Australia No. 1 (2011)

Agreement

between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Australia concerning Air Services

London, 10 July 2008

[The Agreement is not yet in force]

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AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF AUSTRALIA CONCERNING AIR SERVICES

PREAMBLE

The Government of Australia and the Government of the United Kingdom of Great Britain and Northern Ireland hereinafter referred as the "Contracting Parties";

Being parties to the Convention on International Civil Aviation opened for signature at Chicago on 7 December 1944[1];

Desiring to promote an international aviation system based on competition among airlines in the marketplace and wishing to encourage scheduled and non-scheduled airlines to develop and implement innovative and competitive services;

Desiring to ensure the highest degree of safety and security in international air transport and reaffirming their grave concern about acts or threats against the security of aircraft, which jeopardise the safety of persons or property, adversely affect the operation of air transport, and undermine public confidence in the safety of civil aviation;

Noting the agreement between the European Community and Australia initialled on 7 April 2005 on certain aspects of air services;

Have agreed as follows:

ARTICLE 1

Definitions

For the purpose of this Agreement, unless the context otherwise requires:

(a) the term "the Chicago Convention" means the Convention on International Civil Aviation, open for signature at Chicago on 7 December 1944 and includes: (i) any amendment thereof which has been ratified by both Contracting Parties; and (ii) any Annex or any amendment thereto adopted under Article 90 of that Convention, insofar as such amendment or annex is at any given time effective for both Contracting Parties;

(b) the term "aeronautical authority" means in the case of the United Kingdom, the Secretary of State for Transport and in the case of Australia, the Minister for Transport and Regional Services, or, in both cases, any person or body who may be authorized to perform any

[1] Treaty Series No. 008 (1953) Cmd 8742

functions at present exercisable by the above-mentioned authority or similar functions;

(c) the term "designated airline" means an airline which has been designated and authorised in accordance with Article 4 of this Agreement;

(d) the term "territory" in relation to a State has the meaning assigned to it in Article 2 of the Chicago Convention;

(e) the terms "air service", "international air service", "airline" and "stop for non-traffic purposes" have the meanings respectively assigned to them in Article 96 of the Chicago Convention;

(f) The term "this Agreement" means this Agreement, its Annexes and any amendments thereto;

(g) the term "Air Operator's Certificate" means a document issued to an airline which affirms that the airline in question has the professional ability and organisation to secure the safe operation of aircraft for the aviation activities specified in the certificate;

(h) the term "tariffs" means the prices to be paid for the carriage of passengers, baggage and freight and the conditions under which those prices apply, including prices and conditions for agency and other auxiliary services, but excluding remuneration or conditions for the carriage of mail;

(i) the term "EC Member State" means a State that is a contracting party to the Treaty establishing the European Community; and

(j) the term "airlines of each Contracting Party" shall include, in the case of airlines of the United Kingdom, airlines that meet the conditions for designation in Article 4(2)(a) of this Agreement.

ARTICLE 2

Applicability of the Chicago Convention

The provisions of this Agreement shall be subject to the provisions of the Chicago Convention insofar as those provisions are applicable to international air services.

ARTICLE 3

Grant of Rights

(1) Each Contracting Party grants to the other Contracting Party the following rights in respect of its international air services:

(a) the right to fly across its territory without landing;

(b) the right to make stops in its territory for non-traffic purposes.

(2) The designated airlines of each Contracting Party shall be entitled to perform international air services, whether for the carriage of passengers, cargo, mail or in combination, as follows:

Routes to be operated by the designated airline or airlines of the United Kingdom:

Points in the United Kingdom – Intermediate Points – Points in Australia – Points Beyond

Routes to be operated by the designated airline or airlines of Australia:

Points in Australia – Intermediate Points – Points in the United Kingdom – Points Beyond

These services and routes are hereinafter called "the agreed services" and "the specified routes" respectively.

(3) While operating an agreed service on a specified route the airline or airlines designated by each Contracting Party may, in addition to the rights specified above, on any or all flights and at the option of each airline:

(a) operate flights in either or both directions;

(b) combine different flight numbers within one aircraft operation;

(c) serve intermediate and beyond points and points in the territories of the Contracting Parties on the routes in any combination and in any order;

(d) omit stops at any point or points, including points within the territory of the Contracting Party designating the airline provided that, except as may from time to time be jointly determined by the aeronautical authorities of the Contracting Parties, the services commence or terminate in the territory of that Contracting Party;

(e) transfer traffic from any of its aircraft to any of its other aircraft at any point on the routes; and

(f) exercise own stop-over rights at any point, including points in the territory of the other Contracting Party;

without directional or geographic limitation and without loss of any right to carry traffic otherwise permissible under this Agreement.

(4) The designated airlines of one Contracting Party may not pick up traffic at an intermediate point to be set down in the territory of the other Contracting Party nor pick up traffic in the territory of the other Contracting Party to be set down at a point beyond, and vice versa, except as may from time to time be jointly determined by the aeronautical authorities of the Contracting Parties.

(5) Nothing in this Article shall be deemed to confer on the designated airline or airlines of one Contracting Party the right to uplift, in the territory of the other Contracting Party, passengers, their baggage, cargo, or mail carried for remuneration or hire and destined for another point in the territory of that other Contracting Party.

ARTICLE 4

Designation, Authorisation and Revocation

(1) Each Contracting Party shall have the right to designate airlines for the purpose of operating the agreed services on each of the specified routes and to withdraw or alter such designations. Such designations shall be made in writing and shall be transmitted to the other Contracting Party.

(2) On receipt of such a designation, and of applications from the designated airline(s), in the form and manner prescribed for operating authorisations and technical permissions, the other Contracting Party shall grant the appropriate authorisations and permissions with minimum procedural delay, provided that:

(a) In the case of an airline designated by the United Kingdom of Great Britain and Northern Ireland:

(i) it is established in the territory of the United Kingdom under the Treaty establishing the European Community and has a valid operating licence from an EC Member State in accordance with European Community law;

(ii) effective regulatory control of the airline is exercised and maintained by the EC Member State responsible for issuing its Air Operator's Certificate and the relevant aeronautical authority is clearly identified in the designation;

(iii) the airline has its principal place of business in the territory of the EC Member State from which it has received the operating licence; and

(iv) the airline is owned, directly or through majority ownership, and effectively controlled by EC Member States and/or nationals of EC Member States, and/or other states listed in Annex 1 and/or nationals of such other states.

(b) in the case of an airline designated by Australia:

(i) Australia has and maintains effective regulatory control of the airline; and

(ii) it has its principal place of business in Australia.

(3) Either Contracting Party may refuse, revoke, suspend or limit the operating authorisation or technical permissions of an airline designated by the other Contracting Party where:

(a) in the case of an airline designated by the United Kingdom of Great Britain and Northern Ireland:

(i) the airline is not established in the territory of the United Kingdom under the Treaty establishing the European Community or does not have a valid operating licence from an EC Member State in accordance with European Community law; or

(ii) effective regulatory control of the airline is not exercised or not maintained by the EC Member State responsible for issuing its Air Operator's Certificate or the relevant aeronautical authority is not clearly identified in the designation; or

(iii) the airline does not have its principal place of business in the territory of the EC Member State from which it has received the operating licence; or

(iv) the airline is not owned, directly or through majority ownership, and effectively controlled by EC Member States and/or nationals of EC Member States, and/or by other states listed in Annex 1 and/or nationals of such other states; or

(v) The airline is already authorised to operate under a bilateral agreement between Australia and another EC Member State and Australia can demonstrate that, by exercising traffic rights under this Agreement on a route that includes a point in that other EC Member State, it would be circumventing restrictions on the third

or fourth or fifth traffic rights imposed by that other agreement; or

(vi) The airline holds an Air Operators Certificate issued by an EC Member State and there is no bilateral air services agreement between Australia and that EC Member State and Australia can demonstrate that the necessary traffic rights to conduct the proposed operation are not reciprocally available to the designated airline(s) of Australia; or

(b) in the case of an airline designated by Australia:

(i) Australia is not maintaining effective regulatory control of the airline; or

(ii) it does not have its principal place of business in Australia;

(c) in the case of failure by that airline to comply with the laws, regulations or rules normally and reasonably applied by the Contracting Party granting those rights; or

(d) if the airline otherwise fails to operate in accordance with the conditions prescribed under this Agreement; or

(e) in the case of failure by the other Contracting Party to take appropriate action to improve safety in accordance with paragraph (3) of Article 11; or

(f) in accordance with paragraph (7) of Article 11 (Safety).

(4) In exercising its rights under paragraph (3), and without prejudice to its rights under paragraph (3)(a), (v) and (vi) of this Article, Australia shall not discriminate between airlines of EC Member States on the grounds of nationality.

(5) Unless immediate revocation, suspension or imposition of the conditions mentioned in paragraph (3) of this Article is essential to prevent further infringements of laws, regulations or rules or to improve safety, such right shall be exercised only after consultation with the other Contracting Party.

(6) This Article does not limit the rights of either Contracting Party to withhold, revoke, limit or impose conditions on the operating authorisation or technical permissions of a designated airline or airlines of that other Contracting Party, in accordance with the provisions of Article 12 (Aviation Security).

ARTICLE 5

Fair Competition and State Aids

(1) There shall be fair and equal opportunity for the designated airlines of both Contracting Parties to compete in operating the agreed services on the specified routes.

(2) The competition laws of each Contracting Party, as amended from time to time, shall apply to the operation of the airlines within the jurisdiction of the respective Contracting Party.

(3) Neither Contracting Party shall unilaterally restrict the operations of the designated airlines of the other, except according to the terms of this Agreement or by such uniform conditions as may be contemplated by the Chicago Convention.

(4) Neither Contracting Party shall allow its designated airline or airlines, either in conjunction with any other airline or airlines or separately, to abuse market power in a way which has or is likely or intended to have the effect of severely weakening a competitor or excluding a competitor from a route.

(5) Neither Contracting Party shall provide or permit state subsidy or support for or to its designated airline or airlines in such a way that would adversely affect the fair and equal opportunity of the airlines of the other Contracting Party to compete in providing the international air transportation governed by this Agreement.

(6) State subsidy or support means the provision of support on a discriminatory basis to a designated airline, directly or indirectly, by the state or by a public or private body designated or controlled by the state. Without limitation, it may include the setting-off of operational losses; the provision of capital, non-refundable grants or loans on privileged terms; the granting of financial advantages by forgoing profits or the recovery of sums due; the forgoing of a normal return on public funds used; tax exemptions; compensation for financial burdens imposed by the public authorities; or discriminatory access to airport facilities, fuel or other reasonable facilities necessary for the normal operation of air services.

(7) Where a Contracting Party provides state subsidy or support to a designated airline in respect of services operated under this Agreement, it shall require that airline to identify the subsidy or support clearly and separately in its accounts.

(8) If the aeronautical authorities of one Contracting Party believe that the airlines of either Contracting Party are being subjected to discrimination or unfair practices, or that a subsidy or support being considered or provided by the other Contracting Party for or to the airlines of that other Contracting Party would adversely affect or is adversely affecting the fair and equal opportunity of the airlines of the first Contracting Party to compete in providing the international air transportation governed by this Agreement, it may request consultations and notify

the other Contracting Party of the reasons for its dissatisfaction. These consultations shall be held not later than 15 days after receipt of the request.

ARTICLE 6

Application of Laws, Regulations and Rules

(1) While entering, within, or leaving the territory of one Contracting Party, its laws, regulations and rules relating to the operation and navigation of aircraft shall be complied with by the other Contracting Party's airlines.

(2) The Contracting Parties recognise that the laws, regulations and rules of each Contracting Party relating to the admission to or departure from its territory of passengers, crew, cargo and aircraft (including regulations and rules relating to entry, clearance, aviation security, immigration, passports, advance passenger information, customs and quarantine or, in the case of mail, postal regulations) are binding upon such passengers and crew and in relation to such cargo of the other Contracting Party's airlines while entering, within, or leaving the territory of that Contracting Party.

(3) Neither Contracting Party shall give preference to its own or any other airline over a designated airline of the other Contracting Party engaged in similar international air transport including, but not limited to, the application of its customs, immigration, quarantine and similar regulations.

(4) Subject to the relevant laws and regulations applying within their respective territories, the Contracting Parties recognise that to give effect to the rights and entitlements embodied in this Agreement the designated airlines of each Contracting Party must have the opportunity to access airports and slots in the territory of the other Contracting Party on a non-discriminatory basis.

(5) Passengers, baggage and cargo in direct transit through the territory of either Contracting Party and not leaving the area of the airport reserved for such purpose shall not undergo any examination except for reasons of aviation security, narcotics control, immigration requirements or in special circumstances. Baggage and cargo in direct transit shall be exempt from customs and other similar taxes.

ARTICLE 7

Tariffs

(1) Each Contracting Party shall allow each airline to determine its own tariffs for the transportation of traffic.

(2) The tariffs to be charged by the airline(s) designated by Australia for carriage wholly within the European Community shall be subject to European Community law.

ARTICLE 8

Commercial Opportunities

(1) The airlines of each Contracting Party shall have the following rights in the territory of the other Contracting Party:

(a) the right to establish offices, including offline offices, for the promotion, sale and management of air transportation;

(b) the right to engage in the sale and marketing of air transportation to any person directly and, at its discretion, through its agents or intermediaries, using its own transportation documents; and

(c) the right to use the services and personnel of any organisation, company or airline operating in the territory of the other Contracting Party.

(2) In accordance with the laws and regulations relating to entry, residence and employment of the other Contracting Party, the airlines of each Contracting Party shall be entitled to bring in and maintain in the territory of the other Contracting Party those of their own managerial, sales, technical, operational and other specialist staff which the airline reasonably considers necessary for the provision of air transportation. Consistent with such laws and regulations, each Contracting Party shall, with the minimum of delay, grant the necessary employment authorisations, visas or other similar documents to the representatives and staff referred to in this paragraph.

(3) The airlines of each Contracting Party shall have the right to sell air transportation, and any person shall be free to purchase such transportation, in local or freely convertible currencies. Each airline shall have the right to convert their funds into any freely convertible currency and to transfer them from the territory of the other Contracting Party at will. Conversion and transfer of funds obtained in the ordinary course of their operations shall be permitted at the foreign exchange market rates for payments prevailing at the time of submission of the requests for conversion or transfer and shall not be subject to any charges except normal service charges levied for such transactions.

(4) The airlines of each Contracting Party shall have the right at their discretion to pay for local expenses, including purchases of fuel, in the territory of the other Contracting Party in local currency or, provided this accords with local currency regulations, in freely convertible currencies.

(5) (a) In operating or holding out international air transportation the airlines of each Contracting Party shall have the right, over all or any part of their routes in Article 3(2) of this Agreement to enter into code share, blocked space or other cooperative marketing arrangements, as the marketing and/or operating airline, with any other airline, including airlines of the same Contracting Party, the other Contracting Party and of third parties. Subject to sub-paragraph (5)(c) of this Article, the airlines participating in such arrangements must hold the appropriate authority or authorities to conduct international air transportation on the routes or segments concerned.

(b) Unless otherwise mutually determined by the aeronautical authorities of the Contracting Parties, the volume of capacity or service frequencies which may be held out and sold by the airlines of each Contracting Party, when code sharing as the marketing airline, shall not be subject to limitations under this Agreement.

(c) For the avoidance of doubt, the aeronautical authority of one Contracting Party shall not withhold code sharing permission for an airline of the other Contracting Party to market code share services on flights operated by airlines of third parties on the basis that the third party airlines concerned do not have the right from the first Contracting Party to carry traffic under the code of the marketing airline.

(d) The airlines of each Contracting Party may market code share services on domestic flights operated within the territory of the other Contracting Party provided that such services form part of a through international journey.

(e) The airlines of each Contracting Party shall, when holding out international air transportation for sale, make it clear to the purchaser at the point of sale which airline will be the operating airline on each sector of the journey and with which airline or airlines the purchaser is entering into a contractual relationship.

(6) (a) Subject to the laws and regulations of each Contracting Party including, in the case of the United Kingdom, European Community law, each designated airline shall have in the territory of the other Contracting Party the right to perform its own ground handling ("self-handling") or, at its option, the right to select among competing suppliers that provide ground handling services in whole or in part. Where such laws and regulations limit or preclude self-handling and where there is no effective competition between suppliers that provide ground handling services, each designated airline shall be treated on a non-discriminatory basis as regards their access to self-handling and ground handling services provided by a supplier or suppliers.

(b) Subject to the laws and regulations of each Contracting Party including, in the case of the United Kingdom, European Community law, each airline shall also have the right, in the territory of the other Contracting Party, to offer its services as a ground handling agent, in whole or part, to any other airline.

(7) The airlines of each Contracting Party shall be permitted to conduct international air transportation using aircraft (or aircraft and crew) leased from any company, including other airlines, provided only that the operating aircraft and crew meet the applicable operating and safety standards and requirements.

(8) On any segment or segments of the routes above, any designated airline may perform international air transport, including under code share arrangements, without any limitation as to change in type, size or number of aircraft operated at any point on the route.

(9) The designated airlines of each Contracting Party shall be permitted to employ, in connection with air transport, any intermodal transport to or from any points in the territories of the Contracting Parties or third countries. Airlines may elect to perform their own intermodal transport or to provide it through arrangements, including code share, with other carriers. Such intermodal services may be offered as a through service and at a single price for the air and intermodal transport combined, provided that passengers and shippers are informed as to the providers of the transport involved.

ARTICLE 9

User charges

(1) Neither Contracting Party shall impose or permit to be imposed on the designated airline or airlines of the other Contracting Party user charges higher than those imposed on its own airlines operating similar international air services.

(2) Each Contracting Party shall encourage consultation on user charges between their competent charging authorities and airlines using the services and facilities provided by those charging authorities, where practicable through those airlines' representative organisations. Reasonable notice of any proposals for changes in user charges should be given to such users to enable them to express their views before changes are made. Each Contracting Party shall further encourage its competent charging authorities and such users to exchange appropriate information concerning user charges.

(3) Each Contracting Party shall use its best efforts to encourage those responsible for the provision of airport, airport environmental, air navigation and aviation security facilities and services to ensure that charges levied on airlines are reasonable and non-discriminatory. Reasonable charges may include a reasonable

return on assets, after depreciation. Facilities and services for which charges are made should be provided on an efficient and economic basis.

ARTICLE 10

Duties, Taxes and Fees

(1) The Contracting Parties shall relieve from all customs duties, national excise taxes and similar national fees:

(a) aircraft operated in international air services by the designated airline or airlines of either Contracting Party;

(b) the following items introduced by a designated airline of one Contracting Party into the territory of the other Contracting Party: repair, maintenance and servicing equipment and component parts;

(c) the following items introduced by a designated airline of one Contracting Party into the territory of the other Contracting Party or supplied to a designated airline of one Contracting Party in the territory of the other Contracting Party:

(i) aircraft stores (including but not limited to such items as food, beverages and tobacco);

(ii) fuel, lubricants and consumable technical supplies;

(iii) spare parts including engines; and

provided in the case of sub-paragraph (c) they are for use on board an aircraft in connection with the establishment or maintenance of an international air service by the designated airline concerned; and

(d) any other items which qualify for such relief to the extent permitted by the domestic laws in force in the territory of each Contracting Party.

The exemptions in sub-paragraph (c) above shall apply even when these items are to be used on any part of a journey performed over the territory of the other Contracting Party in which they have been taken on board.

(2) The relief from customs duties, national excise taxes and similar national fees shall not extend to charges based on the cost of services provided to the designated airline or airlines of a Contracting Party in the territory of the other Contracting Party.

(3) The normal aircraft equipment, as well as spare parts (including engines), supplies of fuel, lubricating oils (including hydraulic fluids) and lubricants and

other items mentioned in paragraph (1) of this Article retained on board the aircraft operated by the airlines of one Contracting Party may be unloaded in the territory of the other Contracting Party only with the approval of the Customs authorities of that territory. Aircraft stores intended for use on the airlines' services may, in any case be unloaded. Equipment and supplies referred to in paragraph (1) of this Article may be required to be kept under the supervision or control of the appropriate authorities until they are re-exported or otherwise disposed of in accordance with the Customs laws and procedures of that Contracting Party.

(4) The reliefs provided for by this Article shall also be available in situations where the designated airline or airlines of one Contracting Party have entered into arrangements with another airline or airlines for the loan or transfer in the territory of the other Contracting Party of the items specified in paragraph (1) of this Article, provided such other airline or airlines similarly enjoy such reliefs from such other Contracting Party.

ARTICLE 11

Safety

(1) Each Contracting Party shall recognise as valid, for the purposes of operating the international air transport provided for in this Agreement, certificates of airworthiness, certificates of competency and licences issued or validated by the other Contracting Party that are still in force, provided that the requirements for such certificates and licences at least equal the minimum standards that may be established pursuant to the Chicago Convention. Each Contracting Party may, however, refuse to recognise as valid for the purpose of flights undertaken pursuant to rights granted under Article 3(2) of this Agreement certificates of competency and licences granted to or validated for its own nationals by the other Contracting Party.

(2) Each Contracting Party may request consultations at any time concerning the safety standards maintained by the other Contracting Party in any area including, but not limited to, aeronautical facilities, aircrews, aircraft and their operation. Such consultations shall take place within 30 days of that request.

(3) If, following such consultations, one Contracting Party find that the other Contracting Party does not effectively maintain and administer safety standards in any such area that are at least equal to the minimum standards established at that time pursuant to the Chicago Convention, the first Contracting Party shall notify the other Contracting Party of those findings and the steps considered necessary to conform with those minimum standards, and the other Contracting Party shall take appropriate corrective action. Failure by the other Contracting Party to take appropriate action within a reasonable time, or in any case within 15 days, shall be grounds for the application of Article 4(3) (Revocation or suspension of operating authorisation) of this Agreement.

(4) Notwithstanding the obligations mentioned in Article 33 of the Chicago Convention, it is agreed that any aircraft operated by or, under a lease arrangement, on behalf of the designated airline or airlines of one Contracting Party on services to or from the territory of the other Contracting Party may, while within the territory of the other Contracting Party, be made the subject of an examination by the authorised representatives of the other Contracting Party, on board and around the aircraft to check both the validity of the aircraft documents and those of its crew and the apparent condition of the aircraft and its equipment (in this Article called "ramp inspection"), provided this does not lead to unreasonable delay.

(5) If any such ramp inspection or series of ramp inspections gives rise to:

(a) serious concerns that an aircraft or the operation of an aircraft does not comply with the minimum standards established at that time pursuant to the Chicago Convention; or

(b) serious concerns that there is a lack of effective maintenance and administration of safety standards established at that time pursuant to the Chicago Convention;

the Contracting Party carrying out the inspection shall, for the purposes of Article 33 of the Chicago Convention, be free to conclude that the requirements under which the certificate or licences in respect of that aircraft or in respect of the crew of that aircraft had been issued or rendered valid, or that requirements under which that aircraft is operated, are not equal to or above the minimum standards established pursuant to the Chicago Convention.

(6) In the event that access for the purpose of undertaking a ramp inspection of an aircraft operated by a designated airline of one Contracting Party in accordance with paragraph (4) of this Article is denied by a representative of that airline, the other Contracting Party shall be free to infer that serious concerns of the type referred to in paragraph (5) of this Article arise and draw the conclusions referred in that paragraph.

(7) Each Contracting Party reserves the right to suspend or vary the operation authorisation of a designated airline or airlines of the other Contracting Party immediately in the event the first Contracting Party concludes, whether as a result of a ramp inspection, a series of ramp inspections, a denial of access for ramp inspection, consultation or otherwise, that immediate action is essential to the safety of an airline operation.

(8) Any action by one Contracting Party in accordance with paragraphs (3) or (7) of this Article shall be discontinued once the basis for the taking of that action ceases to exist.

ARTICLE 12

Aviation Security

(1) When a Contracting Party has reasonable grounds to believe that the other Contracting Party has departed from the provisions of this Article, the first Contracting Party may request immediate consultations. Such consultations shall start within fifteen (15) days of receipt of such a request from either Contracting Party. Failure to reach a satisfactory agreement within fifteen (15) days from the start of consultations shall constitute grounds for withholding, revoking, suspending or imposing conditions on the authorisations of the airline or airlines designated by the other Contracting Party. When justified by an emergency, the first Contracting Party may take interim action at any time. Any action taken in accordance with this paragraph shall be discontinued upon compliance by the other Contracting Party with the security provisions of this Article.

(2) Consistent with their rights and obligations under international law, the Contracting Parties reaffirm that their obligation to each other to protect the security of civil aviation against acts of unlawful interference forms an integral part of this Agreement. Without limiting the generality of their rights and obligations under international law, the Contracting Parties shall in particular act in conformity with the provisions of the Convention on Offences and Certain Other Acts Committed on Board Aircraft, signed at Tokyo on 14 September 1963[2], the Convention for the Suppression of Unlawful Seizure of Aircraft, signed at The Hague on 16 December 1970[3], the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, signed at Montreal on 23 September 1971[4] and the Montreal Supplementary Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation, signed at Montreal on 24 February 1988[5], the Convention on the Marking of Plastic Explosives for the Purpose of Detection, signed at Montreal on 1 March 1991[6] and any aviation security agreement that becomes binding on both Contracting Parties.

(3) The Contracting Parties shall, in their mutual relations, act in conformity with the aviation security provisions established by ICAO and designated as Annexes to the Chicago Convention to the extent that such security provisions formally apply to the Contracting Parties; they shall require that operators of aircraft of their registry or operators of aircraft who have their principal place of business or permanent residence in their territory and the operators of airports in their territory act in conformity with such aviation security provisions. Each Contracting Party shall advise the other Contracting Party of any difference between its national regulations and practices and the aviation security standards of the Annexes. Either Contracting Party may request consultations with the other Contracting Party at any time to discuss any such differences.

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[2] Treaty Series No. 126 (1969) Cmnd 4230
[3] Treaty Series No. 039 (1972) Cmnd 4956
[4] Treaty Series No. 010 (1974) Cmnd 5524
[5] Treaty Series No. 020 (1991) Cm 1470
[6] Treaty Series No. 134 (2000) Cm 5018

(4) Each Contracting Party agrees that such operators of aircraft shall be required to observe the aviation security provisions referred to in paragraph (3) above required by the other Contracting Party for entry into the territory of that other Contracting Party. For entry into, departure from, or while within the territory of the United Kingdom of Great Britain and Northern Ireland, operators of aircraft shall be required to observe aviation security provisions in conformity with European Community law. For entry into, departure from, or while within, the territory of Australia, operators of aircraft shall be required to observe aviation security provisions in conformity with the law in force in that country. Each Contracting Party shall ensure that adequate measures are taken within its territory to protect the aircraft and to inspect passengers, crew, carry-on items, baggage, cargo and aircraft stores prior to and during boarding or loading and that these measures are adjusted to meet changes in the threat. Each Contracting Party shall also act favourably upon any request from the other Contracting Party for reasonable special security measures to meet a particular threat.

(5) When an incident or threat of an incident of unlawful seizure of civil aircraft or other unlawful acts against the safety of such aircraft, their passengers and crew, airports or air navigation facilities occurs, the Contracting Parties shall assist each other by facilitating communications and other appropriate measures intended to terminate rapidly and safely such incident or threat thereof.

ARTICLE 13

Consultations

Either Contracting Party may at any time request consultations on the implementation, interpretation, application or amendment of this Agreement or compliance with this Agreement. Such consultations, which may be between aeronautical authorities, shall begin, except as otherwise provided elsewhere in this Agreement, within a period of 60 days from the date the other Contracting Party receives a written request, unless otherwise agreed by the Contracting Parties.

ARTICLE 14

Settlement of Disputes

(1) If any dispute arises between the Contracting Parties relating to the interpretation or application of this Agreement, the Contracting Parties shall in the first place try to settle it by negotiation.

(2) If the Contracting Parties fail to reach a settlement of the dispute by negotiation, it may be referred by them to such person or body as they may agree on or, at the request of either Contracting Party, shall be submitted for decision to a tribunal of three arbitrators which shall be constituted in the following manner:

(a) within 30 days after receipt of a request for arbitration, each Contracting Party shall appoint one arbitrator. A national of a third State, who shall act as President of the tribunal, shall be appointed as the third arbitrator by agreement between the two arbitrators, within 60 days of the appointment of the second;

(b) if within the time limits specified above any appointment has not been made, either Contracting Party may request the President of the International Court of Justice to make the necessary appointment within 30 days. If the President has the nationality of one of the Contracting Parties, the Vice-President shall be requested to make the appointment. If the Vice-President has the nationality of one of the Contracting Parties, the Member of the International Court of Justice next in seniority who does not have the nationality of one of the Contracting Parties shall be requested to make the appointment.

(3) Except as hereinafter provided in this Article or as otherwise agreed by the Contracting Parties, the tribunal shall determine the limits of its jurisdiction and establish its own procedure. At the direction of the tribunal, or at the request of either of the Contracting Parties, a conference to determine the precise issues to be arbitrated and the specific procedures to be followed shall be held not later than 30 days after the tribunal is fully constituted.

(4) Except as otherwise agreed by the Contracting Parties or prescribed by the tribunal, each Contracting Party shall submit a memorandum within 45 days after the tribunal is fully constituted. Each Contracting Party may submit a reply within 60 days of submission of the other Contracting Party's memorandum. The tribunal shall hold a hearing at the request of either Contracting Party, or at its discretion, within 30 days after replies are due.

(5) The tribunal shall attempt to give a written decision within 30 days after completion of the hearing or, if no hearing is held, 30 days after the date both replies are submitted. The decision shall be taken by a majority vote.

(6) The Contracting Parties may submit requests for clarification of the decision within 15 days after it is received and such clarification shall be issued within 15 days of such request.

(7) The decision of the tribunal shall be binding on the Contracting Parties.

(8) Each Contracting Party shall bear the costs of the arbitrator appointed by it. The other costs of the tribunal shall be shared equally by the Contracting Parties including any expenses incurred by the President, Vice-President or Member of the International Court of Justice in implementing the procedures in paragraph (2)(b) of this Article.

ARTICLE 15

Amendment

Any amendments to this Agreement agreed by the Contracting Parties shall come into force when confirmed by an Exchange of Notes.

ARTICLE 16

Termination

Either Contracting Party may at any time give notice in writing to the other Contracting Party of its decision to terminate this Agreement. Such notice shall be simultaneously communicated to the International Civil Aviation Organization. This Agreement shall terminate at midnight (at the place of receipt of the notice) immediately before the first anniversary of the date of receipt of the notice by the other Contracting Party, unless the notice is withdrawn by agreement before the end of this period. In the absence of acknowledgement of receipt by the other Contracting Party, the notice shall be deemed to have been received 14 days after receipt of the notice by the International Civil Aviation Organization.

ARTICLE 17

Entry into Force

This Agreement shall enter into force on the date of the latter note in an exchange of notes between the Contracting Parties notifying each other of the completion of their respective internal requirements.

The Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Commonwealth of Australia for Air Services between and beyond their respective territories signed in London on 7 February 1958[7] as amended shall terminate from the date of entry into force of this agreement.

[7] Treaty Series No. 008 (1989) Cm 661

In witness whereof the undersigned, being duly authorised by their respective Governments, have signed this Agreement.

Done in duplicate at London this tenth day of July 2008.

For the Government of the United Kingdom of Great Britain and Northern Ireland:	**For the Government of Australia:**
JIM FITZPATRICK	**ANTHONY ALBANESE**

ANNEX 1

List of other states referred to in Articles 4(2)(a)(iv) and 4(3)(a)(iv) of this Agreement

a) The Republic of Iceland (under the Agreement on the European Economic Area);

b) The Principality of Liechtenstein (under the Agreement on the European Economic Area);

c) The Kingdom of Norway (under the Agreement on the European Economic Area);

d) The Swiss Confederation (under the Agreement between the European Community and the Swiss Confederation on Air Transport).

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