

- (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

markets; and

(b) the views of appropriate industries and authorities.

3. Additional measures which may be implemented by the Member States may include any of the following:

(a) acceleration of measures taken to liberalise trade pursuant to other provisions of this Agreement;

(b) adoption of a common external tariff;

(c) adoption of common by-law or concessionary tariff action;

(d) exemption from the operation of anti-dumping action;

(e) joint anti-dumping action against third countries.

4. In any consideration of the need to provide assistance to an industry, a Member State shall have regard to any rationalisation which has occurred or is expected to occur in that industry in the Area. In forwarding a reference to an industry advisory body on the need to provide assistance to an industry, a Member State shall request that body to take into account such rationalisation in making its recommendations.

#### Article 14

##### Intermediate goods

1. A prejudicial situation arises in connection with intermediate goods, which are goods such as raw materials and components which are wrought into, attached to, or otherwise incorporated in the production or manufacture of other goods, when:

(a) the policies of either Member State or the application by one or both Member States of assistance or other measures enables producers or manufacturers of goods in the territory of one Member State to obtain intermediate goods at lower prices or on other more favourable terms and conditions than are available to the producers or manufacturers of like goods in the territory of the other Member State; and

(b) the extent of advantage referred to in sub-paragraph (a) of this paragraph in relation to the total cost for the production or manufacture and the sale of the relevant final goods is such that it gives rise to a trend in trade which frustrates or threatens to frustrate the achievement of equal opportunities for producers or manufacturers in both Member States.

2. Where as a result of a complaint from a domestic producer or manufacturer a Member State (hereinafter in this Article called "the first Member State") is of the opinion that a prejudicial intermediate goods situation has arisen, it shall give written notice to the other Member State.

3. The first Member State, having given notice under paragraph 2 of this Article and having quantified the disadvantage arising from the prejudicial intermediate goods situation, may within 45 days of such notice request consultations. The Member States shall thereupon commence consultations that shall include a joint examination of the situation with a view to finding a solution involving the alteration of the assistance or other measures which gave rise to the situation.