

No. 14965

**AUSTRALIA
and
NEW ZEALAND**

**Exchange of letters constituting an agreement on rules of
origin concerning preferential trade. Canberra and
Wellington, 11 April 1975**

Authentic text: English.

Registered by Australia on 19 August 1976.

**AUSTRALIE
et
NOUVELLE-ZÉLANDE**

**Échange de lettres constituant un accord sur les règles
d'origine en matière de commerce préférentiel.
Canberra et Wellington, 11 avril 1975**

Texte authentique : anglais.

Enregistré par l'Australie le 19 août 1976.

EXCHANGE OF LETTERS CONSTITUTING AN AGREEMENT¹ BETWEEN AUSTRALIA AND NEW ZEALAND ON RULES OF ORIGIN CONCERNING PREFERENTIAL TRADE

I

MINISTER FOR OVERSEAS TRADE
CANBERRA

11 April 1975

My dear Minister,

I refer to discussions between our two Governments relating to the rules of origin applying to admission to each country, under preferential tariff arrangements, of goods produced or manufactured in the other country.

Our two Governments have agreed that the rules of origin at present in force should be amended to provide a common basis for determining the origin of goods traded between Australia and New Zealand. I therefore propose that the provisions set out in the following paragraphs in relation to rules of origin should come into force as from 1 October 1975:

(1) In this letter the term "Member State" has the same meaning as it has in the New Zealand-Australia Free Trade Agreement 1965.²

(2) The following shall be the classes of goods entitled to be entered for duty in Australia as the produce or manufacture of New Zealand, namely:

(A) Goods wholly the produce of New Zealand

(B) Goods wholly manufactured in New Zealand from materials of one or more of the following classes:

(i) Unmanufactured raw products

(ii) Materials wholly manufactured in Australia, or in New Zealand, or in Australia and New Zealand; and

(iii) Imported materials that the Australian Minister for Customs and Excise has determined for the purposes of this letter to be manufactured raw materials,

(C) Goods partly manufactured in New Zealand, subject to the following conditions:

(i) The process last performed in the manufacture of the goods was performed in New Zealand; and

(ii) That in respect of the goods, the expenditure

(A) In material that is of Australian and/or of New Zealand origin; or

(B) In labour and factory overheads incurred in Australia and/or New Zealand; or

(C) In inner containers that are of Australian and/or of New Zealand origin; or

(D) Partly in such material and partly in such other items of factory cost (including inner containers) as aforesaid

is not less than one-half of the factory or works cost of the goods in their finished state.

¹ Came into force on 1 October 1975, in accordance with the provisions of the said letters.

² United Nations, *Treaty Series*, vol. 554, p. 169.

(3) The following shall be the classes of goods entitled to be entered for duty in New Zealand as the produce or manufacture of Australia, namely:

(A) Goods wholly the produce of Australia

(B) Goods wholly manufactured in Australia from materials of one or more of the following classes:

(i) Unmanufactured raw products

(ii) Materials wholly manufactured in Australia, or in New Zealand, or in Australia and New Zealand; and

(iii) Imported materials that the New Zealand Minister of Customs has determined for the purposes of this letter to be manufactured raw materials,

(C) Goods partly manufactured in Australia, subject to the following conditions:

(i) The process last performed in the manufacture of the goods was performed in Australia; and

(ii) That in respect of the goods, the expenditure

(A) In material that is of Australian and/or of New Zealand origin; or

(B) In labour and factory overheads incurred in Australia and/or New Zealand; or

(C) In inner containers that are of Australian and/or of New Zealand origin; or

(D) Partly in such material and partly in such other items of factory cost (including inner containers) as aforesaid

is not less than one half of the factory or works cost of the goods in their finished state.

(4) In respect of paragraphs 2 (B) (iii) and 3 (B) (iii) of this letter both Member States will commence with nil lists of determined manufactured raw materials;

(5) The references in paragraphs 2 (C) and 3 (C) to the factory or works costs shall be deemed to be the sum of costs of materials (excluding customs, excise or other duties), labour, factory overheads, and inner containers.

During our discussions it was agreed that there would be cases in relation to partly manufactured goods where the normal rule referred to in paragraphs 2 (C) (ii) and 3 (C) (ii) would not be appropriate. I would propose, therefore, that where a Member State considers the application of that rule to be inappropriate in relation to particular goods then that Member State may request consultations with the other Member State to determine a suitable proportion of expenditure content for the goods. This result shall be made in writing. If, as a result of these consultations, the Member States agree that a proportion of expenditure content different to that specified in paragraph 2 (C) (ii) or, as the case may be, in paragraph 3 (C) (ii) of this letter should be the proportion of expenditure content for the particular goods in question, then paragraph 2 (C) (ii) or, as the case may be, paragraph 3 (C) (ii) shall be read as if the proportion of expenditure content so agreed was the proportion of expenditure content specified in those paragraphs.

If the foregoing is satisfactory to your Government, I should like to propose that this letter and your reply should constitute an agreement between our two Governments to enter into force on 1 October 1975, and to remain in force as long as the New Zealand-Australia Free Trade Agreement 1965 and the Trade Agreement of 5 September 1933 as amended between Australia and New Zealand, remain in force. If you agree with this proposal I would further propose that this Agreement supersede and be substituted for Article X of the Trade Agreement between Australia and New Zealand of 5 September 1933 as amended, and that paragraph A of the exchange of letters of 31 August 1965 dealing with articles 3, 4, 5, 8 and 10 and

Schedule A of the New Zealand-Australia Free Trade Agreement should no longer have any effect.

Yours sincerely,

[Signed]

FRANK CREAN

The Hon. W. W. Freer
Minister of Trade and Industry
Parliament House
Wellington, New Zealand

II

OFFICE OF THE MINISTER OF TRADE AND INDUSTRY
WELLINGTON

11 April 1975

Dear Mr. Crean,

I have the honour to acknowledge receipt of your letter which reads as follows:

[See letter I]

I have the honour to confirm that your proposal is satisfactory to the Government of New Zealand and that your letter and my present reply shall constitute an Agreement between our two Governments to enter into force on 1 October 1975.

Yours sincerely,

[Signed]

WARREN FREER

Minister of Trade and Industry

Hon. F. Crean
Minister for Overseas Trade
Parliament House
Canberra
Australia
