25 April 2009
1 April 2009 to 30 April 2009	25 May 2009
1 May 2009 to 31 May 2009	25 June 2009
1 June 2009 to 30 June 2009	25 July 2009

SCHEDULE B – ADDRESS FOR PAYMENT

ADDRESS FOR PAYMENT BY CHEQUE

Passenger Movement Charge Unit
National Pay and Accounts Centre
Australian Customs Service
GPO Box 2809
MELBOURNE AUSTRALIA 3001

PAYMENT BY DIRECT CREDIT

Bank:	Westpac Bank
BSB Number:	033-340
Account Name:	Australian Customs Service Passenger Movement Charge
Account Number:	143279

SCHEDULE C – EXEMPTION CATEGORIES

CATEGORIES OF EXEMPT PASSENGERS TO BE REPORTED

	EXEMPTION	RELATED INFORMATION
1	Children <i>less than 12 years of age at the time of departure from Australia.</i>	Evidenced by passport or birth certificate
2	Traditional Inhabitants: a person who is a traditional inhabitant of the Torres Strait Islands or Papua New Guinea and who is travelling in connection with the performance of traditional activities eg religious and secular gatherings, traditional fishing, barter, and market trade. These activities must take place in the Torres Strait and adjacent territory to be eligible for exemption.	Letter indicating where the person is going and the purpose of travel should be presented.
3	A member of a foreign Defence Force departing on a military aircraft or military ship; includes the spouse and/or child of the defence force member when travelling in the company of that member.	Foreign military personnel, including spouse and/or children not travelling on duty i.e. as part of their military employment, are not exempt
4	Crew (operational and positioning). Includes crew who are departing from Australia for the purpose of later becoming a crew member of that ship or aircraft or another ship or aircraft. Also includes the spouse or child of a ship's crew member departing Australia on a ship in company with the crew member.	Ticket and document indicating the person is a member of the crew on duty to be presented. Supernumerary crew are now included in the exemption for the crew. Yachts – spouse and children (under 18) of a crewmember are exempt.
5	Transit Passengers Passengers arriving and departing by air who do not undergo Immigration processing or who are immigration cleared for reasons beyond their control. In all other cases, passengers who depart Australia within 48 hours of their arrival (eg passengers on ships making only 1 port of call in Australia; transfers from ship-to-ship; from ship-to-air; or from air-to-ship).	At time of booking nature of transit should be established. If passenger wishes to enter Australia a Passenger Movement Charge should be included on the ticket. If the passenger is remaining in the transit area then no Passenger Movement Charge is payable.

6	Emergency Passengers who land in Australia for reasons beyond the person's control eg illness, bad weather or another kind of emergency.	Departure should be made as soon as it is reasonably practicable for the person to do so after those reasons no longer exist.
7	Passengers on single journeys who depart Australia more than once in the course of that journey are only liable to pay PMC once.	Passengers on fly/cruise type journeys which involve multiple departures from Australia where the charge has already been paid in respect of a previous departure. These passengers are exempt on the second and subsequent departures as they have already paid the PMC for what can be characterised as a single journey.
8	Diplomatic and Consular representatives of countries other than Australia, their families, and officials of certain international organisations and their families. Australian diplomatic or consular staff are not exempt.	Passport with Australian diplomatic and official visa class 995 or T20. Passport with visa class 426 together with an official Australian Government stamp declaring that the holder is entitled to diplomatic inviolability.
9	Passengers departing Australia to an installation in the Joint Petroleum Development Area .	The travel must be for the purpose of prospecting for petroleum or undertaking petroleum operations.
10	A Protective Service Officer (as defined in the <i>Australian Federal Police Act 1979</i>) on an aircraft for the purpose of enhancing the security of the aircraft.	
11	Travel to Norfolk Island is deemed not to have departed Australia unless the passenger intends to depart from there for an overseas destination within 3 months of arrival. A resident of Norfolk Island is deemed not to have departed Australia unless they are travelling via the Australian mainland and does not qualify as a transit.	If the passenger is departing to an overseas country within the 3 month period, a PMC must be included on the ticket for the overseas departure. At the time of booking, the residency of the passenger should be proven by identification.
12	Travel to an Indian Ocean Territory (Christmas and Cocos (Keeling) Islands) is deemed not to have departed Australia unless the passenger intends to depart from there for an overseas destination.	
13	When travel between the Australian mainland and/or an Indian Ocean Territory and/or Norfolk Island can only be reasonably accomplished by first departing for another country, provided the stay in the other	

	country does not exceed 7 days, the passenger is deemed not to have departed Australia.	
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Note: This list of the categories of passengers who are not required to pay the Charge is correct at the time the Arrangement was made. However, if the Collection Act or the Charge Act is amended in future and these categories are altered, this list may be incomplete.

SCHEDULE D – CODE-SHARE INFORMATION

CODE-SHARE INFORMATION

The Airline is responsible for the remittance of PMC for passengers carried on its aircraft travelling under code-share arrangements with the following Airlines:

The Airline will advise the National Manager Passenger Operations, in writing, of any change to code-share arrangements that affect the remittance amount, at or before the end of any remittance period.

SCHEDULE E – PAYMENT OF INTEREST

PAYMENT OF INTEREST

- A. The rate of Interest shall be based on the Commonwealth bond 3 year indicator rate published in the most recent edition of the *Australian Financial Review* prior to the payment date, plus 2%.

Note: The expression “payment date” is defined in clause 1.1 of the Arrangement.

SCHEDULE F – CUSTOMS AUDIT PHILOSOPHY



Australian Government
Australian Customs Service

PASSENGER MOVEMENT CHARGE

CUSTOMS AUDIT PHILOSOPHY

Customs is a regulatory agency with a clear mandate to protect the Australian community from the illegal movement of goods and people across our border and to collect customs and other revenue, including the Passenger Movement Charge (PMC).

We do this by adopting risk management techniques that rely on the provision of accurate and timely information.

We have a direct interest in improving the compliance levels of our clients and we are committed to fostering an environment where we work co-operatively with them to achieve this.

Our audit activity is undertaken in response to identified client risk. It is directed across the entire Customs client base and is generated from, and feeds back into, the risk identification and analysis cycle.

Resource intensive interventions such as comprehensive audits are undertaken in response to identified high risks.

Customs audit philosophy in the context of its obligations to administer the *Passenger Movement Charge Act 1978* and the *Passenger Movement Charge Collection Act 1978* is underpinned by these principles:

- 1. A recognition that all signatories to the Arrangements work co-operatively together to achieve a high level of compliance.**
- 2. A recognition by all parties that due diligence will be applied in the collection and remittance of the PMC.**
- 3. A recognition by Customs that from time to time, there will be circumstances arising which prevent a precise reconciliation of the PMC remittances.**

4. ***A recognition that Customs Compliance strategy in the context of the PMC may include on-site audits of airlines, in accordance with Clause 7 of the Arrangement, in order to satisfy the Government in relation to the protection of the revenue.***

Expansion of the underlying principles:

1. ***A recognition that all signatories to the Arrangements work co-operatively together to achieve a high level of compliance.***

- Customs will continue to provide accurate and timely information to airlines, in accordance with Clause 6 of the Arrangement. Such information shall include the provision of data relating to children under 12 and diplomats to assist airlines in calculating their PMC liability.
- On request, Customs will provide training and other assistance that may be required to ensure airlines understand their responsibilities in relation to the PMC.

2. ***A recognition by all parties that due diligence will be applied in the collection and remittance of the PMC.***

- Airlines are responsible for producing boarding passes that show the correct flight number.
- Customs is responsible for input into its computer system the flight number as shown on the airline boarding pass, taking into account the requirement to correctly enter code share flights.
- Reconciliation of airline and Customs records will be compromised unless the correct flight number is shown and accurately input.
- Airlines will provide full and accurate details of their total passenger numbers to Customs in accordance with Clause 5 of the Arrangement (including exempt passengers) to ensure the correct amount of PMC is paid. Separate details of the number of exempt passengers are to be provided.
- The airlines recognise that Customs is entitled to examine their individual records in respect of the collection of PMC in accordance with Clause 12 of the Arrangement.

3. ***A recognition by Customs that from time to time, there will be circumstances arising which prevent a precise reconciliation of the PMC remittances.***

- Customs acknowledges that the complexities of code share alliances at times makes it difficult to precisely reconcile PMC remittances. Customs and the airlines will work together to reconcile, as accurately as possible, the PMC remittances.

- ❑ The airlines agree that they will provide accurate and up to date information on code share alliances, in accordance with Clause 5 of the Arrangement, to assist with the reconciliation process.
- ❑ Both parties recognise that not all categories of exempt passengers can be readily identified from either Customs' or an airline's computer systems. An airline will use its best endeavours to provide details of passenger numbers for each category of identifiable exemption in its remittance report.

4. A recognition that Customs Compliance strategy in the context of the PMC may include on-site audits of airlines, in accordance with Clause 7 of the Arrangement, in order to satisfy the Government in relation to the protection of the revenue.

The airlines recognise that Customs is under a duty to seek to collect the Government's full PMC entitlement. In furtherance of this duty Customs may perform audits in response to high risk indicators. Examples of high risk indicators include:

- Actual or pending cessation of business in Australia including bankruptcy and liquidation
- Investigation by a Government regulatory body into financial matters;
- Unexpectedly high turnover of senior level management staff;
- Major failure of an airline's internal systems;
- Failure on two or more times in any six month period to make payments in accordance with the agreed remittance schedule set out in Schedule A;
- Payments for three or more consecutive remittances outside a reconciliation threshold as determined by Customs; or
- Consistent payments at the upper reconciliation threshold.
- Payments which are inconsistent with indicators of the airline's market share.