

30 August 2005

Secretary  
Senate Rural and Regional Affairs  
and Transport Committee  
Department of the Senate  
Parliament House  
Canberra ACT 2600

Dear Sir/Madam

**Civil Aviation Legislation Amendment  
(Mutual Recognition with New Zealand) Bill 2005**

I refer to the Committee's invitation for submissions on the Civil Aviation Legislation Amendment (Mutual Recognition with New Zealand) Bill 2005.

As you are aware, Qantas made a written submission to the Committee's Inquiry on the Civil Aviation Legislation Amendment (Mutual Recognition with New Zealand and Other Matters) Bill 2003. Company representatives also appeared before a public hearing in Parliament House on 12 May 2004.

On both these occasions, Qantas expressed support for the mutual recognition principles covered by the Bill and its ability to bring them into practical effect. As the 2005 Bill is essentially a reiteration of the previous draft legislation, our position is unchanged.

The Qantas Group operates within Australia and between Australia and New Zealand, and within New Zealand through our wholly owned New Zealand based subsidiary Jetconnect. Over \$360 million of aircraft assets are currently deployed to and within New Zealand. In December 2005, Qantas' Australian subsidiary low cost carrier, Jetstar, will introduce trans Tasman services.

Qantas therefore stands to benefit considerably from the proposed legislation. The principal gains are the flexibility it will afford us in terms of the movement of aircraft and crews and the associated cost savings.



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For instance, it will provide the ability to transfer aircraft between our Australian and New Zealand based fleets to cover matters such as temporary unforeseen maintenance requirements and seasonal demand, without the need to go through the present re-registration processes, which are lengthy and attract payment of export/import taxes.

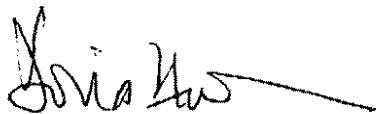
Efficiency gains such as these are important in a market that is more fiercely contested than ever before. More broadly, the challenges confronting airlines, particularly fully private, commercially-run carriers like Qantas, are unprecedented.

New Zealand is Australia's most significant international aviation market, and is continuing to grow. Air services and travel patterns between the two countries are increasingly exhibiting characteristics associated with the domestic market. This was recognised in the recent Trans Tasman Customs Agreement signed by the Australian and New Zealand Customs Ministers, which included establishment of a High Level Steering Group to address border facilitation issues (media release attached).

Qantas views mutual recognition as an opportunity to derive the next stage of benefits from the Single Aviation Market arrangements and the undertaking to progress this issue made in the subsequent open skies agreement of 2000. We note from the Second Reading Speech that legislation enacting mutual recognition was passed by the New Zealand Parliament in March 2004.

Please contact me should require any clarification in relation to the above.

Yours sincerely



**David Hawes**  
**Head of Government and International Relations**



**TRANS-TASMAN MINISTERIAL TALKS  
AUCKLAND**

**COMMUNIQUE  
27 July 2005**

The Hon. Rick Barker, New Zealand's Minister of Customs  
and  
Senator the Hon. Chris Ellison, Australia's Minister for Justice and Customs

The Hon. Rick Barker, New Zealand's Minister for Customs and the Hon. Chris Ellison, the Australian Minister responsible for Customs, met in Auckland, New Zealand, on 27 July 2005 to consider a range of Customs issues of common interest.

The Ministers acknowledged the long history of cooperation between the New Zealand Customs Service and the Australian Customs Service and the benefits this cooperation has achieved.

The Ministers noted the strength of the relationship between the two administrations and the ongoing commitment to cooperation at both bilateral and regional levels. This cooperation ensures effective border controls that will continue to provide a high level of assurance to trans-Tasman travel and trade.

In this context, the Ministers agreed New Zealand and Australian Customs would explore options to work bilaterally and regionally on implementing the World Customs Organisation's new 'Framework of Standards to Secure and Facilitate Global Trade'.

The Ministers noted that the two Chief Executives had agreed that an officials' High Level Steering Group from the New Zealand and Australian Customs Services would be established to address border issues, facilitation of passenger movements and cargo processing, including:

- customs aspects of security in the maritime and air environments
- intelligence sharing generally, including matters such as transnational organised crime, drugs, intellectual property rights and security
- streamlining the processing of low-risk passengers
- automated passenger processing
- harmonisation of Customs data models
- working together to implement the World Customs Organisation's Framework of Standards to Secure and Facilitate Global Trade, including:
  - a Trans-Tasman 'Customs to business' trade security programme
  - for the Oceania Customs Organisation, addressing the security of transhipped and transited goods through Australia and New Zealand, to and from the Pacific
- undertaking an analysis of the Customs-related capacity building needs of members of the Oceania Customs Organisation

The Ministers emphasised the importance of collaborative New Zealand and Australian efforts in the Pacific, joint approaches such as modernisation activity in Tonga and improving the ability of the Oceania Customs Organisation to address regional border control and facilitation challenges in the Pacific.

Ministers agreed that, in light of these initiatives and opportunities for further cooperation, there was continued value in regular high level talks.