No. 8101

NEW ZEALAND
and
AUSTRALIA

New Zealand-Australia Free Trade Agreement (with schedule and exchanges of letters). Signed at Wellington, on 31 August 1965

Official text: English.

Registered by New Zealand on 11 February 1966.

NOUVELLE-ZÉLANDE
et
AUSTRALIE

Accord de libre-échange entre la Nouvelle-Zélande et l'Australie (avec annexe et échanges de lettres). Signé à Wellington, le 31 août 1965

Texte officiel anglais.

Enregistré par la Nouvelle-Zélande le 11 février 1966.

No. 8101. NEW ZEALAND-AUSTRALIA FREE TRADE AGREEMENT.[1] SIGNED AT WELLINGTON, ON 31 AUGUST 1965

The Government of New Zealand and the Government of the Commonwealth of Australia,

Recalling the Australian - New Zealand Agreement 1944 in which they agreed to facilitate the development of commerce between New Zealand and Australia,

Desirous of strengthening economic relations between their two countries, and

Recognising the obligations assumed by them under the General Agreement on Tariffs and Trade,[2]

Have agreed as follows :

Article 1

FREE TRADE AREA

1. A Free Trade Area (in this Agreement called "the Area") is hereby established.

2. The Area consists of New Zealand and Australia, which countries or, as the context requires, the Governments thereof, are in this Agreement called the "Member States".

3. In paragraph 2 of this Article "New Zealand" means the metropolitan territory of New Zealand and excludes the Cook Islands, Niue and the Tokelau Islands, and "Australia" means the territory of the States and of the mainland Territories of the Commonwealth of Australia.

4. The word "territory" in this Agreement, when used in relation to either Member State, shall have a meaning corresponding to the appropriate definition of "New Zealand" or "Australia" in paragraph 3 of this Article.

[1] Came into force on 1 January 1966, the thirtieth day following the date of the exchange of the instruments of ratification, which took place at Canberra on 2 December 1965, in accordance with article 17 (1).

[2] United Nations, *Treaty Series*, Vol. 55, p. 187; for subsequent actions relating to this Agreement, see references in Cumulative Indexes Nos. 1 to 6, as well as Annex A in volumes 501, 525, 543 and 551.

Article 2

Objectives

The objectives of the Member States in concluding this Agreement are—

(*a*) to further the development of the Area and the use of the resources of the Area by promoting a sustained and mutually beneficial expansion of trade ;

(*b*) to ensure as far as possible that trade within the Area takes place under conditions of fair competition ; and

(*c*) to contribute to the harmonious development and expansion of world trade and to the progressive removal of barriers thereto.

Article 3

Scope of this Agreement

1. The provisions of Articles 4, 6, 7, 8 and 9 and, except as otherwise therein provided, the provisions of Article 5, shall apply only in respect of goods listed in Schedule A to this Agreement (in this Agreement called "scheduled goods").

2. Subject to the provisions of paragraph 1 of this Article, this Agreement applies to all goods traded within the Area. The provisions of the Trade Agreement of the 5th September, 1933, between Australia and New Zealand, with amendments, shall be read subject to this Agreement but, except as thus superseded or modified, shall continue in force, be deemed to form part of, and have the same duration as this Agreement.

3. The Member States shall from time to time jointly review the trade of both Member States in goods not listed in Schedule A to this Agreement with a view to the inclusion of additional items in that Schedule. Such reviews shall take into account all trade between the Member States and the effect which the addition of any item or items to Schedule A to this Agreement would have on the economies of both Member States. The objective of these reviews shall be the progressive listing in Schedule A to this Agreement of all goods which enter or might enter into the trade of either Member State, except those goods the inclusion of which would be seriously detrimental to an industry in the territory of either Member State, or would be contrary to the national interest of either Member State, or would be inconsistent with the objectives of any commodity arrangement to which both Member States are parties.

4. The first of the reviews provided for in paragraph 3 of this Article shall take place not later than two years after the entry into force of this Agreement. Thereafter such reviews shall take place annually.

5. In deciding whether the addition of any item or items to Schedule A to this Agreement would be seriously detrimental to an industry in its territory, each Member State shall consider whether such addition would cause or threaten to cause material injury to its producers of like or directly competitive goods or would or might hinder the establishment of an industry to produce or manufacture like or directly competitive goods. In particular, each Member State shall have regard to the effect which the addition of any item or items to Schedule A to this Agreement would have on profit levels, employment, capital investment and prices.

6. In deciding whether the addition of any item or items to Schedule A to this Agreement would be contrary to its national interest, a Member State may take into account the effect that such addition would have on its trade with other countries.

7. In relation to goods not at the time listed in Schedule A to this Agreement, the Member States may agree on and implement special measures beneficial to the trade and development of each Member State and designed to further the objectives of this Agreement. Such measures may include the remission or reduction of duties on agreed goods or classes of goods in part or in whole.

Article 4

IMPORT DUTIES

1. Subject to the provisions of Articles 6, 7, 8 and 9 of this Agreement, each Member State shall reduce and eliminate, in accordance with the provisions of this Article, import duties on scheduled goods imported from the territory of the other Member State.

2. If, on the day immediately preceding the day on which this Article first applies to them, scheduled goods are—

(*a*) free of import duties—they shall remain free of import duties ;

(*b*) subject to import duties not exceeding 5 per cent *ad valorem* or import duties of equivalent effect—they shall be and remain free of import duties from the day on which this Article first applies to them ;

(*c*) subject to import duties of more than 5 per cent but not exceeding 10 per cent *ad valorem* or import duties of equivalent effect—

(i) they shall, from the day on which this Article first applies to them, be subject to import duties not exceeding 50 per cent of those payable on the day immediately preceding the day on which this Article first applies to them, and

(ii) they shall, from the day two years after the day on which this Article first applies to them, be and remain free of import duties ;

(*d*) subject to import duties of more than 10 per cent *ad valorem* or import duties of equivalent effect—they shall, from each of the days listed hereunder, not be subject to import duties exceeding the percentage specified against that day of the import duties payable on the day immediately preceding the day on which this Article first applies to them :

the day on which this Article first applies to them . . . . . . 80 per cent

the day two years after the day on which this Article first applies to them . . . . 60 per cent

the day four years after the day on which this Article first applies to them . . . . 40 per cent

the day six years after the day on which this Article first applies to them . . . . 20 per cent

and from the day eight years after the day on which this Article first applies to them, they shall be and remain free of import duties.

For the purposes of this paragraph the term "import duties" shall not include temporary duties.

3. For the purposes of paragraph 2 of this Article, the term "import duties of equivalent effect" shall mean duties, other than variable duties, which are not expressed solely in ad valorem terms. Where scheduled goods are subject to such duties, for the purpose of determining which of the sub-paragraphs (*b*), (*c*) or (*d*) of paragraph 2 of this Article shall apply to those goods, those duties shall be deemed to be equivalent to the ad valorem rates obtained by expressing the total amount of duties which a Member State has collected, in the most recent year ending on the thirtieth day of June for which official statistics are available, on imports from the territory of the other Member State of those goods entered at substantive rates of duty, as a percentage of the sum of the values for duty of those imports. If in that year there have been no imports of those goods from the territory of the other Member State, or if in the opinion of either Member State the volume of imports of those goods was insufficient to represent the usual and ordinary course of trade between the Member States in those goods, the Member States shall consult for the purpose of determining the manner in which the provisions of paragraph 2 of this Article shall be applied to those goods.

4. The Member States shall consult for the purpose of determining the manner in which the provisions of paragraph 2 of this Article shall be applied to goods subject to variable duties.