

1990

THE PARLIAMENT OF THE COMMONWEALTH
OF AUSTRALIA

HOUSE OF REPRESENTATIVES

AIRLINES AGREEMENT (TERMINATION) BILL 1990

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for Transport
and Communications, the Hon. Kim Beazley, MP)



AIRLINES AGREEMENT (TERMINATION) BILL 1990

OUTLINE

The aim of the Bill is to make the legislative changes necessary for the deregulation of the domestic aviation industry with effect from 31 October 1990. The Bill repeals 3 Acts and makes minor consequential amendments to 3 other Acts.

The Bill repeals the following 3 Acts:

the *Airlines Agreement Act 1981* which provides for the existing agreement between the Commonwealth and Ansett and Australian Airlines. This is the agreement which is the basis of the two airlines policy;

the *Airlines Equipment Act 1958* which provides for the Minister to determine the maximum aircraft capacity required to service the airlines networks and provides controls over the acquisition of aircraft by operators;

the *Independent Air Fares Committee Act 1981* which established the Independent Air Fares Committee whose function is to review and determine passenger air fares.

FINANCIAL IMPACT STATEMENT

The repeal of the *Independent Air Fares Committee Act 1981* will result in the abolition of the Independent Air Fares Committee. That Committee incurred running costs of \$611,369 in the 1988/89 financial year. Its abolition will result in savings of the order of \$600,000 per annum.

The Trade Practices Commission and the Prices Surveillance Authority will have an increased oversight role within the aviation industry.

NOTES ON CLAUSES

Clause 1: Short title

1. This clause provides for the proposed Act to be cited as the *Airlines Agreement (Termination) Act 1990*.

Clause 2: Commencement

2. This clause provides for the proposed Act to commence on 31 October 1990.

Clause 3: Repeal of Acts

3. This clause provides for the repeal of the *Airlines Agreement Act 1981*, the *Airlines Equipment Act 1958* and the *Independent Air Fares Committee Act 1981*.

Clause 4: Amendments consequential on section 3

4. This clause provides for the amendments set out in the Schedule to the Bill.

5. Section 59 of the *Australian Airlines (Conversion to Public Company) Act 1988* is being repealed because of a reference in that section to the *Airlines Agreement Act 1981*. The section will have no effect after the repeal of that Act.

6. Subsection 70(2) of the *Federal Airports Corporation Act 1988* is being repealed because of a reference in that subsection to the *Independent Air Fares Committee Act 1981*. The subsection will have no effect after the repeal of that Act.

7. Section 6 of the *Inter-State Commission Act 1975* is being repealed because of references in that section to the *Airlines Agreement Act 1981* and to the *Independent Air Fares Committee Act 1981*. The section will have no effect after the repeal of those Acts.