

export incentives listed in Annex D of this Agreement.

4. In respect of goods traded in the Area the performance-based export incentives listed in Annex D of this Agreement shall be progressively reduced and eliminated in accordance with the following provisions and Annex D of this Agreement:

- (a) assistance in 1985 shall not exceed 50 per cent of the entitlement to benefit which would otherwise have been available under such export incentives;
- (b) assistance in 1986 shall not exceed 25 per cent of the entitlement to benefit which would otherwise have been available under such export incentives; and
- (c) there shall be no entitlement to benefit under such export incentives in 1987 or thereafter.

5. Before a Member State implements in any export subsidy or export incentive not listed in Annex D of this Agreement a change that may have a significant effect on trade in the Area, it shall consult with the other Member State.

Article 10

Agricultural stabilisation and support

1. The provisions set out in Annex E of this Agreement shall apply to the agricultural goods listed therein.

2. Before introducing new measures for the stabilisation or support of any agricultural goods or the amendment of any measures in operation on the day on which this Agreement enters into force, including any new or amended measures applying to the goods listed in Annex E of this Agreement, a Member State shall satisfy itself that the consequences for trade in the Area shall be consistent with the objectives of this Agreement.

3. If a Member State gives written notice to the other Member State that, in its opinion, the consequences for trade in the Area of measures taken or to be taken by the other Member State for the stabilisation or support of agricultural goods are inconsistent with the objectives of this Agreement, the Member States shall promptly enter into consultations.

4. The Member States shall, as appropriate, co-operate in respect of trade in agricultural goods in third country markets and to this end shall encourage co-operation between Australian and New Zealand marketing authorities.

Article 11

Government purchasing

1. In government purchasing the maintenance of preferences for domestic suppliers over suppliers from the other Member State is inconsistent with the objectives of this Agreement, and the Member States shall actively and on a reciprocal basis work towards the elimination of such preferences.

2. In pursuance of this aim:

- (a) the Government of the Commonwealth of Australia shall in relation to purchasing undertaken by those departments, authorities and other bodies subject to the purchasing policy of that Government:
 - (i) continue to treat any New Zealand content in offers received from Australian or New Zealand tenderers as equivalent to Australian content;
 - (ii) accord to New Zealand tenderers the benefits of any relevant tariff preferences; and
 - (iii) not require offsets in relation to the New Zealand content of such purchases;
- (b) the Government of New Zealand, in relation to purchasing undertaken by departments, authorities and other bodies controlled by that Government shall:
 - (i) accord to Australian tenderers the benefits of any relevant tariff preferences; and
 - (ii) not require offsets in relation to the Australian content of such purchases; and
- (c) the Member States shall take further steps towards the elimination of such preferences on a reciprocal basis.

3. The Member States shall reconsider the provisions of this Article in 1988 in the general review of the operation of this Agreement pursuant to paragraph 3 of Article 22 with a view to ensuring full reciprocity in the elimination of preferences in a manner consistent with the objectives of this Agreement.

Article 12

Other trade distorting factors

1. The Member States shall:

- (a) examine the scope for taking action to harmonise requirements relating to such matters as standards, technical specifications and testing procedures, domestic labeling and restrictive trade practices; and
- (b) where appropriate, encourage government bodies and other organisations and institutions to work towards the harmonisation of such requirements.

2. The Member States shall consult at the written request of either with a view to resolving any problems which arise from differences between their two countries in requirements such as those referred to in paragraph 1 of this Article where such differences impede or distort trade in the Area.

Article 13

Rationalisation of industry

1. Where, as a result of representations made to it by an industry, a Member State is of the opinion that measures additional to those specified in other provisions of this Agreement are needed to encourage or support rationalisation of industries situated in the Area, it may in writing request consultations with the other Member State.

2. Where consultations have been requested pursuant to paragraph 1 of this Article, the Member States shall consult promptly regarding possible additional measures and shall take into account:

- (a) the extent to which the rationalisation in question is likely to lead to more efficient use of resources and improvements in competitive ability in third country