

ANNEX A

GROUPINGS OF GOODS REFERRED TO IN PARAGRAPH 4 OF ARTICLE 5  
FOR WHICH THE BASE LEVEL OF ACCESS IS SPECIFIED

New Zealand Import Licensing Schedule Item Code (1982/83)	Brief Description of Grouping	Base Level of Access expressed in New Zealand dollars on a cif basis
19.005	Malt extract; preparations of flour, meal, starch, or malt extract containing less than 50 per cent by weight of cocoa; tapioca and sago in retail packs; prepared foods of cereals; bread, ships biscuits and other ordinary bakers' wares (excluding communion wafers and passover breads) not containing sugar, honey, eggs, fats, cheese or fruit; and cakes, pastry and fine bakers' wares	863,000
20.005	Vegetables and fruit, excluding olives and capers, prepared or preserved by vinegar or otherwise	715,000
23.005	Residues, wastes, flours and meals of meat, offals and seafood unfit for human consumption; greaves; oil cake and other residues of vegetable oil but excluding dregs; sweetened forage and other preparations of a kind used in animal feeding	949,000
85.015	Electric accumulators other than those as may be approved by the Minister	958,000

ANNEX B

GROUPINGS OF GOODS REFERRED TO IN PARAGRAPH 6 OF ARTICLE 5

New Zealand  
Import Licensing  
Schedule Item  
Code (1982/83)  
Brief Description of Grouping

22.016	Vermouth
38.050	Photomechanical engraving and photolithographic preparations
EX39.325	Plastic teats of New Zealand Tariff Items 39.07.599.82E and 39.07.599.89
40.050	Gloves, for all purposes, of unhardened vulcanised rubber
40.060	Washers, gaskets, jointings, seals and similar packings, as may be determined by the Minister; plain unornamental stoppers of unhardened rubber for trade containers
42.020	Belts and belting for machinery, leather washers, gaskets, seals and similar packings
49.009	Transfers (Decalomanias)
66.005	Umbrellas and sunshades; whips, riding crops and the like
70.015	Rear view mirrors for vehicles
70.035	Certain non heat resistant glassware
74.025	Stranded wire, cables, cordage ropes and plaited bands of copper wire excluding insulated electric wires and cables
84.650	Fire extinguishers (charged or not)
84.820	Machine tools for working wood, cork, bone, ebonite, hard carving materials including artificial plastic, other than pneumatic tools or with self-contained non-electric motors for working in the hand; as may be determined by the Minister
84.830	Gas operated welding, brazing, cutting and surface tempering appliances, as may be determined by the Minister
85.078	Carbon brushes
87.070	Certain competition racing bicycles
87.091	Baby carriages and parts thereof
90.005	Ophthalmic contact lenses
90.020	Screens for projectors
97.005	Wheeled toys designed to be ridden by children, prams for dolls and push chairs for dolls
97.040	Strung tennis, badminton and squash racquets of any material, the fob value of which exceeds \$NZ4.50
97.045	Unstrung tennis, badminton and squash frames containing wood, the fob value of which exceeds \$NZ4.50
97.054	Certain round leather footballs and netballs
97.055	Basketballs, footballs, water polo balls, bladders for inflatable balls but excluding round leather footballs and netballs
97.060	Golf balls
97.065	Golf clubs and parts thereof
97.070	Fishing rods of man-made fibres agglomerated with plastic material
98.005	Metal, wood or leather buttons, toggle fasteners
98.010	Button blanks, parts of buttons
98.015	Buttons, other than of metal, wood or leather, button moulds, including blanks and parts thereof

## ANNEX C

### MODIFIED APPLICATION OF THIS AGREEMENT REFERRED TO IN ARTICLE 6

#### PART I

#### ALL GOODS SUBJECT TO MODIFIED APPLICATION OF THIS AGREEMENT

Tariff Heading Number	Description of Goods	Article 4	Article 5	Other provisions
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<p>EX03.01 EX03.02 EX16.04</p> <p>export in</p>	<p>Fish caught by joint ventures, and exported whole, headed and gutted, or fish further processed on board a foreign flag vessel.</p>		<p>Article 9(4): New Zealand shall eliminate those incentives specified in Annex D of this Agreement from 1 April 1983.</p>																														
<p>EX07.01</p>	<p>Tomatoes</p>	<p>See Annex E</p>																															
<p>EX07.02</p>	<p>Peas and beans, frozen</p>		<p>Article 9(4): New Zealand shall eliminate the entitlement to EPTI from 1 April 1984.</p>																														
<p>EX07.02</p>	<p>Potatoes, frozen</p>	<p>Paragraph 4: the reductions in tariffs shall be made as follows:</p> <table border="0" style="margin-left: 20px;"> <tr> <td style="border-bottom: 1px solid black;">1 Apr</td> <td style="border-bottom: 1px solid black;">Australian</td> <td style="border-bottom: 1px solid black;">Tariff on</td> <td style="border-bottom: 1px solid black;">New</td> <td style="border-bottom: 1px solid black;">Zealand</td> <td style="border-bottom: 1px solid black;">goods</td> </tr> <tr> <td>1983</td> <td>15%</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>1984</td> <td>10%</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>1985</td> <td>5%</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>1986</td> <td>Free</td> <td></td> <td></td> <td></td> <td></td> </tr> </table>	1 Apr	Australian	Tariff on	New	Zealand	goods	1983	15%					1984	10%					1985	5%					1986	Free					<p>Article 9(4): New Zealand shall not grant in excess of 75% of entitlement to EPTI for the year commencing 1 April 1983, 50% for the year commencing 1 April 1984, 25% for the year commencing 1 April 1985, and shall eliminate the entitlement from 1 April 1986.</p>
1 Apr	Australian	Tariff on	New	Zealand	goods																												
1983	15%																																
1984	10%																																
1985	5%																																
1986	Free																																
<p>EX07.04</p>	<p>Potatoes, dried, dehydrated or evaporated</p>		<p>Article 9(4): New Zealand shall not grant in excess of 75% of entitlement to EPTI for the year commencing 1 April 1983, 50% for the year commencing 1 April 1984, 25% for the year commencing 1 April 1985, and shall eliminate the entitlement from 1 April 1986.</p>																														
<p>11.05</p>	<p>Potato flour, meal and flake</p>	<p>Paragraph 4: the reductions in tariffs shall be made as follows:</p> <table border="0" style="margin-left: 20px;"> <tr> <td style="border-bottom: 1px solid black;">1 Apr</td> <td style="border-bottom: 1px solid black;">NZ Tariff</td> <td style="border-bottom: 1px solid black;">on</td> <td style="border-bottom: 1px solid black;">Australian</td> <td style="border-bottom: 1px solid black;">goods</td> </tr> <tr> <td>1983</td> <td>40%</td> <td>16%</td> <td></td> <td></td> </tr> <tr> <td>1984</td> <td>20%</td> <td>8%</td> <td></td> <td></td> </tr> <tr> <td>1985</td> <td>10%</td> <td>4%</td> <td></td> <td></td> </tr> <tr> <td>1986</td> <td>Free</td> <td>Free</td> <td></td> <td></td> </tr> </table>	1 Apr	NZ Tariff	on	Australian	goods	1983	40%	16%			1984	20%	8%			1985	10%	4%			1986	Free	Free			<p>Access under Item Code 11.005 shall be split equally between:</p> <p>(a) wheat flours;</p> <p>(b) speciality flours other than wheat.</p> <p>Article 9(4): New Zealand shall not grant in excess of 80% of entitlement to EPTI for the year commencing 1 April 1983, 40% for the year commencing 1 April 1984, 20% for the year commencing 1 April 1985, and shall eliminate the entitlement from 1</p>					
1 Apr	NZ Tariff	on	Australian	goods																													
1983	40%	16%																															
1984	20%	8%																															
1985	10%	4%																															
1986	Free	Free																															

## PART II

### WINE

1. The Member States have agreed to this Part having regard to:
  - (a) the agreement reached between the Australian Wine and Brandy Corporation and the Wine Institute of New Zealand Inc. set out as Attachment II of this Annex;
  - (b) the provision in the inter-industry agreement for further consultations between the two industries and for marketing and other possible assistance on an inter-industry basis;
  - (c) the formulation of a Wine Industry Plan in New Zealand;
  - (d) the considerable interest that each industry has in the development of trade in wine in the Area; and
  - (e) the objective of this Agreement that the transition to free trade conditions is to be achieved in such a way as to minimise disruption.

### Tariffs

2. Paragraphs 3 and 4 of Article 4 of this Agreement shall not apply to wines falling within Tariff Headings 22.05 and 22.06 excluding vermouth.
3. New Zealand shall reduce tariffs on these goods originating in Australia in accordance with the following:
  - (a) the tariffs set out below shall apply to goods falling within Tariff Items 22.05.012 and 22.06.012 having an fob value of less than \$NZ2 per litre imported under the exclusive access provided pursuant to paragraph 7 of this Part:

1 July 1986	\$NZ3.60 per litre + 10%;
1 July 1987	\$NZ2.70 per litre + 5%;
1 July 1988	\$NZ1.80 per litre + 5%;
1 July 1989	\$NZ0.90 per litre;
1 July 1990	free; and
  - (b) the tariffs set out below shall apply to goods falling within Tariff Items 22.05.017 and 22.06.017 having an fob value of not less than \$NZ2 per litre:

1 July 1986	68c per litre + 10%;
1 July 1987	51c per litre + 5%;
1 July 1988	34c per litre + 5%;
1 July 1989	17c per litre;
1 July 1990	free.
4. Australia shall reduce tariffs on these goods originating in New Zealand in the same steps as specified in paragraph 4 of Article 4 of this Agreement but commencing on 1 July 1986.
5. Pursuant to paragraph 8 of Article 4 of this Agreement New Zealand shall reduce on 1 January 1983 the duty applied to brandy falling within Tariff Heading 22.09 and originating in Australia to \$NZ12.10 per litre of alcohol being the excise rate which would be determined for brandy manufactured in New Zealand.

## Access

6. The application of paragraph 4 of Article 5 of this Agreement by New Zealand shall be modified in that the base access level shall be the average annual level of imports into New Zealand of all goods except vermouth falling within Tariff Headings 22.05 and 22.06 originating in Australia in the three year period ending 30 June 1981.

7. From 1 January 1983 New Zealand shall make the exclusive access provided pursuant to paragraphs 5 to 7 of Article 5 of this Agreement available only for wine having an fob value of not less than \$NZ2 per litre. From 1 July 1986 New Zealand shall make this exclusive access available also for wine having an fob value of less than \$NZ2 per litre to an amount calculated by applying sub-paragraph 5(a) and paragraph 7 of Article 5 of this Agreement with \$NZ200,000 cif substituted for \$NZ400,000 cif and making an adjustment to this access level to reflect changes in prices in New Zealand over the period 1 January 1983 to 30 June 1986.

8. Pursuant to paragraph 9 of Article 5 of this Agreement New Zealand shall eliminate on 1 January 1983 import licensing on brandy originating in Australia.

## Other

9. Pending the elimination of tariffs imposed by New Zealand on wine originating in Australia, should the Australian share of total wine imports into New Zealand fall below that held in 1980/81 (that is, prior to the introduction of the Wine Industry Plan), a review shall be made of the provisions relating to imports of Australian wine into New Zealand and New Zealand shall take appropriate action having regard to the understandings reached between the two industries on 11 February 1982 which are set out in Attachment II of this Annex.

## ANNEX C

### PART III

#### RECONSTITUTED WOOD BASED PANEL PRODUCTS

1. The Member States have agreed to this Part having regard to:
  - (a) the agreement set out as Attachment III of this Annex reached between the Australian and New Zealand industries for reconstituted wood based panel products falling within Tariff Headings 44.11 and 44.18; and
  - (b) the desirability of according comparable treatment for wood veneered particleboard falling within Tariff Heading 44.15.

#### Tariffs

2. The application of paragraph 4 of Article 4 of this Agreement shall be modified as follows:
  - (a) each Member State shall on 1 January 1983 eliminate tariffs applicable to reconstituted wood based panel products falling within Tariff Headings 44.11 and 44.18 and originating in the territory of the other Member State; and
  - (b) each Member State shall on 1 January 1983 reduce to 5 per cent tariffs applicable to wood veneered particleboard falling within Tariff Heading 44.15 originating in the territory of the other Member State. Each Member State shall eliminate tariffs on these goods on 1 January 1984.

#### Access

3. The application of paragraph 5 of Article 5 of this Agreement shall be modified by applying the initial levels of access into New Zealand set out below on an annual basis for the following goods falling within Tariff Headings 44.11 and 44.18, under New Zealand Import Licensing Item Code 44.025:
  - (a) medium density fibreboard (if not falling within sub-paragraph (e) of this paragraph) - \$NZ500,000 cif;
  - (b) particleboard 9mm in thickness and above (if not falling within sub-paragraph (e) of this paragraph) - \$NZ750,000 cif;
  - (c) particleboard less than 9mm in thickness (if not falling within sub-paragraph (e) of this paragraph) and/or wet process hardboard up to and including 9.5mm in thickness, including prime coated - \$NZ500,000 cif;
  - (d) softboard sheets, tiles and panels, including primed or ivory coated - \$NZ200,000 cif;
  - (e) surface laminated and surface coated sheets, tiles and panels which are:
    - (i) diallyl phthalate, low pressure melamine and/or polyester based laminated or coated - \$NZ250,000 cif;
    - (ii) polyvinyl chloride and/or polyethylene based laminated or coated - \$NZ250,000 cif;

- (iii) paper and/or foil based laminated or coated - \$NZ250,000 cif; and
- (iv) printed, painted and/or other coated excluding primed coated hardboard and/or primed or ivory coated softboard falling within sub-paragraphs (c) and (d) of this paragraph - \$NZ250,000 cif.

4. For the goods specified in each of the four categories set out in sub-paragraph (e) of the previous paragraph, New Zealand shall not issue more import licences for laminated or coated substrate boards that are less than 9.5mm in thickness than is accounted for by 50 per cent of the value of goods permitted access in each category.

5. The application of paragraph 7 of Article 5 of this Agreement shall be modified in that New Zealand shall increase the initial levels of access into New Zealand set out in paragraphs 3 and 4 of this Part by 10 per cent per annum in real terms in each year subsequent to 1983.

6. The application of paragraphs 5 and 7 of Article 5 of this Agreement shall be modified so that initial annual levels of access into New Zealand for wood veneered particleboard falling within Tariff Heading 44.15 under New Zealand Import Licensing Item Code 44.025 shall be \$NZ600,000 cif in 1983 increasing in real terms to \$NZ800,000 cif in 1984 and \$NZ 1 million in 1985. In subsequent years access shall be increased by 10 per cent per annum in real terms pursuant to paragraph 7(b) of Article 5 of this Agreement.

## ANNEX C

### PART IV

#### CARPET

1. The Member States have agreed to this Part having regard to:
  - (a) the agreement reached between the Carpet Manufacturers' Federation of Australia and the New Zealand Carpet Manufacturers' Association set out as Attachment IV of this Annex;
  - (b) the conditions applying to trade in wool rich carpet listed in Schedule A of the New Zealand-Australia Free Trade Agreement, done at Wellington on 31 August 1965;
  - (c) the fact that synthetic carpet has not been generally available on the New Zealand market; and
  - (d) the potential for an intermediate goods situation prejudicial to the New Zealand industry in respect of yarn for synthetic carpet.

#### Tariffs

2. The application of paragraph 4 of Article 4 of this Agreement shall be modified in respect of carpets, carpeting, rugs, mats and matting having a pile containing not less than 80 per cent by weight of wool, falling within Tariff Headings 58.01 and 58.02. Such goods which originate in the territory of a Member State shall be free of tariffs from 1 January 1983 when imported into the territory of the other Member State.

#### Access

3. The application of paragraphs 4 to 7 and 14 of Article 5 of this Agreement shall be modified in respect of carpets, carpeting, rugs, mats and matting having a pile containing not less than 80 per cent by weight of wool falling within Tariff Headings 58.01 and 58.02. Quantitative import restrictions and tariff quotas shall be eliminated from 1 January 1983 in respect of such goods which originate in the territory of a Member State.

4. The application of paragraphs 4 to 7 of Article 5 of this Agreement shall be modified in that New Zealand shall provide exclusive access for the following volumes for carpets, carpeting, rugs, mats and matting having a pile containing less than 80 per cent by weight of wool falling within New Zealand Import Licensing Item Code 58.120:

1983	300,000 square metres
1984	330,000 square metres
1985	363,000 square metres
1986	399,000 square metres
1987	439,000 square metres
1988	527,000 square metres
1989	632,000 square metres
1990	759,000 square metres
1991	910,000 square metres
1992	1,092,000 square metres

5. The application of paragraph 14 of Article 5 of this Agreement shall be modified in that New Zealand shall eliminate quantitative import restrictions on 1 January 1993 in



respect of carpets, carpeting, rugs, mats and matting which originate in Australia and have a pile content containing less than 80 per cent by weight of wool and which fall within New Zealand Import Licensing Item Code 58.120.

#### Rules of Origin

6. The application of paragraph 1(c)(ii) of Article 3 of this Agreement shall be modified in respect of carpets, carpeting, rugs, mats and matting having a pile containing over 20 per cent by weight of man-made fibres falling within Australian Tariff Item 58.02.900 and New Zealand Tariff Items 58.02.007 and 58.02.028. Such goods shall be treated as goods originating in the territory of a Member State if the expenditure on one or more of the items set out in paragraph 1(c)(ii) of Article 3 of this Agreement, excluding the value of the fibre and yarn used in the pile, is not less than one-half of the factory or works cost of the goods, excluding the value of the fibre and yarn used in the pile, provided that the goods were woven or tufted in the territory of either Member State.

7. Until 31 December 1992 in respect of the goods specified in paragraph 6 of this Part:

(a) paragraph 6 of this Part shall apply:

(i) to imports into New Zealand from Australia up to the levels specified in paragraph 4 of this Part; and

(ii) to imports into Australia from New Zealand up to an annual level of 1.5 million square metres; and

(b) Article 3 of this Agreement shall apply unmodified to imports above the levels specified in the previous sub-paragraph.

8. From 1 January 1993 paragraph 6 of this Part shall apply to all trade in the Area of the goods specified in that paragraph.

9. Should there be any change in either country affecting the situation, for example, changes in man-made fibre yarn production or in the assistance given to the man-made fibre yarn or carpet industries, or should an industry in either country be materially injured by the operation of paragraphs 6 to 8 of this Part, the Member States shall consult at the written request of either with a view to reaching alternative mutually satisfactory arrangements. Where it is determined that the situation which is the subject of consultation is essentially related to a prejudicial intermediate goods situation, Article 14 of this Agreement shall apply.

## ANNEX C

### PART V

#### IRON AND STEEL PRODUCTS

1. The Member States have agreed to this Part having regard to:
  - (a) the expansion programme of New Zealand Steel Development Limited; and
  - (b) discussions in progress between the industries of both countries on possible options for a harmonious development of the steel industry in the territory of each Member State.
2. Trade in iron and steel products following the expansion of New Zealand Steel Limited shall be compatible with this Agreement as soon as practicable.
3. For iron and steel products contained in Chapter 73 of the Tariff not specified in Attachment V of this Annex the provisions of this Agreement shall apply unmodified. Quantitative import restrictions and tariff quotas shall be eliminated on goods listed in Attachment VI of this Annex by 1 January 1991 at the latest.
4. For goods specified in Attachment V of this Annex:
  - (a) the provisions of paragraphs 1 to 4 of Article 4 of this Agreement and paragraphs 1 and 2 and paragraphs 4 to 7 of Article 5 of this Agreement shall not apply;
  - (b) if after the conclusion of the industry discussions referred to in paragraph 1 of this Part the Member States mutually determine that some alternative interim arrangements to full application of this Agreement are essential, those arrangements shall be:
    - (i) confined to a minimum period and to an absolute minimum coverage of goods; and
    - (ii) compatible with the objectives of this Agreement;
  - (c) a Member State may, if necessary, introduce tariffs or take other action to restrict access to its market of goods originating in the territory of the other Member State before the commencement of the alternative interim arrangements referred to in the previous sub-paragraph of this Part or before the commencement of full application of this Agreement to those goods if:
    - (i) it has given written notice to the other Member State and provided an opportunity for consultations; and
    - (ii) the Member States can mutually determine no alternative solution;
  - (d) in the event that a Member State introduces tariffs or takes other action to restrict access under the previous sub-paragraph, the other Member State may take similar action against imports of the same goods originating in the territory of the first Member State;
  - (e) any measures applied by a Member State under sub-paragraphs (c) and (d) of this paragraph shall be no more restrictive than measures of the same nature which apply to imports of the same goods from third countries; and

(f) if within twelve months of the date of entry into force of this Agreement the two industries cannot agree to an arrangement for steel which is acceptable to both Member States, the Member States shall consult and mutually determine the terms, consistent with the objectives of this Agreement, under which trade in the Area in such goods shall be liberalised.

5. The Member States shall establish procedures for regular consultation between themselves and the steel industries located in their territories to promote the harmonious development of the industry in the territory of each Member State.

6. The Attachments to this Part of this Annex are an integral part of this Annex.

## ANNEX C

### PART VI

#### WHITEGOODS

1. The Member States have agreed to this Part having regard to:
  - (a) trans-Tasman trade in whitegoods under the New Zealand-Australia Free Trade Agreement, done at Wellington on 31 August 1965; and
  - (b) the structure of the whitegoods manufacturing industries in both countries.
2. This Part shall apply to large electrical and gas appliances of a type used for domestic purposes in the home kitchen and laundry, and to room air conditioners of a compressor type used for domestic purposes in the following product categories:
  - (a) refrigerators and freezers, including combined refrigerator and freezer units, falling within Tariff Heading 84.15;
  - (b) dishwashers, including glass washers, falling within Tariff Heading 84.19;
  - (c) clothes washing machines, including combined clothes washing and drying machines, falling within Tariff Heading 84.40;
  - (d) rotary tumble type clothes dryers falling within Tariff Heading 84.40;
  - (e) room air conditioners falling within Tariff Heading 84.12 being machines equipped with a motor driven fan or blower, designed to change both the temperature and the humidity and being self-contained by being designed primarily for use without ducting and having a nominally rated compressor total cooling capacity of 7kw or less; and
  - (f) stoves, ranges and cookers falling within Tariff Headings 73.36 and 85.12, including wall ovens and cook tops but excluding microwave ovens.

#### Tariffs

3. The application of paragraph 4 of Article 4 of this Agreement shall be modified in that the Member States shall reduce and eliminate tariffs in accordance with Attachment VII of this Annex which sets out ad valorem tariffs which shall apply on and after the dates specified in that Attachment.

#### Access

4. The application of paragraphs 4 to 7 of Article 5 of this Agreement shall be modified in that New Zealand shall increase access within the meaning of Article 5 of this Agreement and eliminate quantitative import restrictions on goods originating in Australia in accordance with Attachment VIII of this Annex which sets out the agreed levels of exclusive access expressed as a percentage by volume of the New Zealand market for each product category covered by this Part for the year specified.
5. The size of the New Zealand market for each product category shall be determined for each licence year:
  - (a) mutually by the appropriate Australian and New Zealand industry organisations well before the licence year; or

(b) in the absence of a determination by industry organisations, by New Zealand in consultation with Australia on the basis of the most recent annual production volume plus imports less exports and, as appropriate, applying a factor for expected growth or decline in the market.

6. To permit importers to use exclusive access as they see fit over the range of products within each product category, New Zealand shall not differentiate between the specific products within each product category in the issue of import licences under this Part.

#### Allocation of Exclusive Access

7. The arrangements for the allocation by New Zealand of exclusive access provided pursuant to paragraph 4 of this Part shall be as set out in Attachment IX of this Annex.

#### Transitional Measures relating to earlier Agreements

8. Paragraph 1(c) of Article 20 of this Agreement regarding the level of trade under arrangements between individual firms which had applied under Article 3:7 of the New Zealand-Australia Free Trade Agreement, done at Wellington on 31 August 1965, which may continue to apply under this Agreement shall be modified in that the date 31 December 1982 shall be substituted for 14 December 1982.

#### Intermediate Goods

9. The Member States acknowledge that a prejudicial intermediate goods situation within the meaning of Article 14 of this Agreement exists in respect of imports into the territory of Australia from the territory of New Zealand of refrigerators, freezers, rotary tumble type clothes dryers, automatic washing machines and room air conditioners for which the expenditure on one or more of the items set out in paragraph 1(c)(ii) of Article 3 of this Agreement is less than 75 per cent of the factory or works cost of the goods. Accordingly as from 1 July 1985 such goods may be subject to a compensating charge in the order of 15 per cent of value for duty, provided that such compensating charge shall be reduced by the tariff applicable at the time of importation.

10. Australia, in consultation with New Zealand, shall re-examine the level of compensating charge referred to in paragraph 9 of this Part prior to the reduction of tariffs on 1 July 1985 pursuant to paragraph 3 of this Part and the relationship between "cost to make and sell" and "value for duty" and shall determine whether the ad valorem equivalent of the quantified disadvantage arising from the prejudicial intermediate goods situation within the meaning of paragraph 3 of Article 14 of this Agreement should be confirmed or varied. Following redetermination of the extent of disadvantage, paragraph 7 of Article 14 of this Agreement shall apply in determining whether the compensating charge should be an export charge or import charge pursuant to paragraph 5 of that Article.

11. If the Member States mutually determine that the expenditure on one or more of the items set out in paragraph 1(c)(ii) of Article 3 of this Agreement has been demonstrated to be less than 75 per cent of the factory or works cost of the goods referred to in paragraph 9 of this Part on a temporary basis, the Member States may waive the compensating charge.

12. The Member States shall consult at the written request of either and may mutually determine whether the application of paragraphs 9 to 11 of this Part should be continued or modified.

13. Paragraphs 9 to 12 of this Part shall cease to apply on 31 December 1990 at the latest.
14. The Attachments to this Part of this Annex are an integral part of this Annex.

## ANNEX C

### PART VII

#### FURNITURE

1. The Member States have agreed to this Part having regard to:
  - (a) the significant and progressive liberalisation of trans-Tasman trade in furniture and furniture components which had taken place under the New Zealand-Australia Free Trade Agreement, done at Wellington on 31 August 1965; and
  - (b) the need to ensure a smooth transition to this Agreement from the arrangements which had operated under the New Zealand-Australia Free Trade Agreement, done at Wellington on 31 August 1965.
2. This Part shall apply until replaced by arrangements mutually determined by the Member States which:
  - (a) take account of arrangements which may be reached between the Australian and New Zealand industries for a liberalisation of trade in the goods covered by this Part; or
  - (b) in the absence of arrangements referred to in the previous sub-paragraph, provide for accelerated liberalisation of trade pursuant to paragraph 8 of Article 4 and paragraph 9 of Article 5 of this Agreement to take effect no later than 1987.
3. This Part shall apply to:
  - (a) imports into Australia of furniture components, including metal actions, originating in New Zealand falling within Tariff Headings 94.01 and 94.03, excluding:
    - (i) kitsets, CKD packs and goods put up for retail sale;
    - (ii) parts for seats specifically designed for use in motor vehicles; and
    - (iii) plastic sheeting and flexible foam cut to shape, whether or not made up.
  - (b) imports into New Zealand of furniture and furniture components, including metal actions, originating in Australia falling within Tariff Headings 94.01 and 94.03, excluding:
    - (i) seats specifically designed for use in motor vehicles and parts therefor; and
    - (ii) plastic sheeting and flexible foam cut to shape, whether or not made up;
  - (c) imports into Australia of furniture and furniture components originating in New Zealand other than those specified in sub-paragraphs (a) and (d) of this paragraph, falling within Tariff Headings 94.01 and 94.03, excluding seats specifically designed for use in motor vehicles and parts therefor; and
  - (d) imports into either Australia or New Zealand of plastic sheeting and flexible foam cut to shape, whether or not made up, originating in the territory of the other Member State and falling within Tariff Headings 94.01 and 94.03.

#### Tariffs

4. Paragraphs 3 and 4 of Article 4 of this Agreement shall not apply.
5. Goods specified in paragraphs 3(a) and 3(b) of this Part shall be free of tariffs up to the levels specified in paragraphs 7 and 8 of this Part respectively.

#### Access

6. Paragraphs 5 to 7 of Article 5 of this Agreement shall not apply.
7. Australia shall issue a consolidated by-law reference to allow the import free of tariff of goods specified in paragraph 3(a) of this Part up to the level of \$A11.25 million fob (or cif equivalent) of which \$A440,000 fob shall be made available for imports of metal components for furniture.
8. New Zealand shall issue licences on demand to allow the import free of tariff of goods specified in paragraph 3(b) of this Part excluding metal actions up to the level of \$A9.65 million fob (or cif equivalent). Of this amount \$A440,000 fob shall be made available for imports of metal furniture and metal components for furniture, other than metal actions, within which not more than \$A40,000 fob shall be made available for metal trays.
9. New Zealand shall issue licences on demand for the import free of tariff of metal actions originating in Australia.
10. The factor to convert the figures specified in paragraphs 7 and 8 of this Part from Australian currency on an fob basis to New Zealand currency on a cif basis for the purpose of issuing import licences shall be mutually determined by the Member States by 1 July each year after consultations between themselves and the Australian and New Zealand industries.
11. The provisions of this Part shall be subject to annual review with a view to accelerating the liberalisation of trade within the Area. Any access free of tariffs additional to the levels specified in paragraphs 7 and 8 of this Part shall be mutually determined by the Member States in consultation with the industries located in their territories.



## ANNEX C

### PART VIII

#### MOTOR VEHICLES AND COMPONENTS

1. The Member States have agreed to this Part having regard to:
  - (a) the special sectoral policies which both Member States operate for the motor vehicles and components industry in which the degree of government intervention or assistance extends beyond tariffs; and
  - (b) the review of long term policy objectives for the industry being conducted by New Zealand at the time of entry into force of this Agreement.
2. The Member States shall consult as soon as possible to determine mutually transitional arrangements for the liberalisation under this Agreement of trade in the goods listed in Sections A and B of Attachment X of this Annex at the earliest practicable date bearing in mind that:
  - (a) special transitional arrangements may be necessary for the liberalisation of trade in these goods to achieve the objectives of the Agreement;
  - (b) the consultations need to await decisions by New Zealand on the review of its long term policy objectives for the industry; and
  - (c) the revised long term assistance arrangements for the Australian industry enter into operation on 1 January 1985.
3. Pending mutual determination of the transitional arrangements referred to in the previous paragraph of this Part, paragraphs 4, 6, 8 and 9 of this Part shall apply to the goods listed in Sections A and B of Attachment X of this Annex.

#### Tariffs

4. Paragraphs 1 to 4 of Article 4 of this Agreement shall not apply.
5. Before reducing margins of preference on goods listed in Attachment XI of this Annex a Member State shall give written notice to the other Member State and provide an opportunity for consultations.

#### Access

6. Paragraphs 1 and 2 and paragraphs 4 to 7 of Article 5 of this Agreement shall not apply. Any quantitative import restrictions or tariff quotas applied by a Member State on goods originating in the territory of the other Member State shall be no more restrictive than measures of the same nature which apply to imports of the same goods from third countries.
7. The Member States shall mutually determine access arrangements in respect of the goods listed in Section C of Attachment X of this Annex which were included in Schedule A of the New Zealand-Australia Free Trade Agreement, done at Wellington on 31 August 1965.

#### Transitional measures relating to earlier Agreements

8. In respect of goods traded under arrangements which had applied under Article 3:7 of the New Zealand-Australia Free Trade Agreement, done at Wellington on 31 August 1965, and which continue to apply pursuant to Article 20 of this Agreement:

(a) imports of components originating in New Zealand shall be accorded the status of "Australian content" in the context of the Australian local content plan under which domestic motor vehicle producers must achieve an average Australian content of 85 per cent;

(b) exports of motor vehicles and components to New Zealand shall not earn credit entitlement under the Australian Export Facilitation arrangements; and

(c) re-exports from Australia of components imported from New Zealand shall be counted as "Australian content" under the Australian Export Facilitation arrangements only when re-exported as part of a CBU vehicle.

9. Until such time as the transitional arrangements referred to in paragraph 2 of this Part enter into effect the Member States may mutually determine in exceptional circumstances special measures compatible with the objectives of this Agreement.

10. The Member States shall mutually determine the arrangements to apply to the following goods for which the application of this Agreement is modified pursuant to Part I of this Annex and this Part:

(a) rubber products falling within Tariff Headings 40.09, 40.10 and 40.14;

(b) pneumatic tyres, tyre cases, and tubes of rubber, other than for bicycles, falling within Tariff Heading 40.11; and

(c) electronic products falling within Tariff Heading 85.15.

11. The Attachments to this Part of this Annex are an integral part of this Annex.

## ATTACHMENT I OF ANNEX C

### APPAREL FOR WHICH THE APPLICATION OF THIS AGREEMENT IS MODIFIED PURSUANT TO PART I

Tariff Heading Number	Description of Goods
EX39.07	Articles of apparel and clothing accessories of plastic, excluding gloves, mittens, mitts, braces, suspenders, garters, belts and the like, and x-ray protective aprons
EX40.13	Articles of apparel and clothing accessories of unhardened vulcanised rubber, excluding gloves
EX42.03	Articles of apparel and clothing accessories of leather or composition leather, excluding braces, suspenders, garters, belts and the like, and excluding gloves, mittens, mitts, wrist supporting straps, watch straps, coats and waistcoats and the like of sueded sheepskin or sueded lambskin leather or of deerskin leather, and skirts of deerskin leather
60.03	Stockings, under-stockings, socks, ankle socks, sockettes and the like
EX60.04	Knitted or crocheted undergarments excluding babies napkins
EX60.05	Knitted or crocheted outer garments and apparel accessories
EX60.06	Garments of knitted or crocheted fabrics, elasticised or rubberised, excluding diving dress and wetsuits
61.01	Men's and boys' outer garments
61.02	Women's, girls' and infants' outer garments
61.03	Men's and boys' undergarments
EX61.04	Women's, girls' and infants' undergarments, excluding babies' napkins
61.05	Handkerchiefs
61.06	Shawls, scarves, mufflers, mantillas, veils and the like
61.07	Ties, bowties and cravats
61.09	Corsets, corset-belts, suspender-belts, brassieres, braces, suspenders, garters and the like (including such articles of knitted or crocheted fabric), whether or not elastic.

## ATTACHMENT II OF ANNEX C

### AGREEMENT BETWEEN THE AUSTRALIAN AND NEW ZEALAND INDUSTRIES ON WINE

The Australian Wine and Brandy Corporation and the Wine Institute of New Zealand met in Auckland on 11 February 1982 to seek finality in discussions about the treatment of wine in the proposed agreement between the Governments of Australia and New

Zealand on closer economic relations between the two countries. These discussions have been held at the request of the respective Governments, who expressed a wish that the two industries seek a basis for the resolution of this question.

The Auckland meeting of 11 February 1982 followed two earlier meetings in May 1981 (Auckland) and November 1981 (Sydney).

Following the latest meeting, the Corporation and the Institute have reached agreement on matters of mutual concern and recommend to their respective Governments five objectives to be taken into account in considering future policy for trans-Tasman wine trade:

First objective: The Corporation and the Institute confirm the agreement reached at the Sydney meeting, as set out in Annex I appended hereto.

Second objective: The Corporation and the Institute confirm the agreement reached at the Sydney meeting, as set out in Annex II appended hereto.

Third objective: The Corporation and the Institute, agree to the desirability of achieving the highest possible degree of compatibility in standards and practices relating to technical aspects of viticulture and oenology, and further agree to impress on their respective Governments the need for full and urgent discussions between the industries, official departments and agencies concerned.

Fourth objective: The Corporation and the Institute confirm the agreement reached at the Sydney meeting, as set out in Annex III appended hereto.

Fifth objective: The Corporation and the Institute agree to bring Australian wine into a Closer Economic Relationship on the basis set out in Annex IV appended hereto; it being understood that the formulae agreed between the two Governments would apply to New Zealand wine as from 1 January 1983.

[Signed]            [Signed]  
R. W. C. Hesketh  
Chairman, Australian Wine  
and Brandy Corporation

T. B. McDonald  
Chairman, Wine Institute  
of New Zealand Inc.

Auckland, New Zealand, 11 February 1982.

## Annex I

The first objective is to continue the rate of increase of wine consumption per capita in both countries to the maximum extent permitted by considerations of economy, social desirability and political acceptability.

Achievement of the first objective requires maximum consultation between the two industries on all matters which affect the consumption of wine.

The fact that wine has become an issue for special consideration in the CER negotiations may provide an opportunity to obtain from both governments a joint undertaking to recognise the long term value to both countries of encouraging a profitable, quality-conscious industry in each country.

The New Zealand industry could learn from Australia about wine promotion and information programmes as a means of achieving understanding of the product and orderly consumption growth.

## Annex II

The second objective is to enable each country to maximise its share of the imported wine consumption in the other country, but not to an extent that it causes undue disruption to the domestic base of either of the two industries. The achievement of the second objective requires a commitment by each country's industry to help the other.

Australia already has a dominant share of the imported wine market in New Zealand. The New Zealand industry has already assured Australia of its support in a joint approach to the New Zealand Government for any change in quota or duty which may become necessary to at least maintain Australia's traditional share of the New Zealand import market, and time must be allowed to determine results before further action is considered.

New Zealand faces the problem of becoming accepted in the Australian market. New Zealand's problem is essentially one of marketing rather than access mechanism, and what assistance is needed is more within the province of the Australian wine industry than the Australian Government.

The Corporation would use its best endeavours to assist New Zealand to become established in the Australian market. Identification of further opportunities for progress in this area will be a matter for urgent consultation between the two organisations.

## Annex III

The fourth objective is to encourage harmonisation and rationalisation within the two industries, so that each concentrates on what it does best. Nevertheless it is recognised that this objective is necessarily long term.

A useful first step would be a long range survey in both countries, with complete interchange of information, to assess any problems of surplus or shortfall which could complicate future trade.

An immediate area for consideration is brandy, where rationalisation suggests that, as it seems unlikely and uneconomic to contemplate brandy production in New Zealand, consideration be given to regarding Australia as the source of domestic brandy for both countries and Australian brandy be given special rights of access to New Zealand.

## Annex IV

INTER-INDUSTRY AGREEMENT ON THE BASIS ON WHICH WINE SHALL BE INCLUDED IN THE CLOSER ECONOMIC RELATIONSHIP

The CER access formula as agreed between the two Governments will be calculated on the basis of total wine imports from Australia in the agreed base period. The consequent exclusive tariff quota for Australia additional to the global quota may be utilised for wine over \$2 per litre from 1 January 1983. It may be utilised for wine under \$2 per litre from 1 July 1986 up to a limit calculated by applying the agreed minimum access formula as from that date.

The tariffs on wines covered by this understanding shall be phased to zero in 5 steps commencing on 1 July 1986 as set out below:

	22.05.012	22.05.017
Current Rates:	4.50 per litre + 10%	85c per litre + 10%
1 July 1986	3.60 per litre + 10%	68c per litre + 10%
1987	2.70 per litre + 5%	51c per litre + 5%
1988	1.80 per litre + 5%	34c per litre + 5%
1989	90c per litre	17c per litre
1990	Duty free.	Duty free.

22.05: Wine of fresh grapes; grape must with fermentation arrested by the addition of alcohol:

22.05.012: - having a f.o.b. value of less than \$2.00 per litre.

22.05.017: - Other kinds

- As may be approved by the Minister and under such conditions as he may prescribe.

INTER-INDUSTRY AGREEMENT ON THE BASIS UNDER WHICH WINES  
FLAVOURED WITH AROMATIC EXTRACTS (TARIFF ITEMS 22.06.012 AND  
22.06.017) SHALL BE INCLUDED IN THE CLOSER ECONOMIC  
RELATIONSHIP (CER)

The Australian Wine and Brandy Corporation on behalf of the Australian wine industry is agreeable to the request from the Wine Institute of New Zealand Incorporated, for the inclusion of wines flavoured with aromatic extracts being included in the inter-industry agreement for wine in CER as an extension of Annex IV of the final report on Australia/New Zealand wine industry discussions dated 11 February 1982.

Having agreed to this request the Australian Wine and Brandy Corporation asks that the Wine Institute and the New Zealand wine industry will seriously reconsider its attitude to the Australian request, lodged on behalf of the Australian wine industry, in respect of discrimination against Australia with regard to the treatment given French champagne in the New Zealand tariff.

Wine Institute of New Zealand acknowledges agreement of Australian Wine and Brandy Corporation to inclusion of Tariff Items 22.06.012 and 22.06.017 in Annex IV of final report on Australia/New Zealand wine industry discussions dated 11 February 1982 dealing with treatment of wine in CER.

Institute notes Australian request on champagne, agrees to give the further consideration requested, and suggests this matter be placed on agenda for our next inter-industry meeting.

## ATTACHMENT III OF ANNEX C

### AGREEMENT BETWEEN THE AUSTRALIAN AND NEW ZEALAND INDUSTRIES ON RECONSTITUTED WOOD BASED PANEL PRODUCTS

#### 1. Industry Position

1.1 The Australian and New Zealand industries covered by tariff items 44.11 and 44.18 acknowledge that closer economic relations are desirable for the orderly development of their respective industries and markets, coupled with the development of export markets in third countries.

1.2 Both countries have cost efficient manufacturing units with market prices being currently parallel.

1.3 Each respective country has sufficient wood resources to sustain existing installed capacity at maximum levels if market conditions permit. Additional wood resources will become progressively available in the years ahead, allowing for the continued development by both countries of exports of wood based panel products to third countries.

1.4 For the foreseeable future, unused productive capacity of significant proportions will exist in each country. This situation reflects the current difficult business environment in each country.

1.5 The Australian and New Zealand panel products industries agree that the comparability of the industries' cost/price structure is such that the likelihood of significant Trans-tasman trade developing in the future without dumping is remote.

1.6 In order to facilitate realistic developments, the two respective industries present the following submission for consideration by the two Governments.

#### 2. Performance Incentives, Access and Tariff Considerations

2.1 Although the Australian manufacturers involved have strong philosophical objections to the principle of any form of New Zealand performance based export incentives continuing until 1987, and join other sections of the Australian forest industry in seeking their immediate abolition, they undertake not to persist with demands for their abolition, having regard to the agreements relating to tariff items 44.11 and 44.18 specified below in this paper.

2.2 The New Zealand manufacturers' position on performance based export incentives is that they must be retained as detailed under Section 39 of the exposure draft on CER dated June 1982.

2.3 New Zealand manufacturers are prepared to recommend, without prejudice, increased combined access levels for Australia, at the commencement of a CER agreement, for tariff items 44.11 and 44.18 to a total of NZD2.95 million C.I.F. (or the equivalent in Australian currency at the date of signature of the Heads of Agreement). Such levels, as agreed, to be escalated by 10 percent each year in real terms. On this basis, New Zealand and Australian manufacturers agree to recommend that this significant access increase be divided five principal ways as follows:-

(1) Medium density fibreboard (if not falling under (5) below) - NZD500,000.



- (2) Particleboard 9mm in thickness and above (if not falling under (5) below) - NZD750,000.
- (3) Particleboard up to 9mm in thickness but not including 9mm (if not falling under (5) below) and/or wet process hardboard up to and including 9.5mm in thickness, including primed coated - NZD500,000.
- (4) Softboard sheets, tiles and panels, including primed or ivory coated - NZD200,000.
- (5) Surface laminated and surface coated sheets, tiles and panels under tariff items 44.11 and 44.18 - NZD1,000,000, subdivided into four equal categories of NZD250,000 each, as follows:-
- (a) Diallyl phthlate, low pressure melamine and/or polyester based laminated or coated.
  - (b) Polyvinyl chloride and/or polyethylene based laminated or coated.
  - (c) Paper and/or foil based laminated or coated.
  - (d) Printed, painted and/or other coated (excluding primed coated hardboard and/or primed or ivory coated softboard falling under (3) and (4) above).

For each of these four categories, no more than 50% is to be laminated or coated onto substrate boards that are less than 9.5mm in thickness.

Australian manufacturers involved accept the need for some protection in the form of New Zealand import licensing over these products, in the foreseeable future, and therefore are prepared to concur with the above proposed initial allocations for Australia under a CER agreement. Accordingly, the general phasing out of import licensing for imports under tariff items 44.11 and 44.18 into New Zealand from Australia by not later than 1995 is accepted by the manufacturers involved in both countries.

2.4 It is agreed by New Zealand and Australian manufacturers involved that all current tariff barriers between both countries under tariff items 44.11 and 44.18 be eliminated as from the date of commencement of a CER agreement, providing that the dissenting view of one Australian manufacturer, who believes tariffs should be phased out at the same rate as export incentives, is taken into account.

2.5 It is agreed that Trans-Tasman trade in new products or speciality products under tariff items 44.11 and 44.18, that are available in one country but not the other, be encouraged. Accordingly, this principle may necessitate the negotiation, if and when requested, of New Zealand import licensing access for such Australian products under these tariff items additional to that proposed under paragraph 2.3 above.

2.6 It is agreed that the access provision proposed under paragraph 2.3(3) above will be subject to revision in the event of any increase, subsequent to 1st January 1983, in New Zealand's installed capacity for manufacturing boards 9.5mm or less in thickness under tariff items 44.11 and 44.18.

## ATTACHMENT IV OF ANNEX C

### AGREEMENT BETWEEN THE AUSTRALIAN AND NEW ZEALAND INDUSTRIES ON CARPET

#### WOOL-RICH CARPETS

From the commencement of a CER trade in all wool-rich carpets, rugs etc. would be unrestricted between both countries.

#### SYNTHETIC CARPETS

(i) From the commencement of a CER, trading levels for other than wool-rich carpets, rugs, etc. would be on the following basis:

Australia into New Zealand

Year

1	300,000m <sup>2</sup>
2	330,000m <sup>2</sup>
3	363,000m <sup>2</sup>
4	399,000m <sup>2</sup>
5	439,000m <sup>2</sup>
6	527,000m <sup>2</sup>
7	632,000m <sup>2</sup>
8	759,000m <sup>2</sup>
9	910,000m <sup>2</sup>
10	1,092,000m <sup>2</sup>
11	Open Access

It is the intention of New Zealand carpet manufacturers to compete in synthetic carpet for a percentage of the New Zealand market over and above that specifically allocated to Australia.

New Zealand into Australia

Unrestricted access

(ii) Area content: The associations propose that the cost of pile content should be excluded from the calculation of the current 50 per cent area content rule.

(iii) Tariff Duties: Tariff duties applicable to synthetic carpets would be phased out in accordance with the formula generally established under a CER. The industries will review this matter on receipt of full details of a CER to ascertain if an accelerated tariff duty reduction programme can be established.

ATTACHMENT V OF ANNEX C

IRON AND STEEL PRODUCTS FOR WHICH THE APPLICATION OF THIS  
AGREEMENT IS MODIFIED PURSUANT TO PART V

Tariff Heading Number	Description of Goods
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- 73.01 Pig iron, cast iron and spiegeleisen, in pigs, blocks, lumps and similar forms
- 73.05 Iron or steel powders; sponge iron or steel
- 73.06 Puddled bars and pilings; ingots, blocks, lumps and similar forms, of iron or steel
- 73.07 Blooms, billets, slabs and sheet bars (including tinplate bars), of iron or steel; pieces roughly shaped by forging, of iron or steel
- 73.08 Iron or steel coils for re-rolling
- 73.09 Universal plates of iron or steel
- 73.10 Bars and rods (including wire rod), of iron or steel, hot-rolled, forged, extruded, cold-formed or cold-finished (including precision-made); hollow mining drill steel
- EX73.11 Angles, shapes and sections, of iron or steel, hot-rolled, forged, extruded, cold-formed or cold-finished, not being worked
- 73.12 Hoop and strip, of iron or steel, hot-rolled or cold-rolled
- EX73.13 Sheets and plates, of iron or steel, hot-rolled or cold-rolled, not being tinned but not otherwise worked or decorated
- 73.14 Iron or steel wire, whether or not coated, but not insulated
- EX73.15 Alloy steel and high carbon steel in the following forms: ingots, blooms, billets, slabs, sheet bars, roughly forged pieces, coils for re-rolling, bars, rod, hoop, strip, sheets or plates other than of stainless steel, wire
- 73.17 Tubes and pipes, of cast iron
- 73.18 Tubes and pipes and blanks therefor, of iron (other than cast iron) or steel, excluding high-pressure hydro-electric conduits
- 73.20 Tube and pipe fittings (including joints, elbows, unions and flanges), of iron or steel
- 73.25 Stranded wire, cables, cordage, ropes, plaited bands, slings and the like, of iron or steel wire, but excluding insulated electric cables
- 73.26 Barbed iron or steel wire; twisted hoop or single flat wire, barbed or not, and loosely twisted double wire, of kinds used for fencing, of iron or steel
- EX73.27 Gauze, cloth, grill, fencing, reinforcing fabric and similar materials, of iron or steel wire
- 73.31 Nails, tacks, staples, hook-nails, corrugated nails, spiked cramps, studs, spikes and drawing pins, of iron or steel, whether or not with heads of other materials, but not including those with heads of copper
- 73.32 Bolts and nuts (including bolt ends and screw studs) whether or not threaded or tapped, screws (including screw hooks and screw rings), rivets, cotters, cotter-pins and similar goods, of iron or steel; washers (including spring washers) of iron or steel

IRON AND STEEL PRODUCTS FOR WHICH QUANTITATIVE IMPORT  
RESTRICTIONS AND TARIFF QUOTAS SHALL BE ELIMINATED BY 1  
JANUARY 1991 PURSUANT TO PART V

The elimination of quantitative import restrictions and tariff quotas referred to in paragraph 3 of Part V of Annex C shall apply to goods listed in the tariff of either Member State applicable on the day that this Agreement enters into force falling within the New Zealand Tariff Items set out below:

73.08.000

73.09.001

73.09.009

73.12.002.05G

73.12.002.09K

73.12.002.15D

73.12.002.19G

73.12.019.01D

73.12.019.25A

73.12.019.29D

73.12.019.45F

73.12.019.49J

73.13.001

73.13.009

73.13.021.05E

73.13.021.09H

73.13.029.05F

73.13.029.09J

73.13.071.05B

73.13.071.09E

73.13.079.45B

73.13.079.49E

73.13.079.59B

73.15.011.01D

73.15.051.11C

73.15.051.31H

73.15.051.51B

73.15.059.11D

73.15.059.31J

73.15.059.51C

73.15.091.31K

73.15.091.39E

73.15.099.31L

73.15.099.39F

73.15.131.01K

73.15.139.09F

73.15.139.31B

ATTACHMENT VII OF ANNEX C

REDUCTION AND ELIMINATION OF TARIFFS ON WHITEGOODS  
PURSUANT TO PART VI

Product Category	1 Jan 1983		1 Jul 1985	1 Jul 1986	1 Jul 1987	1 Jul	1 Jul
	1983	1984					
(a) Refrigerators and freezers	NZ		25%	20%	15%	10%	5% free
	Tariff		20%	20%	15%	10%	5%
	Aust Tariff						free
(b) Dishwashers	NZ		25%	17.5%	12.5%	10%	5%
	Tariff		free	free	free	free	free
	Aust Tariff						free
(c) Clothes washing machines	NZ		25%	20%	15%	10%	5%
	Tariff		20%	20%	15%	10%	5%
	Aust Tariff						free
(d) Rotary tumble type clothes dryers	NZ		25%	20%	15%	10%	5%
	Tariff		15%	15%	15%	10%	5%
	Aust Tariff						free
(e) Room air conditioners	NZ		25%	20%	15%	10%	5%
	Tariff		15%	15%	15%	10%	5%
	Aust Tariff						free
(f) (i) Electric stoves and ranges	NZ		22.5%	17.5%	12.5%	10%	5%
	Tariff		10%	10%	10%	10%	5%
	Aust Tariff						free
(ii) Gas stoves and ranges	NZ		20%	17.5%	12.5%	10%	5%
	Tariff		10%	10%	10%	10%	5%
	Aust Tariff						free

ATTACHMENT VIII OF ANNEX C

ACCESS FOR WHITEGOODS INTO NEW ZEALAND PURSUANT TO PART VI

Product Category	1983	1984	1985	1986	1987	1988	1989	1990	1991
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(a)	Refrigerators and freezers	17%	17%	22%	22%	30%	30%	Licence on demand
(b)	Dishwashers	17%	17%	22%	22%	30%	30%	Licence on demand
(c)	Clothes washing machines	15%	15%	20%	20%	25%	25%	Licence on demand
(d)	Rotary tumble type clothes dryers		15%	15%	20%	20%	25%	Licence on demand
(e)	Room air conditioners							
	(i) designed for window mounting							Licence on demand
	(ii) Other	16%				16%	22%	22%
		28%	28%					Licence on demand
(f)(i)	Electric stoves and ranges*	27.5%	27.5%	6%	6%	10%	10%	17.5%
								Licence on demand
(ii)	Gas stoves and ranges							Licence on demand

\* In respect of electric stoves and ranges, the level of access into the New Zealand market for goods originating in Australia shall be the figures above or New Zealand's percentage share of the Australian market whichever is the higher.

## ATTACHMENT IX OF ANNEX C

### ALLOCATION OF EXCLUSIVE ACCESS FOR WHITEGOODS PURSUANT TO PART VI

1. The application of paragraph 22 of Article 5 of this Agreement shall be modified in that the allocation of exclusive access by New Zealand shall be undertaken in accordance with the following conditions:

(a) allocations shall be made by the New Zealand Department of Trade and Industry and not by the tendering process;

(b) the names of New Zealand holders of exclusive access and the Australian manufacturers involved shall be published;

(c) once products become licence on demand, exclusive access shall be issued automatically on the request of registered New Zealand companies;

(d) special-to-type parts and components for servicing requirements shall be subject to licence on demand provisions for those registered New Zealand companies that receive exclusive access for whitegoods;

(e) in considering the allocation and any subsequent reallocation of exclusive access, regard shall be given to applications supported by industry rationalisation or complementation proposals;

(f) applicants must be registered New Zealand companies and be able to demonstrate their ongoing involvement in the whitegoods business and their ability to satisfactorily service the product during its working life;

(g) New Zealand applicants shall be required to show that they have a confirmed source of supply from an Australian manufacturer; and

(h) New Zealand importers shall be required to confirm within the first six months of each import licensing period that their allocation for that period will be fully utilised. Any unutilised exclusive access shall be reallocated by the Department of Trade and Industry.

2. For whitegoods excluding electric ranges, the following additional conditions shall apply in respect of the allocation by New Zealand of exclusive access:

(a) in respect of import licences for calendar years 1983 and 1984 the annual exclusive access available shall be divided equally between the number of Australian manufacturers nominated by the New Zealand applicants; and

(b) in respect of import licences for the calendar years after 1984, the annual exclusive access to be allocated shall be on the basis of import performance over the previous two years with provision for new applicants to be made from any access additional to the access available in the previous year.

3. For electric ranges, stoves and cookers, the following additional conditions shall apply in respect of the allocation by New Zealand of exclusive access:

(a) applicants must be registered New Zealand companies and be able to demonstrate their ongoing involvement in the electric range business and their ability to satisfactorily service the product during its working life;



(b) in respect of import licences for the calendar years 1983 to 1986 the annual exclusive access available shall be allocated on the following basis:

(i) be divided equally between the number of Australian manufacturers nominated by the New Zealand applicants;

(ii) be made available first to New Zealand electric range manufacturers that provide evidence of a confirmed source of supply from an Australian electric range manufacturer; and

(iii) where a New Zealand electric range manufacturer cannot establish a source of supply or an interested Australian electric range manufacturer is not able to link up with a New Zealand electric range manufacturer, then applications shall be considered from other registered New Zealand companies that provide evidence of a confirmed source of supply from an Australian electric range manufacturer; and

(c) in respect of import licences for the calendar years after 1986, the annual exclusive access to be allocated shall be on the basis of import performance over the previous two years with provision for new entrants to be made from any access additional to the access available in the previous year.

ATTACHMENT X OF ANNEX C

MOTOR VEHICLES AND COMPONENTS FOR WHICH THE APPLICATION OF THIS AGREEMENT IS MODIFIED PURSUANT TO PART VIII

Brief Description of Goods	Australian Tariff	New Zealand	New Zealand Import
Item	Tariff Item	Licensing Schedule	
		Item Code (1982/83)	

SECTION A. Vehicles

Tractors for articulated vehicles, on-highway use	87.01.310	87.01.001	EX87.000
		87.01.005	EX87.020
Motor vehicles for the transport of persons, goods or materials other than convertible	87.02.100	EX87.02.011	EX87.000
road/rail motor coaches, assembled and air	87.02.210	87.02.021	EX87.015
cushion vehicles designed to travel over both	87.02.221	87.02.029	EX87.020
land and water		EX87.02.910	EX87.025
		EX87.02.921	
		EX87.02.929	

SECTION B. Components of a kind commonly used with tractors for articulated vehicles being tractors that are designed for operation solely or principally on the highway, or with vehicles of 87.02 other than air cushion vehicles or convertible road/rail motor coaches, assembled.

Rubber piping and tubing	EX40.09.000	EX40.09.001	EX40.000
	EX40.09.009	EX40.010	
	EX40.09.011		
	EX40.09.019		

Transmission belts	EX40.10.900	EX40.10.001 EX40.10.008 EX40.10.009	EX40.000 EX40.030
Rubber tyres, tyre cases	EX40.11.200 EX40.11.900	EX40.11.001 EX40.11.009	EX40.000 EX40.036
Articles of rubber, excluding goods specified in Section C of this Attachment	EX40.14.300	EX40.14.021 EX40.14.029	EX40.000 EX40.060
Friction materials, excluding goods specified in Section C of this Attachment	EX68.14.000	EX68.14.011 EX68.14.029	EX68.000 EX68.030
Safety glass	70.08.100	70.08.001	EX70.000 EX70.010
Rear view mirrors	70.09.100	EX70.09.001	EX70.015
Illuminating and signalling glassware, excluding goods specified in Section C of this Attachment	EX70.14.100	EX70.14.001 70.14.200 EX70.14.029	EX70.000 EX70.040
Springs and leaves for springs	EX73.35.110	EX73.35.000	EX73.078
	EX73.35.120 EX73.35.190		
Earth straps	EX74.10.000	EX74.10.000	EX74.025
Locks, excluding goods specified in Section C of this Attachment	83.01.100	EX83.01.011 EX83.01.900 EX83.01.019	EX83.000 EX83.005
Base metal fittings for coachwork	EX83.02.100	EX83.02.009 EX83.02.290 EX83.02.900	EX83.005 EX83.010
Sign plates, name plates of base metal	EX83.14.000	EX83.14.000	EX83.045
Vehicle engines and parts	84.06.111	84.06.041 84.06.119 EX84.06.061 EX84.06.120 EX84.06.071 EX84.06.210 EX84.06.220 EX84.06.230	EX84.000 EX84.520 EX84.523 EX84.526
Filters for gases, lubricant, fuel	EX84.18.210	EX84.18.031 84.18.290 EX84.18.039	EX84.620
Mechanical appliances	EX84.21.200	EX84.21.029	EX84.655
Air conditioning equipment for motor vehicles	EX84.59.300	EX84.59.059	EX84.000
Taps, cocks, valves, excluding goods specified in Section C of this Attachment	EX84.61.200	EX84.61.021 EX84.61.900 EX84.61.029	EX84.880 EX84.883 EX84.886
Transmission shafts, cranks, etc, excluding goods specified in Section C of this Attachment	EX84.63.100	EX84.63.001 EX84.63.210 EX84.63.011 EX84.63.220 EX84.63.029	EX84.000 EX84.890
Gaskets	EX84.64.000	EX84.64.001 EX84.64.009	EX84.000 EX84.910
Electrical goods, excluding goods specified in Section C of this Attachment	EX85.01.900	EX85.01.011 EX85.01.019	EX85.000 EX85.003
Electric accumulators (batteries)	EX85.04.000	EX85.04.001 EX85.04.009	EX85.000 EX85.015
Electrical starting and ignition equipment for internal combustion engines, excluding goods specified in Section C of this Attachment	85.08.300	EX85.08.001 EX85.08.900 EX85.08.031 EX85.08.039	EX85.000 EX85.021
Electrical lighting and signalling equipment and electrical windscreen wipers, defrosters and demisters, excluding goods specified in Section C of this Attachment	EX85.09.200	EX85.09.011 EX85.09.900 EX85.09.019	EX85.000 EX85.024
Electrical heaters	EX85.12.900	EX85.12.019	EX85.033
Car radios, excluding goods specified in Section C of this Attachment	EX85.15.100	EX85.15.001 EX85.15.900	EX85.048
Electrical apparatus, excluding goods specified in Section C of this Attachment	EX85.19.900	EX85.19.009 EX85.19.011 85.19.041 EX85.19.051 EX85.19.055 EX85.19.059	EX85.000 EX85.057 EX85.060 EX85.063

Tariff Heading  
Number  
Brief Description of Goods

SECTION C. Components referred to in paragraph 7 of Part VIII of Annex C

EX40.14 Rubbers for windscreen wiper blades

45.03 Articles of natural cork

EX68.14 Clutch facings of an angular shape, friction material in the piece or undrilled

EX70.14 Lenses unmounted, moulded glasses for vehicle lamps, illuminating glassware

EX83.01 Keys for locks, finished or not

EX84.10 Submersible pumps and parts

EX84.61 Valves for pneumatic tyres or tubes

84.62 Ball, roller or needle roller bearings

EX84.63 Bearing housings incorporating ball, roller or needle roller bearings

EX85.01 Generators, electric motors more than 0.746kw, convertors, rectifiers and rectifying apparatus, inductors

EX85.08 Distributors, generators (dynamos and alternators)

EX85.09 Windscreen wiper arms, windscreen wiper blades

EX85.15 Aerials and antennae, high fidelity tuners for broadcast frequencies

85.18 Electrical capacitors, fixed or variable

EX85.19 Resistors, including potentiometers

EX87.02 Convertible road/rail motor coaches, assembled; air cushion vehicles designed to travel over both land and water

EX87.06 Steering wheel covers of any material; truck trailer automatic couplings; parts for air cushion vehicles

90.01 Lenses, prisms, mirrors and other optical elements of any materials, unmounted, other than such elements of glass not optically worked; sheets or plates of polarising material

EX90.27 Revolution counters, mileometers, speed indicators, tachometers

EX91.03 Instrument panel clocks and clocks of similar kinds for vehicles

98.10 Cigarette and cigar lighters

## ATTACHMENT XI OF ANNEX C

### MOTOR VEHICLES AND COMPONENTS REFERRED TO IN PARAGRAPH 5 OF PART VIII

Tariff Heading Number	Brief Description of Goods
EX70.09	Rear-view mirrors for vehicles
EX84.06	Vehicle engines not suited for use on cycles or tractors when declared that they will be so used
EX84.06	Parts for vehicle engines, excluding pistons, cylinder sleeves, piston rings, mufflers, carburettors, governors or parts for cycle and tractor engines when declared that they will be so used
EX84.10	Pumps, fuel, lubricating oil and water, specially suited for use with motor vehicle engines
EX84.63	Crankshafts and camshafts for internal combustion engines excluding goods for tractor and cycle engines when declared that they will be so used
85.08	Electrical starting and ignition equipment for internal combustion engines and parts therefor, generators and cut-outs for use in conjunction with such engines and parts therefor
EX85.09	Electrical lighting and signalling equipment and electrical windscreen wipers, defrosters and demisters for cycles and motor vehicles and parts therefor, excluding dynamos or generators for bicycles and parts therefor
EX87.02	Vehicles for the transport of persons, goods or materials, excluding assembled convertible road/rail motor coaches, and excluding air cushion vehicles designed to travel over land or over both land and water
87.03	Special purpose motor lorries and vans
87.04	Chassis fitted with engines for the motor vehicles falling within Tariff Headings 87.01, 87.02 or 87.03
87.05	Bodies (including cabs), for the motor vehicles falling within Tariff Headings 87.01, 87.02 or 87.03
EX87.06	Parts and accessories for the motor vehicles falling within Tariff Headings 87.01, 87.02 or 87.03, excluding goods for air cushion vehicles of Tariff Heading 87.02 and tractors other than road tractors of Tariff Heading 87.01
EX87.07	Straddle carriers

## ANNEX D

### PERFORMANCE-BASED EXPORT INCENTIVES REFERRED TO IN PARAGRAPH 4 OF ARTICLE 9

1. The following export incentives shall be reduced and eliminated pursuant to paragraph 4 of Article 9 of this Agreement to the extent that such schemes continue to apply after 1 April 1985:

- (a) in respect of goods traded in the Area originating in New Zealand:
  - (i) Export Performance Taxation Incentive;
  - (ii) Export Suspensory Loans;
  - (iii) Rural Export Suspensory Loans;
  - (iv) Increased Export Taxation Incentive; and
  - (v) Export Investment Allowance; and
- (b) in respect of goods traded in the Area originating in Australia:
  - (i) Export Expansion Grants.

2. For the purpose of the application of paragraph 4 of Article 9 of this Agreement to the export incentives specified in paragraph 1 of this Annex:

- (a) under the Export Suspensory Loans Scheme and Rural Export Suspensory Loans Scheme, "entitlement to benefit" shall mean, in respect of any trade measurement year commencing 1 October, the value of goods exported to Australia included in an applicant's export total for the purposes of assessing performance under the criteria of these schemes; and
- (b) under the Export Performance Taxation Incentive, "entitlement to benefit" shall mean the rate of tax credit payable in respect of export goods in the income year commencing 1 April 1984 (or equivalent accounting year).

## ANNEX E

### AGRICULTURAL STABILISATION AND SUPPORT: PROVISIONS REFERRED TO IN PARAGRAPH 1 OF ARTICLE 10

#### Wheat

1. Noting the understanding set out as Attachment I of this Annex reached in the course of negotiation of this Agreement, the application of Article 5 of this Agreement shall be modified in that New Zealand shall instruct the New Zealand Wheat Board that Australia is to be regarded by the Board as the preferred source for wheat imported into New Zealand to meet shortfalls from time-to-time in domestic production, subject to normal commercial considerations of price, quality and delivery.

#### Wheat Flour

2. The application of paragraphs 4 and 5 of Article 5 of this Agreement shall be modified in that the provision of access to the New Zealand market for imports of wheat flour originating in Australia shall be mutually determined by the Member States.

#### Fruit

3. The application of Article 5 of this Agreement shall be modified in that, from 1 January 1985, New Zealand shall accord to citrus fruit and fresh grapes originating in Australia access to the New Zealand market on a basis equal to that accorded such goods produced in New Zealand. This paragraph shall apply while monopoly import arrangements for these goods exist in New Zealand and subject to:

- (a) normal commercial considerations of price, quality and delivery; and
- (b) the commitments of New Zealand existing on the day of entry into force of this Agreement to the Cook Islands, Niue, Tokelau, and Western Samoa, and under the South Pacific Regional Trade and Economic Co-operation Agreement, done at Tarawa on 14 July 1980.

4. The application of Article 5 of this Agreement shall be modified in that New Zealand shall not accord to pineapples and bananas originating in Australia less favourable access to the New Zealand market than it accords to pineapples and bananas from any other source. This paragraph shall apply while monopoly import arrangements for these goods exist in New Zealand and subject to:

- (a) normal commercial considerations of price, quality and delivery; and
- (b) the commitments of New Zealand existing on the day of entry into force of this Agreement to the Cook Islands, Niue, Tokelau, and Western Samoa, and under the South Pacific Regional Trade and Economic Co-operation Agreement, done at Tarawa on 14 July 1980.

#### Sugar and sugar products

5. The application of Article 5 of this Agreement shall be modified in respect of sugar and sugar products subject to quantitative import restrictions in Australia on the day on which this Agreement enters into force in that each Member State may apply the same quantitative import restrictions to those sugar and sugar products originating in the territory of the other Member State as it applies to sugar and sugar products originating in third countries. This paragraph shall apply only for so long as Australia maintains

quantitative import restrictions on imports of sugar and sugar products originating in New Zealand.

6. Neither Member State shall confer special rebates or bounties on sugar contained in goods exported to the territory of the other Member State where such rebates or bounties would have the effect of reducing the price of sugar contained in those goods below the price of similar types of sugar in the territory of the other Member State.

7. Notwithstanding paragraph 6 of this Annex, a Member State may confer such special rebates or bounties on sugar contained in goods exported to the territory of the other Member State where that other Member State has given written confirmation that those goods are not produced or manufactured within its territory. Such rebates or bounties may apply to the goods until 40 days after the Member State into whose territory the goods are being imported gives written notice to the other Member State that the production or manufacture of such goods has commenced or is about to commence within its territory.

#### Dairy Products

8. The Member States note that it is the intention of the Australian and New Zealand dairy industries that dairy trade within the Area will be conducted in accordance with the terms of the Memorandum of Understanding between the industries concluded on 13 April 1982, set out as Attachment II of this Annex. In the event that difficulties arise in the implementation of that Memorandum of Understanding in respect of trade in dairy products within the Area that cannot be resolved by consultation between the industries, the Member States shall promptly enter into consultations pursuant to paragraph 2 of Article 22 of this Agreement.

#### Tomatoes

9. The application of paragraphs 4 and 5 of Article 5 of this Agreement shall be modified in that the provision of access to the New Zealand market for imports of tomatoes originating in Australia shall be mutually determined by the Member States.



## ATTACHMENT I OF ANNEX E

### AGREED ARRANGEMENT ON WHEAT

1. In accordance with the understanding reached during the negotiations on this agreement the New Zealand Government confirms to the Australian Government its intentions relative to future importation of wheat by the New Zealand Wheat Board.
2. Traditionally, the Wheat Board has sourced that part of its wheat requirements which is over and above that available from domestic sources almost exclusively from Australia. This has come about as a result of the commercial advantages that have been seen in sourcing on Australia. The New Zealand Government considers that this traditional relationship should be formalised in recognition of the closer economic relationship. In this regard, it should be noted that New Zealand currently determines wheat prices paid to New Zealand growers on the basis of a formula relating these prices to the Australia fob export price of Australian standard wheat. Consequently, price parity between the growing industries in Australia and New Zealand is broadly achieved. Accordingly, pursuant to Section 13 of the Wheat Board Act 1965, the New Zealand Government has instructed the Wheat Board that:

On the entry into force of an agreement constituting a closer economic relationship between New Zealand and Australia, Australia is to be regarded by the Board as the preferred source for wheat imported into New Zealand to meet shortfalls from time-to-time in domestic production, subject to the normal commercial considerations of price, quality and delivery.

## ATTACHMENT II OF ANNEX E

### MEMORANDUM OF UNDERSTANDING ON DAIRY PRODUCTS BETWEEN THE AUSTRALIAN AND NEW ZEALAND DAIRY INDUSTRIES

1. The Governments of Australia and New Zealand look to their respective dairy industries to develop and maintain understandings on the means whereby dairying will be included in the Closer Economic Relationship (CER).

To this end, the industries have formed a committee - the Joint Dairy Industry Consultative Committee (JICC) which is currently made up from representatives from the New Zealand Dairy Board and representatives from the Australian industry, including the Chairman of the Australian Dairy Corporation, and representatives of the Australian Dairy Farmers' Federation and the Australian Dairy Products Federation. Government officials are invited to attend as observers.

2. The members of the Joint Dairy Industry Consultative Committee recall:

(a) The two industries share common origins and enjoy a similar degree of economic efficiency in relation to dairying elsewhere. Trans-Tasman trade in dairy products has been virtually free of quantitative restrictions, and tariffs are at negligible levels.

(b) From the very outset of the establishment of central dairy industry boards in both countries in the 1920s, there has been a continuing practice of consultation and exchange of information, the mutual objective being to sustain confidence and to optimise returns to both countries.

(c) Over the past decade, the direction of their respective trades has diverged.

In Australia, production has declined, to the extent that the bulk of milk production is presently sold on domestic markets. Nonetheless, exports remain a significant outlet, currently utilising around 25% of manufacturing milk production and being of vital significance to Victoria and Tasmania. Although the New Zealand industry is the principal supplier to its domestic market, its size and structure require it to be directed primarily toward international markets at large, which currently utilise 75% of total wholemilk production.

3. The members of JICC have noted that:

(a) The Prime Ministers of Australia and New Zealand have agreed that the central trade objective of the CER will be "... a gradual and progressive liberalisation of trade across the Tasman on all goods produced in either country on a basis that would bring benefits to both countries."

Both sides recognise that trans-Tasman trade will be liberalised progressively under the CER in such a way as not to result in unfair competition between industries or disruption to industries of either country.

(b) Where tariffs remain on the trans-Tasman dairy trade, they will be liberalised in accordance with the provisions of the CER.

(c) In order to prevent disruption of any industry, the Governments intend to establish safeguard procedures within the CER as a whole. It is understood that these safeguards would apply, for example, to cases of distortion arising from dumping or subsidising of exports, or where the objectives of the agreement were being frustrated.

(d) In any event, it is the intention of the industries that trans-Tasman dairy trade shall proceed on an orderly basis and in a manner consistent with their mutual objectives.

4. The members of JICC accordingly place on record the following:

(a) The JICC will normally consult twice per year. The consultations will include:

(i) the review of production, and of trade, in milk and milk products;

(ii) the intentions of the industries in each other's domestic dairy market;

(iii) the respective policies and practices in export markets;

(iv) any changes in domestic policies which may affect the dairy industries in either country.

(b) The consultations shall have the mutual objectives of:

(i) sustaining the confidence of the industries in both countries;

(ii) not undermining the returns to the industries of either country, and

(iii) not undermining the established price structure in each other's domestic markets, taking account of all relevant terms and conditions of sale.

(c) The industries share concern at the possible effects of a major collapse in international prices, arising from the actions of third countries.

In this event, the JICC will consult as to how best to respond in their mutual interests.

(d) Governments in Australia have the right to set domestic prices and also the right to prevent these prices falling at times of depressed international prices.

(e) In New Zealand, the Government has no significant role in domestic price determination, as this derives through a smoothing mechanism from realisations from international markets.

(f) (i) For cheese the parties agree to consult as to their intentions in each other's domestic market and in their discussions will have regard to market growth.

(ii) The current understanding on New Zealand's level of cheese imports into Australia will continue, with New Zealand's sales being related to the growth in the Australian market.

(iii) In relation to cheddar:

(a) The existing NAFTA by-law arrangements will be abolished

(b) Future sales of New Zealand cheddar cheese in Australia will also be related to total market growth.

(iv) The JICC consultative process will include an exchange of information on the activities of each industry aimed at increasing total growth in the Australian cheese market.

(g) Fluid milk industries in both countries are controlled by separate specific legislation. The New Zealand Milk Board has responsibility for the domestic market, but the New Zealand Dairy Board is responsible for export.

In Australia, the responsibility for supply of fluid milk to the domestic market lies with the respective State milk authorities, but the Australian Government is responsible for export controls.

As fluid milk and cream make important contributions to returns to producers in both countries, any trade in these products would not take place without prior consultation in the JICC to ascertain whether such trade would be consistent with this understanding.

(h) Both industries acknowledge the principle of preferred supplier in the event of a domestic shortfall. The continuing process of consultation and exchange of production and marketing information should facilitate the achievement of this objective to the extent possible.

(i) Consistent with the increasing degree of co-operation between the two countries, which is envisaged in the CER, the JICC would like to see more specific action by the New Zealand Dairy Board and the Australian Dairy Corporation to develop further co-operation in international markets, in the interests of optimising returns to the industries in both countries.

(j) Consultation between the Board and the Corporation on the advice which they offer to their respective Governments on international dairy trade policy issues, and in combating agricultural protectionism and export dumping, is of considerable value and will continue.

(k) The industries in both countries attach great importance to their respective domestic arrangements, which can influence the size and structure of the industries in each country.

Within this context, both industries agree to consult in regard to domestic policies.

[Signed] [Signed]  
R.G. CALVERT  
On behalf of New Zealand delegation

M.L. VAWSER  
On behalf of Australian delegation

13 April 1982

## ANNEX F

### TRADE IN CERTAIN FOREST PRODUCTS: PROVISIONS REFERRED TO IN PARAGRAPH 3 OF ARTICLE 20

1. The Member States have agreed on the most appropriate means of carrying forward under this Agreement the objectives of the arrangements of 1969 and 1971 existing under the New Zealand-Australia Free Trade Agreement, done at Wellington on 31 August 1965, relating to newsprint and pulp and packaging materials, and the arrangements of 1971 and 1976 relating to certain tissue and other papers.
2. The Member States note that forest-based products have played an important part in the development of the present trading relationship. They held a central position in the New Zealand-Australia Free Trade Agreement, done at Wellington on 31 August 1965, as evidenced by these arrangements, which the Member States recognise have had a desirable effect in promoting the development of the trade and of co-operation between the industries of the two countries. The Member States wish to encourage the continued development of such co-operation.
3. The undertakings on newsprint and pulp set out in paragraphs 4 to 10 of this Annex shall be reviewed regularly by the Member States. Each Member State shall encourage suppliers in its territory to maintain close liaison with users in the territory of the other Member State in order that the preferred supplier objective is achieved.

#### NEWSPRINT

4. Australia shall continue to encourage Australian users of newsprint to regard the New Zealand industry as the preferred supplier in their import purchases. This preference towards New Zealand newsprint shall be subject to the price of New Zealand newsprint being fair and reasonable in comparison with the price at which newsprint from other suppliers is being sold, and to other relevant factors such as the availability of New Zealand newsprint of suitable quality and substance, and conditions of reasonable delivery.

#### PULP

5. Each Member State shall continue to encourage users of pulp located in its territory to accord pulp producers located in the territory of the other Member State a preferred supplier position in their import purchases.
6. In respect of imports into Australia, paragraph 5 of this Annex shall relate to New Zealand softwood pulp of suitable quality and substance which is available at fair and reasonable prices in comparison with similar softwood pulp from third country suppliers on conditions of reasonable delivery.
7. While Australian users are according New Zealand pulp producers a preferred supplier position, Australia may continue to admit duty-free, under by-law, imports from third countries of softwood pulp falling within Australian Tariff Items 47.01.110 and 47.01.190. New Zealand shall, however, retain the right, at any time, to request Australia to cancel the by-law on the grounds that, although New Zealand softwood pulp meets the terms and conditions set out in paragraph 6 of this Annex, Australian users of such softwood pulp are not according New Zealand softwood pulp producers a preferred supplier position in their import purchases. Any such cancellation shall remain in force until the Member States mutually determine that there is clear evidence that the preferred supplier position is again being accorded New Zealand softwood pulp producers.

8. In respect of imports into New Zealand, paragraph 5 of this Annex shall relate to Australian hardwood pulp of suitable quality and substance which is available at fair and reasonable prices in comparison with similar hardwood pulp from third country suppliers on conditions of reasonable delivery.

9. While New Zealand users are according Australian pulp producers a preferred supplier position, New Zealand may continue to admit duty-free, under concessionary entry, imports from third countries of hardwood pulp falling within New Zealand Tariff Item 47.01.005. Australia shall, however, retain the right, at any time, to request New Zealand to cancel this concessionary entry on the grounds that, although Australian hardwood pulp meets the terms and conditions set out in paragraph 8 of this Annex, New Zealand users of such hardwood pulp are not according Australian hardwood pulp producers a preferred supplier position in their import purchases. Any such cancellation shall remain in force until the Member States mutually determine that there is clear evidence that the preferred supplier position is again being accorded Australian hardwood pulp producers.

10. Each Member State shall encourage pulp producers located in its territory to accord users located in the territory of the other Member State priority in terms of continuity of supply in times of shortage. In respect of users in Australia this shall relate to the pulps referred to in paragraph 7 of this Annex. In respect of users in New Zealand this shall relate to the pulps referred to in paragraph 9 of this Annex.

#### CERTAIN TISSUE AND OTHER PAPERS

11. Australia shall not reduce the General tariff on wrapping, waxing and serviette tissues having a substance not exceeding 22 gsm under Australian Tariff Item 48.01.990 below  
\$A 41.25 per tonne.

12. Australia shall not grant by-law entry for imports from sources other than New Zealand of the goods specified in paragraph 11 of this Annex or in the Attachment thereto.

13. Australia shall accord the goods specified in paragraph 11 of this Annex originating in New Zealand the protection afforded by the normal anti-dumping measures and procedures specified in the relevant Australian legislation in relation to dumping by third countries.

14. New Zealand shall not reduce the margin of preference accorded the following papers originating in Australia below 5 per cent:

(a) wood free printing and writing papers coated on one or both sides with clay, having a substance exceeding 22gsm; and

(b) printing and writing papers coated on one or both sides with clay, having a substance exceeding 67 gsm and a mechanical pulp content not less than 55 per cent.

15. New Zealand shall not grant concessionary entry for imports from sources other than Australia of the papers specified in paragraph 14 of this Annex.

16. The Attachment hereto is an integral part of this Annex.

ATTACHMENT TO ANNEX F

PAPERS REFERRED TO IN PARAGRAPH 12 OF ANNEX F

Paper having a substance not exceeding 22 gsm of a kind used in the manufacture of:

- paper patterns
- plywood
- decorative crepe paper
- one-time carbon paper
- paper, paperboard or foil laminates
- plastic laminates
- printed overlay for wallboards
- paper yarn

Tissue, acid free, bleached, white having a substance of 17 gsm of a kind used in the inter-leaving of corrosive metals

Paper having a substance exceeding 27 gsm and not exceeding 34 gsm of a kind used in the manufacture of waxed paper for twist wrapping machines

Bleached kraft paper, having a substance of 100 gsm, high wet strength of a kind used in the manufacture of laminated boards

Plain kraft paper, having a substance exceeding 22 gsm, gumming of a kind used in the manufacture of single ply gummed tape

Overlay paper, having a substance of 45 gsm, high wet strength, white, cellulose base on reels of a kind used in the manufacture of plastic laminates.