

# Agreement

between the Government of Hong Kong  
and the Government of Australia

concerning Air Services

Hong Kong, 15 September 1993

**AGREEMENT BETWEEN THE GOVERNMENT OF HONG KONG  
AND THE GOVERNMENT OF AUSTRALIA  
CONCERNING AIR SERVICES**

The Government of Hong Kong and the Government of Australia,

Desiring to conclude an Agreement for the purpose of providing the framework for air services between Hong Kong and Australia,

Have agreed as follows:

**ARTICLE 1**

**Definitions**

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

- (a) the term “aeronautical authorities” means in the case of Hong Kong, the Director of Civil Aviation, and in the case of Australia, the Secretary to the Department of Transport and Communications, or, in both cases, any person or body authorised to perform any functions at present exercisable by the above-mentioned authorities or similar functions;
- (b) the term “designated airline” means an airline which has been designated and authorised in accordance with Article 4 of this Agreement;
- (c) the term “area” in relation to Hong Kong includes Hong Kong Island, Kowloon and the New Territories and in relation to Australia has the meaning assigned to “territory” in Article 2 of the Convention on International Civil Aviation, opened for signature at Chicago on 7 December 1944;
- (d) 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 said Convention;
- (e) the term “this Agreement” includes the Annex hereto and any amendments to it or to this Agreement.

**ARTICLE 2**

**Provisions of the Chicago Convention Applicable to  
International Air Services**

In implementing this Agreement, the Contracting Parties shall act in conformity with the provisions of the Convention on International Civil Aviation, opened for signature at Chicago on 7 December 1944, including the Annexes and any amendments to the Convention or to the Annexes which apply to both Contracting Parties, insofar as these 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 area without landing;
  - (b) the right to make stops in its area for non-traffic purposes.
- (2) Each Contracting Party grants to the other Contracting Party the rights hereinafter specified in this Agreement for the purpose of operating international air services on the routes specified in the appropriate Section of the Annex to this Agreement, hereinafter called “the agreed services” and “the specified routes”. While operating an agreed service on a specified route the airlines designated by each Contracting Party shall enjoy in addition to the rights specified in paragraph (1) of this Article the right to make stops in the area of the other Contracting Party at the points determined for that route in accordance with the Annex to this Agreement for the purpose of taking on board and discharging international passengers and cargo including mail, separately or in combination.
- (3) Nothing in paragraph (2) of this Article shall be deemed to confer on the designated airlines of one Contracting Party the right to uplift, at one point in the area of the other Contracting Party, passengers and cargo, including mail, carried for hire or reward for discharge at another point in the area of the other Contracting Party.
- (4) If because of armed conflict, political disturbances or developments, or special and unusual circumstances, a designated airline of one Contracting Party is unable to operate a service on its normal routing, the other Contracting Party shall use its best efforts to facilitate the continued operation of such service through appropriate temporary rearrangements of routes as mutually decided by the Contracting Parties.

## ARTICLE 4

### **Designation of and Authorisation 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 the agreed services on the specified routes and to withdraw or alter such designations.
- (2) On receipt of such a designation the other Contracting Party shall, subject to the provisions of paragraphs (3) and (4) of this Article, without delay grant to the airline or airlines designated the appropriate operating authorisations.
- (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.

- (4) (a) The Government of Hong Kong shall have the right to refuse to grant the operating authorisations 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 3(2) of this Agreement, in any case where it is not satisfied that the airline is incorporated and has its principal place of business in Australia.
  - (b) The Government of Australia shall have the right to refuse to grant the operating authorisations 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 3(2) of this Agreement, in any case where it is not satisfied that the airline is incorporated and has its principal place of business in Hong Kong.
- (5) When an airline has been so designated and authorised it may begin to operate the agreed services, provided that the airline complies with the applicable provisions of this Agreement.

## ARTICLE 5

### **Revocation or Suspension of Operating Authorisation**

- (1) Each Contracting Party shall have the right to revoke or suspend an operating authorisation for the exercise of the rights specified in Article 3(2) of this Agreement by an airline designated by the other Contracting Party, or to impose such conditions as it may deem necessary on the exercise of those rights:
  - (a) (i) in the case of the Government of Hong Kong, in any case where it is not satisfied that the airline is incorporated and has its principal place of business in Australia;
  - (ii) in the case of the Government of Australia, in any case where it is not satisfied that the airline is incorporated and has its principal place of business in Hong Kong; or
  - (b) in the case of failure by that airline to comply with the laws or regulations of the Contracting Party granting those rights; or
  - (c) if that airline otherwise fails to operate in accordance with the conditions prescribed under this Agreement.
- (2) Unless immediate revocation or suspension of the operating authorisation mentioned in paragraph (1) of this Article or imposition of the conditions therein is essential to prevent further infringements of laws or regulations, such right shall be exercised only after consultation with the other Contracting Party.

## ARTICLE 6

### **Principles Governing Operation of Agreed Services**

- (1) There shall be fair and equal opportunity for the designated airlines of both Contracting Parties to operate the agreed services on the specified routes.
- (2) In operating the agreed services the designated airlines of each Contracting Party shall take into account the interests of the designated airlines of the other Contracting Party so as not to affect unduly the services which the latter provide on the whole or part of the same routes.
- (3) The agreed services provided by the designated airlines of the Contracting Parties shall bear a close relationship to the requirements of the public for transportation on the specified routes and shall have as their primary objective the provision at a reasonable load factor of capacity adequate to meet the current and reasonably anticipated requirements for the carriage of passengers and cargo, including mail, originating in or destined for the area of the Contracting Party which has designated the airline. Provision for the carriage of passengers and cargo, including mail, both taken on board and discharged at points on the specified routes other than points in the area of the Contracting Party which designated the airline shall be made in accordance with the general principles that capacity shall be related to:
  - (a) traffic requirements to and from the area of the Contracting Party which has designated the airline;
  - (b) traffic requirements of the region through which the agreed service passes, after taking account of other air services established by airlines of the States comprising the region; and
  - (c) the requirements of through airline operation.
- (4) The capacity to be provided on the specified routes and the share of that capacity of the designated airline or airlines of each Contracting Party shall be such as are from time to time mutually determined by the aeronautical authorities of the Contracting Parties.

## ARTICLE 7

### **Tariffs**

- (1) The term “tariff” means one or more of the following:
  - (i) the fare charged by an airline for the carriage of passengers and their baggage on scheduled air services and the charges and conditions for services ancillary to such carriage;
  - (ii) the rate charged by an airline for the carriage of cargo (excluding mail) on scheduled air services;
  - (iii) the conditions governing the availability or applicability of any such fare or rate including any benefits attaching to it; and

- (iv) the rate of commission paid by an airline to an agent in respect of tickets sold or air waybills completed by that agent for carriage on scheduled air services.
- (2) The tariffs to be charged by the designated airlines of the Contracting Parties for carriage between Hong Kong and Australia shall be those approved by the aeronautical authorities of both Contracting Parties and shall be established at reasonable levels, due regard being had to all relevant factors, including the cost of operating the agreed services, the interests of users, reasonable profit and the tariffs of other airlines operating over the whole or part of the same route.
- (3) The tariffs referred to in paragraph (2) of this Article may be agreed by the be designated airlines of the Contracting Parties seeking approval of the tariffs, which may consult other airlines operating over the whole or part of the same route before proposing such tariffs. However, a designated airline shall not be precluded from proposing, nor the aeronautical authorities of the Contracting Parties from approving, any tariff if that airline shall have failed to obtain the agreement of the other designated airlines to such tariff, or because no other designated airline is operating on the same route. Reference in this and the preceding paragraph to “the same route” means the route operated, not the specified route.
- (4) Any proposed tariff for carriage between Hong Kong and Australia shall be filed with the aeronautical authorities of the Contracting Parties by the designated airline or airlines seeking its approval in such form as the aeronautical authorities may separately require to disclose the particulars referred to in paragraph (1) of this Article. It shall be filed not less than 30 days (or such shorter period as the aeronautical authorities of the Contracting Parties may agree) before the proposed effective date. The proposed tariff shall be treated as having been filed with the aeronautical authorities of a Contracting Party on the date on which it is received by those aeronautical authorities.
- (5) Any proposed tariff for carriage between Hong Kong and Australia may be approved by the aeronautical authorities of a Contracting Party at any time and, provided it has been filed in accordance with paragraph (4) of this Article, shall be deemed to have been approved by the aeronautical authorities of that Contracting Party unless, within 21 days (or such shorter period as the aeronautical authorities of the Contracting Parties may agree) after the date of filing, the aeronautical authorities of one Contracting Party have served on the aeronautical authorities of the other Contracting Party and on the designated airline or airlines submitting the filing written notice of disapproval of the proposed tariff.
- (6) If a notice of disapproval is given in accordance with the provisions of paragraph (5) of this Article, the aeronautical authorities of the Contracting Parties may jointly agree the tariff. For this purpose, one Contracting Party may, within 30 days of the service of the notice of disapproval, request consultations between the aeronautical authorities of the Contracting Parties which shall be held within 30 days from the date the other Contracting Party receives such request in writing.
- (7) If a tariff has been disapproved by the aeronautical authorities of a Contracting Party in accordance with paragraph (5) of this Article, and if the aeronautical authorities of the Contracting Parties have been unable jointly to agree the tariff in accordance with paragraph (6) of this Article, the dispute may be settled in accordance with the provisions of Article 15 of this Agreement.
- (8) Subject to paragraph (9) of this Article, a tariff established in accordance with the provisions of this Article shall remain valid until a replacement tariff has been established.

- (9) Except with the agreement of the aeronautical authorities of both Contracting Parties, and for such period as they may agree, the validity of a tariff shall not be prolonged by virtue of paragraph (8) of this Article:
- (a) where a tariff has a terminal date, for more than 12 months after that date;
  - (b) where a tariff has no terminal date, for more than 12 months after the date on which a replacement tariff is filed with the aeronautical authorities of the Contracting Parties by a designated airline of a Contracting Party.
- (10) Notwithstanding the provisions of paragraphs (8) and (9) of this Article, a tariff which has been established in accordance with the provisions of this Article may be cancelled by a designated airline after notification to the aeronautical authorities of both Contracting Parties. Such tariff cancellation shall apply only in respect of the airline submitting the notification.

## ARTICLE 8

### Customs Duties

- (1) Aircraft operated in international air services by a designated airline of either Contracting Party, their regular equipment, fuel, oils, lubricants, spare parts including engines, and aircraft stores (including but not limited to such items as food, beverages and tobacco) which are on board such aircraft shall be exempt from all customs duties, excise taxes and similar fees and charges not based on the cost of services provided on arrival, provided such equipment and supplies remain on board the aircraft.
- (2) Regular airborne equipment, spare parts, supplies of fuel and other items referred to in paragraph (1), introduced into the area of one Contracting Party by or on behalf of a designated airline of the other Contracting Party or taken on board the aircraft operated by that designated airline and intended solely for use on board such aircraft in the operation of international air services, shall be exempt from all customs duties, excise taxes and similar fees and charges not based on the cost of services provided on arrival, even when these supplies are to be used on any part of a journey performed over the area 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) Regular airborne equipment, spare parts, supplies of fuel, oils, and lubricants and aircraft stores on board the aircraft of a designated airline of either Contracting Party may be unloaded in the area of the other Contracting Party only with the approval of the customs authorities of that Contracting Party who may require that these materials be placed under their supervision up to such time as they are re-exported or otherwise disposed of in accordance with customs regulations.
- (5) The reliefs provided for by this Article shall also be available in situations where a designated airline of either Contracting Party has entered into arrangements with another airline or airlines for the loan or transfer in the area of the other Contracting Party of the items specified in paragraphs (1) and (2) of this Article provided such other airline or airlines similarly enjoy such reliefs from such other Contracting Party.

- (6) Baggage and cargo in direct transit across the area of a Contracting Party shall be exempt from custom duties, excise taxes and similar fees and charges not based on the cost of services provided on arrival.

## ARTICLE 9

### **Aviation Security**

- (1) Each Contracting Party reaffirms that its obligation to the other Contracting Party to protect the security of civil aviation against unlawful interference forms an integral part of this Agreement. Each Contracting Party shall in particular act in conformity with the aviation security 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 and the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, opened for signature at Montreal on 23 September 1971.
- (2) Each Contracting Party shall be provided at its request with all necessary assistance by the other Contracting Party 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.
- (3) The Contracting Parties shall, in their mutual relations, act in conformity with the applicable aviation security provisions established by the International Civil Aviation Organization and designated as Annexes to the Convention on International Civil Aviation, opened for signature at Chicago on 7 December 1944. Each Contracting Party shall require that operators of aircraft of its registry or operators of aircraft having their principal place of business or permanent residence in its area, and the operators of airports in its area, act in conformity with such aviation security provisions.
- (4) Each Contracting Party agrees that such operators of aircraft may be required to observe the aviation security provisions referred to in paragraph (3) of this Article required by the other Contracting Party for entry into, departure from, or while within the area of that other Contracting Party. Each Contracting Party shall ensure that adequate measures are effectively applied within its area to protect the aircraft and to inspect passengers, crew, carry-on items, baggage, cargo and aircraft stores prior to and during boarding or loading. Each Contracting Party shall also give sympathetic consideration to 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, each Contracting Party shall assist the other Contracting Party by facilitating communications and other appropriate measures intended to terminate rapidly and safely such incident or threat thereof.
- (6) Should a Contracting Party depart from the aviation security provisions of this Article, the other Contracting Party may request immediate consultations with the first Contracting Party. Failure to reach agreement within 30 days, or such shorter period as may be agreed, from the date of receipt of such a request shall constitute grounds for suspending, limiting or imposing conditions on the operating authorisations or technical permissions of the airline or airlines of the first Contracting Party. When justified by an emergency, a Contracting Party may take the same action on an interim basis prior to the



expiry of 30 days. Any action taken in accordance with this paragraph shall be discontinued upon compliance by the first Contracting Party with the security provisions of this Article.

## ARTICLE 10

### **Provision of Statistics**

The aeronautical authorities of a Contracting Party shall supply to the aeronautical authorities of the other Contracting Party at their request such periodic or other statements of statistics as may be reasonably required for the purpose of reviewing the capacity provided on the agreed services by the designated airlines of the Contracting Party referred to first in this Article. Such statements shall include all information required to determine the amount of traffic carried by those airlines on the agreed services and the origins and destinations of such traffic.

## ARTICLE 11

### **Transfer of Earnings**

A designated airline of Hong Kong shall have the right to convert into any freely convertible currency and to remit from Australia on demand local revenues in excess of sums locally disbursed. A designated airline of Australia shall have the right to convert into any freely convertible currency and to remit from Hong Kong on demand local revenues in excess of sums locally disbursed. The conversion and remittance of such revenues shall be permitted without restriction at the rate of exchange applicable to current transactions which is in effect at the time such revenues are presented for conversion and remittance and shall not be subject to any charges except those normally made by banks for carrying out such conversion and remittance.

## ARTICLE 12

### **Airline Representation, Payments and Sales**

- (1) The designated airlines of each Contracting Party shall be entitled to establish offices in the area of the other Contracting Party for the purpose of the provision and sale of air services.
- (2) The designated airlines of each Contracting Party shall have the right, in accordance with the laws and regulations of the other Contracting Party relating to entry, residence and employment, to bring into and maintain in the area of that other Contracting Party those of their own managerial, technical, operational and other specialist staff who are required for the provision of air transportation.
- (3) The designated airlines of each Contracting Party shall be permitted to pay for local expenses, including purchases of fuel, in the area of the other Contracting Party in local currency. The designated airlines of each Contracting Party may pay for such expenses in the area of the other Contracting Party in freely convertible currencies.

- (4) The designated airlines of each Contracting Party shall have the right to engage in the sale of air transportation in the area of the other Contracting Party, either directly or through agents using their own ticket stock and air waybills. The designated airlines of each Contracting Party shall have the right to sell, and any person shall be free to purchase, such transportation in local currency or in any freely convertible other currency.

## ARTICLE 13

### **Airport and Similar 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 at higher rates than those imposed on its own airlines operating similar international air services.
- (2) Each Contracting Party shall encourage consultation between its competent authorities and airlines using the services and facilities, where practicable through the airlines' representative organisations. Reasonable notice should be given to users of any proposals for changes in user charges to enable them to express their views before changes are made. Each Contracting Party shall further encourage the competent authorities and the airlines to exchange appropriate information concerning user charges.

## ARTICLE 14

### **Consultation**

Either Contracting Party may at any time request consultations on the implementation, interpretation, application or amendment of this Agreement. Such consultations, which may be between aeronautical authorities, shall begin within a period of 60 days from the date the other Contracting Party receives a written request, unless otherwise mutually arranged by the Contracting Parties. If the Contracting Party requesting the consultations so wishes, they may be conducted by correspondence.

## ARTICLE 15

### **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 State which can be regarded as neutral in relation to the dispute, 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 Council of the International Civil Aviation Organization to make the necessary appointment within 30 days. 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.
- (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. Replies shall be due 60 days later. 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, after the date both replies are submitted. The decision shall be taken by a majority vote.
- (6) A Contracting Party may submit a request 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 or Vice-President of the Council of the International Civil Aviation Organization in implementing the procedures in paragraph (2)(b) of this Article.

## ARTICLE 16

### **Amendment**

Any amendments to this Agreement agreed by the Contracting Parties shall enter into force once all necessary procedures have been completed and when confirmed by them in writing.

## ARTICLE 17

### **Termination**

Either Contracting Party may at any time give notice in writing to the other Contracting Party of its decision to terminate this Agreement. 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.

## ARTICLE 18

### **Registration with the International Civil Aviation Organization**

This Agreement and any amendment thereto shall be registered with the International Civil Aviation Organization.

## ARTICLE 19

### **Entry into Force**

This Agreement shall enter into force on the date of signature.

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

Done, in duplicate, at Hong Kong this 15th day of September 1993.

For the Government of Hong Kong:

For the Government of Australia:

GORDON SIU

PETER COOK

## ANNEX

### ROUTE SCHEDULE

#### *Section 1*

Routes to be operated in both directions by the designated airline or airlines of Hong Kong:  
Hong Kong – intermediate points – points in Australia – points beyond.

#### **Notes:**

1. The points to be served on the routes specified above are to be jointly determined by the relevant authorities of the Contracting Parties.
2. The designated airline or airlines of Hong Kong may on any or all flights omit calling at any points on the routes specified above, and may serve intermediate points in any order, points in Australia in any order, and points beyond in any order, provided that the agreed services on these routes begin at Hong Kong.
3. Traffic may be taken on board at an intermediate point or at a point beyond and discharged at points in Australia and vice versa, as may from time to time be jointly determined by the relevant authorities of the Contracting Parties.
4. No point in the mainland of China may be served as an intermediate point or a point beyond.

#### *Section 2*

Routes to be operated in both directions by the designated airline or airlines of Australia:  
Australia – intermediate points – Hong Kong – points beyond.

#### **Notes:**

1. The points to be served on the routes specified above, except points in Australia, are to be jointly determined by the relevant authorities of the Contracting Parties.
2. The designated airline or airlines of Australia may on any or all flights omit calling at any points on the routes specified above, and may serve points in Australia in any order, intermediate points in any order, and points beyond in any order, provided that the agreed services on these routes begin at a point in Australia.
3. Traffic may be taken on board at an intermediate point or at a point beyond and discharged at Hong Kong and vice versa, as may from time to time be jointly determined by the relevant authorities of the Contracting Parties.
4. No point in the mainland of China may be served as an intermediate point or a point beyond.