

1995

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

AIRPORTS (TRANSITIONAL) BILL 1995

SUPPLEMENTARY EXPLANATORY MEMORANDUM

(Amendments to be moved on Behalf of the Government)

(Circulated by authority of the Minister for Finance,
the Hon Kim Beazley, MP)

AIRPORTS (TRANSITIONAL) BILL 1995

GENERAL OUTLINE OF AMENDMENTS

Two tax related amendments are being introduced to Clause 45 to ensure:

- (i) that holders of leases over the airports will be treated in the same way for taxation purposes as if they had been granted leases by a non tax-exempt body (i.e. the Federal Airports Corporation (FAC)); and
- (ii) that lessees of FAC are not disadvantaged by becoming lessees of an airport company.

Clauses 74 and 76 are being amended to clarify requirements under the *Archives Act 1983*.

Schedule 4 is being amended to provide future flexibility as to the number of members who may be appointed to the FAC Board.

FINANCIAL IMPACT STATEMENT

The proposed changes have no financial impact.

NOTES ON PROPOSED AMENDMENTS

Items (1)-(3): Clause 45 - Special depreciation rules for fixtures

The purpose of Clause 45 is to provide for airport-lessee companies to take over the FAC's depreciation deductions on fixed assets and for current lessees at airports to be able to retain any existing entitlements to depreciation on fixed assets. The amendments ensure that an adequate mechanism is available for the airport-lessee company to take over the FAC's depreciation deductions related to airport land and other land and associated assets transferred to it under Clause 22 of the Bill.

Item (4): Clause 74 - Simplified Outline

Item (5): Clause 76 - Commonwealth Records

Clauses 74 and 76 have been amended to clarify that there is a requirement under the *Archives Act 1983* for permission to be given by the Australian Archives before a Commonwealth record can be transferred to an airport-lessee company.

Items (6)-(7): Schedule 4 - FAC Board Membership

These Items amend the constitution of the Board by giving the Minister flexibility to appoint, as members of the Board, in addition to a Chairperson, a Deputy Chairperson, and Chief Executive Officer up to six additional members. Currently the Minister must appoint six additional members. As a consequential amendment, a quorum at meetings of the Board is to be changed to be the greater of three members or the number that constitutes the majority of the members for the time being holding office. The amendments will enable the size of the Board to be varied, as appropriate, to meet the changing role of the Corporation during the sale process.



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