



14 March 2014

Senate Standing Committees on Economics
PO Box 6100
Parliament House
Canberra ACT 2600
Via email: economics.sen@aph.gov.au

Qantas Sale Act Amendment Bill 2014

Thank you for the opportunity to make a submission to the Committee in respect of the Qantas Sale Act Amendment Bill 2014.

Qantas supports the *Qantas Sale Act Amendment Bill 2014* and the repeal of *Part 3 of the Qantas Sale Act 1992*. We also support the amendment of the *Air Navigation Act 1920* which will allow Qantas to be included in the definition of an Australian international airline.

The *Qantas Sale Act* (the *Act*) was passed into law in 1992. In the intervening period the domestic and international aviation landscape has changed significantly without matching changes to the regulatory or policy framework.

Australian policy permits foreign airlines to freely invest in our competitors and/or to establish domestic carriers in their own right. Qantas is prevented by the *Act* from competing on equal terms with its competitors. This is without precedent elsewhere in the economy and is without parallel in the global aviation industry. To our knowledge, no other business in the Australian economy is handicapped in this manner.

The competitive distortion facing Qantas can affectively be addressed by repealing Section 3 of the *Act* and ensuring that Qantas is regulated identically to its competitors. The decision of the Government to repeal Part 3 of the *Act* is accordingly welcomed.

Qantas is important to Australia's strategic interests and makes a major contribution to employment across the whole of the economy; maintaining a unique skill base; and driving significant benefits to the regional economy. Qantas provides these benefits on a scale that



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cannot be replicated elsewhere in the economy and will not be diminished by the proposed changes to the *Act*.

It is within the power of the Senate to deliver policy reform and position the Australian aviation industry appropriately in the global aviation market.

We look forward to meeting with the Committee to discuss these important changes.

Yours sincerely

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