

**AGREED MINUTE  
BETWEEN  
THE AERONAUTICAL AUTHORITIES OF  
THE GOVERNMENT OF AUSTRALIA  
AND  
THE GOVERNMENT OF THE KINGDOM OF DENMARK**

1. Delegations representing the aeronautical authorities of the Government of Australia and the Government of the Kingdom of Denmark met in Canberra on 15-16 October 1998 to discuss arrangements for air services.
2. The delegations noted the following understandings on commercial arrangements pursuant to the draft Air Services Agreement between the Government of Australia and the Government of the Kingdom of Denmark (hereinafter referred to as "the Agreement"). The understandings contained in this Agreed Minute are subject to Government approval, as appropriate, and will enter into force after such approval and simultaneously with the Agreement. They will, however, have immediate practical effect to the extent possible under national law.

**PASSENGER CAPACITY ENTITLEMENTS**

3. Pursuant to Article 10 (Capacity Provisions) of the Agreement, the delegations mutually determined that the following capacity entitlements will apply for the operation of passenger services in each direction on the specified route for the designated airline or airlines of each Contracting Party:
  - (a) with immediate effect, a total of 1600 seats per week;
  - (b) with effect from October 1999, a total of 2000 seats per week;
  - (c) with effect from October 2000, a total of 2800 seats per week.
4. The delegations will continue to review capacity arrangements to ensure that capacity on the agreed routes remains ahead of demand.

**DEDICATED CARGO CAPACITY ENTITLEMENTS**

5. Pursuant to Article 10 (Capacity Provisions) of the Agreement and its Annex (the Route Schedule), the delegations mutually determined that in operating dedicated cargo services on the specified routes, the designated airline or airlines of each Contracting Party may determine the frequency of service, capacity, and aircraft type to be operated.

**LEASING ARRANGEMENTS**

6. Pursuant to Article 10 (Capacity Provisions) of the Agreement, the designated airline or airlines of each Contracting Party may operate the capacity entitlements set out in paragraphs 3 and 5 above using their own aircraft or by leasing aircraft from other companies, subject to operational authorisations.

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## **CO-OPERATIVE MARKETING ARRANGEMENTS**

7. Pursuant to Article 10 (Capacity Provisions) of the Agreement, when operating or holding out the agreed passenger and cargo services on the specified routes, any designated airline of one Contracting Party, whether as the operating or non-operating airline, may enter into co-operative marketing arrangements such as blocked space or code sharing with:

- (a) an airline or airlines of one Contracting Party;
- (b) an airline or airlines of the other Contracting Party; or
- (c) an airline or airlines of a third country.

8. The entitlements set out in paragraph 7 above may be exercised only where:

- (a) such carriers hold the appropriate authority to operate on the routes and segments concerned; and
- (b) in respect of any tickets sold, the airline makes it clear to the purchaser at the point of sale which airline will actually operate each sector of the service and with which airline or airlines the purchaser is entering into a contractual relationship.

9. Capacity offered by a designated airline as the non-operating airline on services operated by other airlines will not be counted against any capacity entitlements of the Contracting Party designating the non-operating airline.

10. The aeronautical authorities will allow a designated airline (where it is the non-operating carrier) to implement co-operative marketing arrangements on the specified routes on services operated by airlines of third countries, provided that such airlines from the third country hold the appropriate authority or authorities to operate on the routes or segments concerned.

## **CHANGE OF AIRCRAFT**

11. Pursuant to Article 10 (Capacity Provisions), on any segment or segments of the specified routes, any designated airline may perform agreed services, including with other airlines as provided for in paragraphs 7 to 10 above, without any limitation as to change, at any point on the route, in type or number of aircraft operated.

## **TRAFFIC RIGHTS**

12. Pursuant to the Annex of the Agreement (the Route Schedule), when operating agreed services on the specified routes, the designated airline or airlines of each Contracting Party may exercise unrestricted traffic rights at all points including intermediate and beyond points, subject to paragraphs 13 to 15 below.

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13. In respect of passenger services, the designated airline or airlines of the Kingdom of Denmark may:

- (a) operate to five nominated points only in Australia, which nominations may be changed from time to time;
- (b) serve points in Australia on the specified route in any combination including as part of a through international journey;
- (c) may exercise own stopover rights between the five nominated points in Australia when operating its own aircraft and not under cooperative marketing arrangements;
- (d) may exercise traffic rights between the nominated gateways in Australia and additional points (in addition to the five gateway points nominated from time to time) being points behind the gateways, using cooperative marketing arrangements, on services operated by Australian carriers,
- (e) exercise traffic rights beyond Australia to four points in the South West Pacific, but not at any other points beyond Australia. Additional points beyond Australia may be served, providing that no traffic rights are exercised between Australia and those points.

14. Notwithstanding anything set out in paragraph 13 above, the designated airline or airlines of Denmark will not have the entitlement to exercise cabotage traffic rights in Australian territory (other than, where provided, the carriage of own stopover traffic).

15. In respect of passenger services, the designated airline or airlines of Australia may:

- (a) operate to one point only in Denmark, which may be changed from time to time;
- (b) may exercise traffic rights between the nominated gateway in Denmark and additional points, being points behind the gateways, using cooperative marketing arrangements, on services operated by the airlines of Denmark.
- (c) exercise traffic rights beyond Denmark to Sweden and Norway and to four points in Europe, but not to any other points beyond Denmark. Additional points beyond Denmark may be served, providing that no traffic rights are exercised between Denmark and those points.

16. In the event that it were not possible for the designated airlines of Australia to exercise the rights set out in paragraph 15(c) of this Agreed Minute, the rights under paragraph 13(e) would lapse.

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17. With reference to Article 3 of the Agreement, Denmark designates SAS Danmark A/S to operate the agreed services.

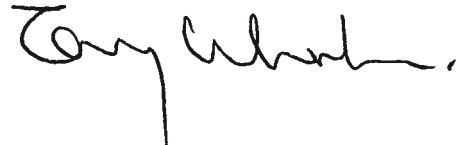
Signed at Canberra on the

16<sup>th</sup>,

day of October 1998.



Mr Niels Remmer  
For the Government of  
the Kingdom of  
Denmark



Mr Tony Wheelens  
For the aeronautical  
authorities of Australia

**RECORD OF DISCUSSION  
BETWEEN THE AERONAUTICAL AUTHORITIES OF  
THE GOVERNMENT OF AUSTRALIA  
AND  
THE GOVERNMENTS OF  
THE KINGDOM OF DENMARK,  
THE KINGDOM OF SWEDEN, AND  
THE KINGDOM OF NORWAY**

1. Delegations representing the aeronautical authorities of the Government of Australia and the Governments of the Kingdom of Denmark, the Kingdom of Sweden, and the Kingdom of Norway, met in Canberra on 15-16 October 1998 to discuss arrangements for air services.

2. A list of the two delegations is at Attachment A. The discussions were held in a friendly and cordial atmosphere and the following understandings were reached:

**AGREED DOCUMENTS**

3. The delegations decided to recommend to their respective Governments the draft Air Services Agreements (hereinafter referred to as "the Agreements") between:

- the Government of Australia and the Government of the Kingdom of Denmark (Attachment B);
- the Government of Australia and the Government of the Kingdom of Sweden (Attachment C), and
- the Government of Australia and the Government of the Kingdom of Norway (Attachment D).

4. The delegations also agreed to recommend to their respective Governments the Memorandum of Understanding on Co-operation Between the Scandinavian Countries Regarding Scandinavian Airlines System (SAS) (Attachment E).

5. The delegations also noted the results of their discussions on the commercial arrangements for airlines in Agreed Minutes between:

- the aeronautical authorities of the Government of Australia and the Government of the Kingdom of Denmark (Attachment F);
- the aeronautical authorities of the Government of Australia and the Government of the Kingdom of Sweden (Attachment G), and

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- the aeronautical authorities of the Government of Australia and the Government of the Kingdom of Norway (Attachment H).

## **APPLICATION**

6. The Agreements will have interim effect, to the extent possible under the relevant national laws, pending the completion of the necessary domestic procedures.

7. The Memorandum of Understanding on Co-operation Between the Scandinavian Countries Regarding Scandinavian Airlines System (SAS) will have interim effect, to the extent possible under the relevant national laws, pending the completion of the necessary domestic procedures.

## **FIFTH FREEDOM RIGHTS**

8. The Scandinavian delegation stated the exercise of fifth freedom rights by the designated airline or airlines of Australia when operating their own aircraft are subject to obligations under European Community Law and the European Economic Area Agreement.

## **GROUND HANDLING**

9. With regard to commercial opportunities for airlines, the delegations agreed that reciprocal possibilities to perform their own ground handling services are of vital interest to their airlines, as well as the possibility to choose between competing providers of ground handling services.

10. The Australian delegation proposed that the Agreements should include a provision regulating the rights for the designated airlines in this respect.

11. The Scandinavian delegation noted that ground handling at airports within the EU/EEA is subject to Community legislation (Council Directive 96/97 of 16 December 1996 on access to the ground handling market at Community airports) which also applies to air carriers from countries outside the EU/EEA.

12. For this reason, the Scandinavian delegation was not in a position to include in the Agreements provisions regulating the rights of airlines with regard to ground handling services.

13. However, the Scandinavian delegation explained that the legislation applicable within the EU/EEA – which on the basis of reciprocity grants equivalent rights to all air carriers irrespective of their nationality – confirms the right to self handling, increases the possibilities to choose between competing providers of ground handling services and lays down the conditions under which restrictions in this field may be applied.

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## NON SCHEDULED FLIGHTS

14. The Scandinavian delegation raised the issue of approvals for non-scheduled flights, particularly with respect to the Sydney 2000 Olympics. Both delegations noted that their countries had liberal approaches to the approval of non-scheduled flights operated by third and fourth freedom carriers. The delegations also noted that applications for non-scheduled flights from third country carriers would be considered on a case-by-case basis. The Australian delegation noted that Australian domestic legislation contained consumer protection requirements.

## YEAR 2000

15. The delegations discussed the need for governments and the aviation industry to be aware of the Year 2000 problem. The delegations agreed that there was a need to develop strategies to overcome the effects of this problem. To enable mutual development of such strategies, the Australian delegation tabled the document entitled "The Year 2000 Date Problem and the Aviation Industry" at Attachment I.

## SMOKING BANS ON PASSENGER AIRCRAFT

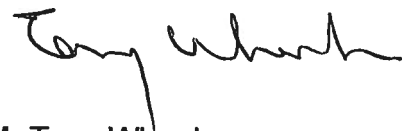
16. Both delegations noted that the International Civil Aviation Organisation (ICAO) had adopted a resolution urging Member States to take necessary measures as soon as possible to restrict smoking progressively on all international passenger flights with the objective of implementing complete smoking bans by 1 July 1996.

17. The Scandinavian delegation noted the Australian Government's implementation of the ICAO resolution through banning smoking on all international flights operated by Australian carriers from 1 July 1996.

Signed at Canberra on the 16<sup>th</sup> day of October 1998.



Mr Niels Remmer  
On behalf of the  
Scandinavian  
delegation



Mr Tony Wheelens  
For the aeronautical  
authorities of Australia

**AUSTRALIA - SCANDINAVIAN AIR SERVICES DISCUSSIONS**

**CANBERRA**

**15 - 16 OCTOBER 1998**

**Australian Delegation**

**Mr Tony Wheelens**

Aviation  
Department of Transport and Regional Development  
(Leader)

**Mr Ross Gough**

Aviation  
Department of Transport and Regional Development

**Ms Margaret Horne**

Aviation  
Department of Transport and Regional Development

**Mr Wayne Kelly**

Aviation  
Department of Transport and Regional Development

**Ms Amanda Luttrell**

Europe Branch  
Department of Foreign Affairs and Trade

**Ms Rebecca Irwin**

Office of International Law  
Attorney-General's Department

**Mr Max Whitby**

Office of National Tourism  
Department of Industry, Science and Tourism

**Mr David Callaghan**

International Relations  
Qantas Airways Ltd

**Ms Anne Buttsworth**

International and Regulatory Affairs  
Ansett International

**Mr Darren Giri**

Planning  
Ansett International

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Observers

**Mr Damian Bye**

Aviation

Department of Transport and Regional Development

**Mr Ryan Perry**

Aviation

Department of Transport and Regional Development

**Mr Ben Willoughby**

Aviation

Department of Transport and Regional Development

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**AUSTRALIA - SCANDINAVIAN AIR SERVICES DISCUSSIONS**

**CANBERRA**

**15 - 16 OCTOBER 1998**

**Scandinavian Delegation**

**Mr Niels Remmer**

Head of Division  
Ministry of Transport, Denmark  
(Leader)

**Mr Lars Österberg**

Head of Section  
Ministry of Transport and Communications, Sweden

**Mr Pierre Chauvin**

Head of Division  
Ministry of Transport and Communications, Norway

**Mr Anders Gradin**

Head of Section  
Civil Aviation Administration, Sweden

**Mr Erik Uribarri**

Head of Section  
Civil Aviation Administration, Norway

**Ms Anna Gillström**

Director  
Corporate Government Affairs  
Scandinavian Airlines System

**Ms Birgitta M Schayah**

General Manager  
Australia & New Zealand  
Scandinavian Airlines System

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**Air Services Agreement**

between

the Government of the Kingdom of Denmark

and

the Government of Australia

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The Government of the Kingdom of Denmark and the Government of Australia, hereinafter referred to as the "Contracting Parties",

Being parties to the Convention on International Civil Aviation and the International Air Services Transit Agreement opened for signature at Chicago on the seventh day of December 1944, and

Desiring to conclude an Agreement, in conformity with the said Convention, for the main purpose of establishing scheduled air services between their respective territories;

Have agreed as follows:

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A handwritten signature, possibly of a representative from the Government of Australia, consisting of a stylized 'A' followed by a horizontal line and a vertical stroke.

- (j) "territory", "air service", "international air service", "airline" and "stop for non-traffic purposes" have the meaning laid down in Articles 2 and 96 of the Convention;
- (k) "user charge" means a charge made to airlines by the competent authorities or permitted by them to be made for the provision of airport property or facilities or of air navigation facilities, including related services and facilities, for aircraft, their crew, passengers and cargo.

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### Article 3

#### Designation and Authorization of Airlines

1. Each Contracting Party shall have the right to designate in writing to the other Contracting Party one or more airlines for the purpose of operating air services on the routes specified in the Annexes and to withdraw or alter such designations.
2. On receipt of such designation the other Contracting Party shall, subject to the provisions of paragraphs 3 and 4 of this Article, without undue delay grant to a designated airline the appropriate operating authorization.
3. The aeronautical authorities of one Contracting Party may require an airline designated by the other Contracting Party to satisfy them that it is qualified to fulfil the conditions prescribed under the laws and regulations normally and reasonably applied to the operation of international air services by such authorities in conformity with the provisions of the Convention.
4. Each Contracting Party shall have the right to refuse to grant the operating authorization referred to in paragraph 2 of this Article, or to impose such conditions, as it may deem necessary, on the exercise by a designated airline of the rights specified in Article 2 (Traffic Rights), in any case where it is not satisfied that effective control of that airline is maintained in the territory of the other Contracting Party and that the airline is incorporated and has its principal place of business in the said territory.
5. When an airline has been so designated and authorized, it may begin to operate air services on the routes specified in the Annexes provided that the airline complies with all applicable provisions of this Agreement.

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## Article 5

### Recognition of Certificates and Licences

1. Certificates of airworthiness, certificates of competency and licences issued or rendered valid by one Contracting Party and still in force, shall be recognised as valid by the other Contracting Party for the purpose of operating the agreed services provided that such certificates or licences were issued or rendered valid pursuant to, and in conformity with, the standards established under the Convention. Each Contracting Party reserves the right, however, to refuse to recognise, for the purpose of flights undertaken pursuant to rights granted under Article 2 (Traffic Rights), certificates of competency and licences granted to its own nationals by the other Contracting Party.

2. If the privileges or conditions of the licences or certificates issued or rendered valid by one Contracting Party permit a difference from the standards established under the Convention, and that difference has been filed with the International Civil Aviation Organisation, the aeronautical authorities of the other Contracting Party may, without prejudice to the rights of the first Contracting Party under Article 17 (Aviation Safety), request consultations in accordance with Article 19 (Consultations) of this Agreement with the aeronautical authorities of the first Contracting Party with a view to satisfying themselves that the practice in question is acceptable to them. Failure to reach a satisfactory agreement shall constitute grounds for the application of Article 4 (Revocation of Authorization, Suspension of Traffic Rights, and Imposition of Conditions) of this Agreement.

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## Article 7

### Customs Duties

1. Aircraft operated on agreed services, as well as its regular equipment, supplies of fuel and lubricants (including hydraulic fluids) and aircraft stores (including food, beverages and tobacco) on board such aircraft shall be exempt from all customs duties, inspection fees and other duties or taxes on arriving in the territory of the other Contracting Party, provided such equipment, supplies and stores remain on board the aircraft up to such time as they are re-exported.
2. With the exception of charges made on a cost-recovery basis, the following items shall also be exempt from duties, fees and charges referred to in paragraph 1 of this Article:
  - (a) aircraft stores, introduced into or supplied in the territory of a Contracting Party, and taken on board for use on outbound aircraft engaged in an international air service of a designated airline of the other Contracting Party;
  - (b) spare parts, including engines, introduced into the territory of a Contracting Party for the maintenance or repair of aircraft used in an international air service of a designated airline of the other Contracting Party; and
  - (c) fuel, lubricants (including hydraulic fluids) and consumable technical supplies introduced into or supplied in the territory of a Contracting Party for use in an aircraft engaged in an international air service of a designated airline of the other Contracting Party, even when these supplies are to be used on a part of the journey performed over the territory of the Contracting Party in which they are taken on board.
3. The items referred to in paragraphs 1 and 2 of this Article may be required to be kept under the supervision or control of the appropriate authorities.
4. The exemptions provided for by this Article shall also apply in situations where a designated airline of one Contracting Party has entered into arrangements with other airlines for the loan or transfer in the territory of the other Contracting Party of the items specified in paragraphs 1 and 2 of this Article, provided such other airlines similarly enjoy such exemptions from the other Contracting Party.

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## Article 9

### Entry Clearance Regulations

1. Passengers in direct transit across the territory of either Contracting Party shall be subject to no more than a very simplified customs, immigration and quarantine control. Baggage and cargo in direct transit shall be exempt from customs duties and other similar taxes.
2. The laws and regulations of one Contracting Party regarding entry, clearance, transit, immigration, passports, customs and quarantine shall be complied with by the designated airlines of the other Contracting Party and by or on behalf of passengers, crew, cargo and mail, upon transit of, admission to, departure from and while within the territory of such a Contracting Party.
3. Neither Contracting Party may grant any preference to its own or any other airline over the designated airline of the other Contracting Party in the application of the laws and regulations provided for in this Article.

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## Article 11

### Competitive Practices

1. Each Contracting Party shall take all appropriate action within its jurisdiction to eliminate all forms of discrimination or unfair competitive practices adversely affecting the competitive position of the designated airlines of the other Contracting Party in the exercise of their rights and entitlements set out in this Agreement, including, but not limited to, restrictions upon the sale of air transportation, the payment for goods, services or transactions, or the repatriation of excess currencies by airlines, and the import, installation and use of computer equipment.
2. To the extent that the aeronautical authorities of either Contracting Party believe that their designated airlines are being subjected to discrimination or unfair practices, they shall give notice to this effect to the aeronautical authorities of the other Contracting Party. Consultations, which may be through the diplomatic channel, shall be entered into as soon as possible after notice is given unless the first Contracting Party is satisfied that the matter has been resolved in the meantime.

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## Article 13

### Tariffs

1. In this Article "tariffs" means any fare, rate or charge for the carriage of passengers (and their baggage) and/or cargo (excluding mail) in air transportation, charged by airlines, including their agents, and the conditions governing the availability of such fare, rate or charge.

2. Each Contracting Party shall allow tariffs for international air transportation to be established by each designated airline based upon commercial considerations in the marketplace. Without limiting the application of general competition and consumer law in each Contracting Party, intervention by the Contracting Parties may be initiated to:

- (a) prevent unreasonably discriminatory tariffs or practices;
- (b) protect consumers from tariffs that are unreasonably high or restrictive due to the abuse of a dominant position or due to concerted practices among air carriers; and
- (c) protect airlines from tariffs that are artificially low because of direct or indirect governmental subsidy or support.

3. Both Contracting Parties may require tariffs to be filed with them in the form prescribed by them. Such filing shall not be required to be submitted more than 24 hours (including a working day) before the tariffs come into effect, except in the case of matching of an existing tariff to which no more than prior notification is required.

4. An intervention by a Contracting Party pursuant to paragraph 2 shall be notified with reasons to the other Contracting Party, as well as to the designated airline(s) concerned.

5. The Contracting Party receiving such notification of intervention has 14 days to advise its disagreement with the intervention and/or the reasons for it; if the Party receiving the notice of intervention does not advise its disagreement with the proposed action, the Party advising the intervention may instruct the designated airline(s) concerned to withdraw the tariff.

6. Where the Contracting Party advises its disagreement with an intervention it may request consultations to review the situation. The consultations shall take place within 14 days of being requested, unless otherwise agreed.

7. Following consultations between the Contracting Parties a decision by both Parties shall be taken as soon as possible. The decision shall be communicated without delay to the designated airline(s) concerned.

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## Article 15

### Airline Representation

1. Each Contracting Party grants to a designated airline of the other Contracting Party, on the basis of reciprocity and consistent with its immigration laws, regulations and practices, the right to maintain in its territory representatives including office, administrative, commercial and technical personnel as may be required in connection with the operation of the designated airline concerned.
2. The designated airlines of each Contracting Party shall have the right to establish offices in the territory of the other Contracting Party for the purposes of provision and sale of air services. Each designated airline shall have the right to engage in the sale of air transportation in the territory of the other Contracting Party directly and, at its discretion, through its agents. Each designated airline shall have the right to use for this purpose its own transportation documents.
3. A Contracting Party shall not restrict the right of the designated airlines of the other Contracting Party to sell, and of any person to purchase, such transportation in local or in any freely convertible currency. Nor shall a Contracting Party restrict the right of a designated airline of the other Contracting Party to pay in local or in any freely convertible currency its locally incurred costs, provided this accords with local currency regulations.
4. The representatives and staff shall be subject to the laws and regulations in force of the other Contracting Party, and, consistent with such laws, regulations and practices, each Contracting Party shall, on the basis of reciprocity and with the minimum of delay, grant the necessary employment authorisation, visas or other similar documents to the representatives and staff referred to in paragraph 1 of this Article.

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## Article 17

### Aviation Safety

1. Each Contracting Party may request consultations at any time concerning safety standards in any area relating to aircrew, aircraft or their operation adopted by the other Contracting Party. Such consultations shall take place within fifteen (15) days of that request or such longer period as may be agreed by the Contracting Parties.
2. If, following such consultations, one Contracting Party finds 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 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 that other Contracting Party shall take appropriate corrective action. Failure by the other Contracting Party to take appropriate action within fifteen (15) days or such longer period as may be agreed shall be grounds for the application of Article 4 (Revocation of Authorization, Suspension of Traffic Rights, and Imposition of Conditions) of this Agreement.
3. Notwithstanding the obligations mentioned in Article 33 of the Convention, it is agreed that any aircraft operated by the airline or airlines of one Contracting Party, may, while within the territory of the other Contracting Party, be made the subject of an examination by the authorized 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.
4. 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 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 Convention,

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

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## Article 18

### Aviation Security

1. Consistent with their rights and obligations under international law, the Contracting Parties affirm that their obligation to protect, in their mutual relationship, the security of civil aviation against acts of unlawful interference forms an integral part of this Agreement.
2. 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, opened for signature at Tokyo on 14 September 1963, the Convention for the Suppression of Unlawful Seizure of Aircraft, opened for signature at The Hague on 16 December 1970, the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, opened for signature at Montreal on 23 September 1971 and the Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation, Supplementary to the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, opened for signature at Montreal on 24 February 1988 and any other multilateral agreement governing civil aviation security binding upon both Contracting Parties.
3. The Contracting Parties shall provide upon request all necessary assistance to each other to prevent acts of unlawful seizure of civil aircraft and other unlawful acts against the safety of such aircraft, their passengers and crew, airports and air navigation facilities, and any other threat to the security of civil aviation.
4. The Contracting Parties shall, in their mutual relations, act in conformity with the aviation security provisions established by the International Civil Aviation Organisation and designated as Annexes to the Convention on International Civil Aviation to the extent that such security provisions are applicable to the Contracting Parties.
5. In addition, the Contracting Parties 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 as are applicable to the Contracting Parties. Accordingly 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 referred to in paragraph 4 above. Either Contracting Party may request immediate consultations with the other Contracting Party at any time to discuss any such differences.
6. Each Contracting Party agrees that its operators of aircraft may be required to observe the aviation security provisions referred to in paragraph 4 above applied by the other Contracting Party to entry into, departure from, or

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## Article 19

### Consultations

Either Contracting Party may at any time request consultations on the implementation, interpretation or amendment to this Agreement or compliance with the Agreement. Such consultations, which may be through discussion or correspondence, shall begin within a period of sixty (60) days from the date the other Contracting Party receives such a request, unless otherwise agreed by the Contracting Parties.

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## Article 21

### Settlement of Disputes

1. If any dispute (other than disagreements notified pursuant to Article 13 on Tariffs) arises between the Contracting Parties relating to the interpretation or application of this Agreement, the Contracting Parties shall endeavour to settle it by negotiation.
2. If the Contracting Parties fail to reach a settlement of the dispute by negotiation, they may agree to refer the dispute for decision to an arbitrator, or the dispute may at the request of either Contracting Party be submitted for decision to a tribunal of three arbitrators, one to be nominated by each Contracting Party and the third to be appointed by the two so nominated. Each of the Contracting Parties shall nominate an arbitrator within a period of sixty (60) days from the date of receipt by either Contracting Party from the other of a notice through diplomatic channels requesting arbitration of the dispute and the third arbitrator shall be appointed within a further period of sixty (60) days. If either of the Contracting Parties fails to nominate an arbitrator within the period specified, or if the third arbitrator is not appointed within the period specified, the President of the Council of the International Civil Aviation Organization may be requested by either Contracting Party to appoint an arbitrator or arbitrators as the case requires. In all cases, the third arbitrator shall be a national of a third State, shall act as president of the tribunal and shall determine the place where the arbitration will be held. If the President considers that he is a national of a State which cannot be regarded as neutral in relation to the dispute, the most Senior Vice-President who is not disqualified on that ground shall make the appointment. The arbitral tribunal shall reach its decision by a majority of votes.
3. Each Contracting Party shall bear the costs of the arbitrator it has nominated as well as of its representation in the arbitral proceeding. The cost of the president and any other costs shall be born in equal parts by the Contracting Parties.
4. The Contracting Parties undertake to comply with any decision given under paragraph 2 of this Article.
5. If and as long as either Contracting Party fails to comply with any decision under paragraph 2 of this Article, the other Contracting Party may limit, withhold or revoke any rights or privileges which it has granted by virtue of this Agreement to the Contracting Party in default or to a designated airline in default.

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## Article 23

### Termination

Either Contracting Party may at any time give notice in writing through the diplomatic channel to the other Contracting Party of its decision to terminate this Agreement; such notice shall be simultaneously communicated to the International Civil Aviation Organization. In such case the Agreement shall terminate twelve (12) months after the date of receipt of the notice by the other Contracting Party, unless the notice to terminate is withdrawn by agreement before the expiry of this period. In the absence of acknowledgment of receipt by the other Contracting Party, notice shall be deemed to have been received fourteen (14) days after the receipt of the notice by the International Civil Aviation Organization.

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## ANNEX

### Route Schedule

#### Section 1

Routes to be served by the designated airline or airlines of the Government of the Kingdom of Denmark in both directions:

From Denmark via intermediate points to points in Australia and beyond.

#### Section 2

Routes to be served by the designated airline or airlines of the Government of Australia in both directions:

From Australia via intermediate points to points in Denmark and beyond.

#### Notes

1. Points on the specified routes may, at the option of the designated airlines concerned, be omitted on any or all flights.
2. The exercise of rights at any intermediate or beyond points are to be agreed upon between the aeronautical authorities.

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**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
THE GOVERNMENTS OF  
THE KINGDOM OF DENMARK,  
THE KINGDOM OF NORWAY,  
THE KINGDOM OF SWEDEN  
AND  
AUSTRALIA  
ON THE CO-OPERATION BETWEEN THE SCANDINAVIAN COUNTRIES  
REGARDING SCANDINAVIAN AIRLINES SYSTEM (SAS)**

With reference to Article 3 of the three Air Services Agreements signed today (the Agreements) between the Government of Australia and the Governments of Denmark, Norway and Sweden regarding the designation of airlines, the Contracting Parties have agreed to the following understanding, should the three parent companies of Scandinavian Airlines System (SAS) be designated by the Kingdom of Denmark, the Kingdom of Norway and the Kingdom of Sweden, respectively:

1. Notwithstanding the provisions of Articles 3 and 4 of the Agreements, the three parent companies SAS Danmark A/S, SAS Norge ASA and SAS Sverige AB, co-operating under the style of Scandinavian Airlines System (SAS), may operate services under the Agreements with aircraft, crew and equipment of any or all of the three parent companies. While services are operated under the style of SAS, services may not be operated by SAS Danmark A/S, SAS Norge ASA or SAS Sverige AB as individual companies.
  
2. In so far as any of the parent companies employs aircraft, crew and equipment of the other two parent companies participating in the Scandinavian Airlines System (SAS), the provisions of the Agreements will apply to such aircraft, crew and equipment, as though they were the aircraft, crew and equipment of SAS Danmark A/S, SAS Norge ASA or SAS Sverige AB respectively. In this event the competent Danish, Norwegian or Swedish authorities and the respective parent company will accept full responsibility under the Agreement for such aircraft, crew and equipment.

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Done at .....on the ..... of .....  
in quadruple in the English language.

For the Government of  
Australia

For the Government of  
the Kingdom of  
Denmark

For the Government of  
the Kingdom of Sweden

For the Government of  
the Kingdom of Norway

NR  
PK  
HS

J-