



Bill Summary

Airport Departure Tax (Budget Amendment)

Bill 2016 – No. 40 of 2016

Introduction

Airport departure tax is often charged by a country to a person leaving that country. The departure tax in Fiji is legislated under the *Airport Departure Tax Act 1986*¹ and the tax was initially **\$10** for “any passenger embarking on an aircraft at any airport within Fiji for a destination outside Fiji ...” There were some exceptions such as: transit passengers who are schedule to depart Fiji within 12 hours of arrival; children under the age of 16 years; aircraft crews travelling on duty, including positioning crews and so forth. The tax has increased over the years and is currently **\$200**.

Previous Amendments

Year	Amendments	Legislation
1994	<ul style="list-style-type: none"> ▪ Increased the tax from \$10 to \$12.50 ▪ Reduced the child exemption age from 16 to 12 years 	<i>Airport Departure Tax (Amendment) Act 1994</i> ²
1999	<ul style="list-style-type: none"> ▪ Tax increased from \$12.50 to \$20 	<i>Civil Aviation Reform Act 1999</i> ³
2007	<ul style="list-style-type: none"> ▪ Tax increased from \$20 to \$40 	<i>Airport Departure Tax Act (Budget Amendment) Promulgation 2007</i> ⁴
2008	<ul style="list-style-type: none"> ▪ Tax increased from \$40 to \$75 	<i>Airport Departure Tax Act (Budget Amendment) Promulgation 2008</i> ⁵
2010	<ul style="list-style-type: none"> ▪ Tax increased from \$75 to \$100 	<i>Airport Departure Tax (Revised Budget Amendment) Decree 2010</i> ⁶
2012	<ul style="list-style-type: none"> ▪ Tax increased from \$100 to \$150 	<i>Airport Departure Tax (Amendment) Decree 2012</i> ⁷
2013	<ul style="list-style-type: none"> ▪ Tax increased from \$150 to \$200 	<i>Airport Departure Tax (Amendment) Decree 2013</i> ⁸
2015	<ul style="list-style-type: none"> ▪ Added an exemption for “diplomats and United Nations passport holders” 	<i>Airport Departure (Budget Amendment) Act 2015</i> ⁹

Objectives, scope and intent of the Bill

This Bill aims to **amend the *Airport Departure Tax Act 1986*** specifically Section 5(b) of the Act. This section provides that transit passengers in Fiji are **exempt from paying airport departure tax** if they are **scheduled to depart within 12 hours of arrival**. The **amendment** provided for in the Bill under Clause 2, **extends the exemption period from 12 hours to 72 hours**.

¹ *Airport Departure Tax Act 1986*. Available at: http://www.paclii.org/fj/legis/num_act/adta1986252/ [Accessed 29 June 2016]

² *Airport Departure Tax (Amendment) Act 1994*. Available at: www.paclii.org/fj/legis/num_act/adta1994332/ [Accessed 29 June 2016]

³ *Civil Aviation Reform Act 1999*. Available at http://www.paclii.org/fj/legis/num_act/cara1999223/ [Accessed 29 June 2016]

⁴ *Airport Departure Tax Act (Budget Amendment) Promulgation 2007*. Available at: www.paclii.org/fj/promu/promu_dec/adtaap2007534/ [Accessed 29 June 2016]

⁵ *Airport Departure Tax Act (Budget Amendment) Promulgation 2008*. Available: www.paclii.org/fj/promu/promu_dec/adtaap2008534/ [Accessed 29 June 2016]

⁶ *Airport Departure Tax (Revised Budget Amendment) Decree 2010*. Available at: www.paclii.org/fj/promu/promu_dec/adtdad2010473/ [Accessed 29 June 2016]

⁷ *Airport Departure Tax (Amendment) Decree 2012*. Available at: www.paclii.org/fj/promu/promu_dec/adtd2012345/ [Accessed 29 June 2016]

⁸ *Airport Departure Tax (Amendment) Decree 2013*. Available at: http://www.paclii.org/fj/promu/promu_dec/adtd2013345/ [Accessed 29 June 2016]

⁹ *Airport Departure (Budget Amendment) Act 2015*. Available at: www.paclii.org/fj/legis/num_act/adaa2015343/ [Accessed 29 June 2016]



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According to the explanatory note "...this will encourage transit passengers to spend more time enjoying Fiji's shopping and accommodation facilities and in turn boost the income of our local businesses and hotels." In addition the changes in the law is aimed at "... attracting more passengers to travel or transit through Fiji and as a result strengthen Fiji's position as a transit hub."

The Attorney-General and Minister for Finance while tabling the 2016-2017 Budget in Parliament on 22 May 2016, noted that Government needed "... to be creative to bring more people to Fiji ..." ¹⁰ He added that with the national airline Fiji Airways now travelling to more destinations such as Hong Kong, Los Angeles, Singapore and San Francisco, the new exemption rule will more visitors to transit through Fiji and come to the country for short stays. ¹¹

Summary of provisions

Short title and commencement

Clause 1(1) – this law may be cited as the *Airport Departure Tax (Budget Amendment) Act 2016*.

Clause 1(2) – the Act comes into force on 1 August 2016

Section 5 Amended

Clause 2 – Section 5(b) of the *Airport Departure Tax Act 1986* is amended by deleting "12 hours" and substituting it with "72 hours".

Ministerial Responsibility - The explanatory notes says that the Act comes under the responsibility of the Minister responsible for Finance.

International comparisons

Fiji's airport departure tax is high compared to many other countries. (Some comparisons are set out in the table below). Exemptions for certain categories of passengers such as children

Country	International air departure tax Local currency	International air departure tax (US\$ 1 July 2016)
Australia ¹²	A\$55	40.97
Fiji	FJ\$200	96.60
Hong Kong ¹³	HK\$120	15.46
New Zealand ¹⁴	NZ\$25	17.84
Philippines ¹⁵	PHP 1620 (for economy class)	34.43
Vanuatu ¹⁶	VUV 2,500	23.24

Exemptions

Fiji departure tax is exempt for: children under 12 years; a Head of State; transit passengers scheduled to depart within 72 hours of arrival from outside Fiji whether they leave the airport or not; aircraft

¹⁰ Parliament of the Republic of Fiji (2016) Hansard. Chamber Parliamentary Debates [Amended], 22 June 2016, p.19 [hard copy]

¹¹ *Ibid*

¹² Passenger Movement Charge (PMC) Australia Available at : [www.border.gov.au/Trav/Ente/GoIn/Departing/Passenger-Movement-Charge-\(PMC\)](http://www.border.gov.au/Trav/Ente/GoIn/Departing/Passenger-Movement-Charge-(PMC))

¹³ Hong Kong, Air Passenger Departure Tax (APDT). Available at: www.hongkongairport.com/eng/passenger/departure/all/check-in-departure/passenger-departure-tax.html [Accessed 26 June 2016]

¹⁴ New Zealand Travel Guide – Arrivals and Departures. Available at: www.tourism.org.nz/arrivals-and-departures.html [Accessed 28 June 2016]

¹⁵ Philippines Consulate (Australia) – Travel Tax. Available at: www.philippineconsulate.com.au/travel-tax.html [Accessed 28 June 2016]

¹⁶ Vanuatu Travel Information. Available at: www.tourismvanuatu.com/vanuatu-travel.html [Accessed 26 June 2016]



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crews travelling on duty, including positioning crews; passengers travelling in a state aircraft or an aircraft being used for ceremonial purposes of the Government; passengers travelling in an aircraft being used to calibrate navigational aids in Fiji; passengers travelling in an aircraft engaged in search and rescue flights; passengers within any prescribed class of exempt passengers and diplomats and United Nations passport holders

Other countries do not appear to have adopted a similar approach to that proposed for Fiji in the Bill. However, an exemption for short stays provides a greater incentive in countries such as Fiji, where the rate of departure tax is higher.

Hong Kong – There is an exemption to Air Passenger Departure Tax for passengers who arrive and depart Hong Kong by aircraft in the same calendar day only.

[www.cad.gov.hk/english/apdt_exempt.html]

Australia – There are several exemptions to the Passenger Movement Charge (which replaced Departure Tax in 1995). However, none of them are similar to in the Bill.

[www.border.gov.au/EnteringorleavingAustralia/Documents/pmce exemptions-final-march2009.pdf and www.legislation.gov.au/Series/C2004A01918]

Philippines – Foreign tourists only have to pay a departure tax when leaving the Philippines if they have stayed in the country for longer than one year. [www.philippineconsulate.com.au/travel-tax.html and www.lawphil.net/statutes/presdecs/pd1977/pd_1183_1977.html]

Gender analysis

The Bill does not have any disproportionate impact on women and men.

Further information

- *Airport Departure Tax (Budget Amendment) Bill 2016* – No. 40 of 2016 Available at: [http://www.parliament.gov.fj/getattachment/Parliament-Business/Bills/2016-Bills/Bill-No-40-Airport-Departure-Tax-\(Budget-Amendment\).pdf](http://www.parliament.gov.fj/getattachment/Parliament-Business/Bills/2016-Bills/Bill-No-40-Airport-Departure-Tax-(Budget-Amendment).pdf)
- *Airport Departure Tax Act 1986* http://www.paclii.org/fj/legis/num_act/adta1986252/
- Parliament of the Republic of Fiji (2016) Hansard. Chamber Parliamentary Debates [Amended]
- Passenger Movement Charge (PMC) Australia Available at: [www.border.gov.au/Trav/Ente/GoIn/Departing/Passenger-Movement-Charge-\(PMC\)](http://www.border.gov.au/Trav/Ente/GoIn/Departing/Passenger-Movement-Charge-(PMC))
- Hong Kong, Air Passenger Departure Tax (APDT). Available at: www.hongkongairport.com/eng/passenger/departure/all/check-in-departure/passenger-departure-tax.html
- New Zealand Travel Guide – Arrivals and Departures. Available at: www.tourism.org.nz/arrivals-and-departures.html
- Philippines Consulate (Australia) – Travel Tax. Available at: www.philippineconsulate.com.au/travel-tax.html
- Vanuatu Travel Information. Available at: www.tourismvanuatu.com/vanuatu-travel.html

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