



The Parliament of the Commonwealth of Australia

REPORT

AIRPORTS AMENDMENT BILL 2002

**Report by the Senate Rural and Regional Affairs and
Transport Legislation Committee**

May 2002

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Senator Coonan	Senator Knowles	Senator Tierney
Senator Eggleston	Senator Lightfoot	Senator Watson

* Senator Bartlett for matters relating to animal welfare issue

** Senator Greig for Fisheries and Transport issues

Committee Secretariat

Mr Andrew Snedden	(Secretary to the Committee)
Ms Robina Jaffray	(Principal Research Officer)
Ms Trish Carling	(Senior Research Officer)
Ms Lyn Fairweather	(Estimates Officer)
Ms Winifred Jurcevic	(Executive Assistant)

Parliament House, Canberra
Telephone: (02) 6277 3510
Facsimile (02) 6277 5811

Internet: www.aph.gov.au/senate

Email: rrat.sen@aph.gov.au

COMMITTEE REPORT

Reference of the Bill to the Committee

1.1 On 13 March 2002 the Senate referred the Airport Amendment Bill 2002 to this Committee for examination and report by 16 May 2002.

1.2 The Committee was asked to inquire and report on the following matters related to the Bill:

This Bill excludes airports other than core regulated airports and airports specified in the Regulations from ownership restrictions which currently apply under the *Airports Act 1996* ("the Act"). These ownership restrictions play an important role in preventing anti-competitive practices by airline operators and clear justification must be demonstrated for any relaxation of these restrictions. The Government cites its commitment to facilitate the Tesna consortium's bid for Ansett as one of the two primary justifications for this legislative change and for the lack of consultation in relation thereto. Not only were the proposed amendments to the Act strictly unnecessary for the Tesna bid to proceed, that bid has now been abandoned. In these circumstances, justification for the proposed amendments must be reconsidered following an extensive consultation process.

1.3 The Committee sought written submissions on the Bill.

1.4 By letter dated 17 April 2002, the Committee Secretariat was informed by the Assistant Secretary, Airport Planning and Regulation of the Department of Transport and Regional Services that:

The Airports Amendment Bill 2002 was introduced in to the House of Representatives on 14 February 2002. However it has since been removed from the Notice paper because the Government is no longer proceeding with it.

1.5 Following Committee inquiry, the Minister for Transport and Regional Services wrote to the Committee by letter dated 2 May 2002 confirming that the Government did not intend proceeding with the Bill and, inter alia, advised:

A major objective of the Bill was to clarify the Government's intentions regarding the ownership provisions for General Aviation Airports under the *Airports Act 1996* (the Act) so as to provide every opportunity for the TESNA bid for Ansett Australia to be concluded without any unnecessary legal impediments in relation to the airline ownership provisions of the Act. The Government had previously amended related Regulations in late 2001 as part of its response to support the TESNA consortium's bid for Ansett and the Bill was designed to give greater certainty to this position.

In light of the collapse of the TESNA bid, this matter has lost much of its urgency. I now propose to consider some of the issues covered by the *Airports Amendment Bill 2002* as part of a broader review of the Airports Act to be undertaken by my Department in the near future. This will enable greater consultation with interested parties than was possible in the development of this Bill.

A copy of this letter is attached.

1.6 The Committee notes it was not informed of the Government's decision not to proceed with the bill prior to mailing a request for submissions on the bill to a large number of parties with an interest in the bill. The Committee thanks those who prepared written submissions on the inquiry, notwithstanding the inquiry did not proceed.

Report

1.7 The Committee reports that it does not intend to proceed with an inquiry on the bill.

Senator Winston Crane
Chairman
16 May 2002



The Hon John Anderson MP
Deputy Prime Minister
Minister for Transport and Regional Services
Leader National Party of Australia



Senator Winston Crane
Chairman
Standing Committee on Rural and Regional Affairs and Transport
Parliament House
CANBERRA ACT 2600

2 MAY 2002

Winston
Dear Senator Crane

I am writing to inform you of my intention not to proceed with the *Airports Amendment Bill 2002* (the Bill). As you will be aware, the Bill was introduced into the House of Representatives during the Autumn sittings.

A major objective of the Bill was to clarify the Government's intentions regarding the ownership provisions for General Aviation Airports under the *Airports Act 1996* (the Act) so as to provide every opportunity for the TESNA bid for Ansett Australia to be concluded without any unnecessary legal impediments in relation to the airline ownership provisions of the Act. The Government had previously amended related Regulations in late 2001 as part of its response to support the TESNA consortium's bid for Ansett and the Bill was designed to give greater certainty to this position.

In light of the collapse of the TESNA bid, this matter has lost much of its urgency. I now propose to consider some of the issues covered by the *Airports Amendment Bill 2002* as part of a broader review of the Airports Act to be undertaken by my Department in the near future. This will enable greater consultation with interested parties than was possible in the development of this Bill.

I understand your Committee has already written to interested parties seeking comments on the Bill. I regret any inconvenience this decision may cause.

Yours sincerely

John Anderson
JOHN ANDERSON