

MEMORANDUM OF UNDERSTANDING ON OPEN SKIES BETWEEN AUSTRALIA AND NEW ZEALAND

Ministers representing the Governments of Australia and New Zealand met in Melbourne on 20 November 2000 to discuss air services arrangements between the two countries pursuant to the Air Services Agreement between Australia and New Zealand which entered into force on 25 July 1961 and the Australia-New Zealand Single Aviation Market Arrangements (SAM) which entered into force on 1 November 1996.

Reaffirming their commitment to the *Australia-New Zealand Closer Economic Relations Trade Agreement (ANZCERTA)*;

Recognising Australia and New Zealand's commitment to the APEC Bogor goal of free trade in air services by 2010;

Acknowledging the increasing integration of the Australian and New Zealand economies and the direction of the development of CER between our two countries;

The following understandings were reached:

APPLICATION

1. This Memorandum of Understanding (MoU) and the draft Air Services Agreement and Annex will replace the Memorandum of Understanding dated 1 August 1992, the Air Services Agreement dated 25 July 1961 and the Single Aviation Market Arrangements dated 19 September 1996.

AIR SERVICES AGREEMENT

2. The Ministers initialled the text of a draft Air Services Agreement and Annex at Attachment A and agreed to recommend the text to their respective Governments.

3. The Ministers decided that the draft Air Services Agreement and Annex referred to in paragraph 2 of this Memorandum will have interim effect pending completion of domestic procedures necessary to formalise the Agreement between the two Governments.

SUBMISSION OF TARIFFS

4. The Australian Minister for Transport and Regional Services advised that, notwithstanding Article 10 of the draft Agreement, Australian domestic requirements for tariff filing, which are currently under review, would continue to apply until Australian domestic legislation is amended to remove the requirement for tariff filing.

SEVENTH FREEDOM TRAFFIC RIGHTS

5. Consistent with the principles of free and open market access encompassed by the proposed Air Services Agreement, the Ministers undertook to examine further the introduction of seventh freedom traffic rights for passenger services by carriers of both Parties in the light of the ongoing development of a competitive aviation market.

6. Notwithstanding paragraph 5 above, the Ministers determined that in the event that the airline(s) of a third party are granted seventh freedom passenger traffic rights by Australia, then such opportunities will be granted by both Parties to the designated airline(s) of each Party under this Agreement.

CLOSER ECONOMIC RELATIONS (CER) INSCRIPTIONS

7. The Australian inscription to the *1988 Protocol on Trade in Services to ANZCERTA on Domestic Air Services and International Aviation: Passenger and Freight Services* will be replaced as follows:

Air Services

State governments hold powers to regulate intrastate aviation on economic and public interest grounds.

Scheduled passenger and freight services within and between Australia and New Zealand are governed by an air services agreement which has treaty status and an Memorandum of Understanding dated 20 November 2000.

8. The Australian Government will seek to review with State Governments their powers to regulate intrastate aviation with a view to further liberalisation consistent with this MoU.

MUTUAL RECOGNITION OF AVIATION-RELATED CERTIFICATION

9. The Ministers agreed that their respective aviation safety authorities should continue with the adoption of mutual recognition of all aviation-related certification covered by the proposed Air Services Agreement and not covered by the Trans-Tasman Mutual Recognition Arrangement, with a view to achieving mutual recognition by December 2003.

10. The Ministers noted that a Memorandum of Cooperation (MoC) between the Civil Aviation Safety Authority Australia and the Civil Aviation Authority of New Zealand was signed in June 1999. Under the MoC, both authorities are committed to cooperating in the development of an aviation safety regulatory structure that will have minimal national variations.

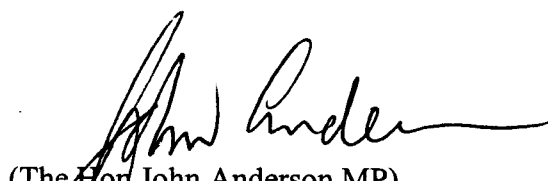
ENTRY INTO EFFECT

11. The above understandings will come into effect from the date of signature of this Memorandum.


Signed at Melbourne on 20 of November, 2000.

For the Government of Australia:

For the Government of New Zealand:



(The Hon John Anderson MP)
Deputy Prime Minister
and Minister for Transport
and Regional Services



(The Hon Mark Gosche MP)
Minister of Transport