

17 June 2007

By Electronic Transmission

Committee Secretary
Senate Standing Committee on Economics
Department of the Senate
PO Box 6100
Parliament House
CANBERRA ACT 2600

Email: economics.sen@aph.gov.au

Dear Mr Hallahan,

Re: Inquiry into Private Equity Investment and its Effects on Capital Markets and the Australian Economy

The Australian and International Pilots Association (**AIPA**) wishes to provide the Committee with supplementary information with respect to the Association's submission to the Inquiry into *Private Equity Investment and its Effects on Capital Markets and the Australian Economy*.

For the Committee's review, AIPA offers the following specific recommendations:

1. That the *Corporations Act 2007* be amended so that directors of the target (not management or executive directors) take control of all approaches to make a bid for the target;
2. That the *Corporations Act 2001* be amended so that the directors of the target take all reasonable steps to explore reasonable alternatives to a foreshadowed bid (including the possibility of the target continuing without a bid);
3. That the *Corporations Act 2001* be amended so that the directors of the target consider whether a bid is the best alternative for security holders, the target as a going concern and present employees;
4. That the *Corporations Act 2007* be amended so that the bidder must not, within twelve months before or during the offer period, agree that a benefit

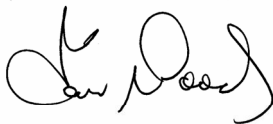
is given to an employee of the target in respect of the employees' employment with the target (unless the benefit is offered to all employees at the time of the bid);

5. That the *Corporations Act 2001* be amended so that the bidders statement contains a statement by each director of the bidder and an independent expert as to whether or not the bid is considered by the director and independent expert to be in the best interests of security holders, the target as a going concern, present employees, and giving reasons for the statement;
6. That the *Corporations Act 2001* be amended so that the target's response contains a statement by each director of the target and an independent expert setting out the reasons why the bid is, or is not, considered to be the best alternative for security holders, the target as a going concern and present employees;
7. That the *Corporations Act 2007* be amended so that if the bidders statement contains any materially misleading or deceptive statement or omission the bid is required to be withdrawn and no fresh bid made for at least twenty-eight days (unless the Federal Court of Australia or the Takeovers Panel decides otherwise by reason of exceptional circumstances).

As these are additional matters for the Committee's consideration, AIPA requests reconsideration of the Association's request to appear as a witness before the Committee.

Please contact me if I can provide the Committee with any additional information, clarification or assistance.

Yours sincerely,



Captain Ian Woods
President

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