

Article 17

Safeguard measures during the transition period

1. Safeguard measures referred to in this Article may be introduced in respect of goods traded in the Area which originate in the territory of a Member State:

- (a) as a last resort when no other solution can be found; and
- (b) only during the transition period being the period in which for such goods any of the following measures imposed other than under this Article remain in force in either Member State:
 - (i) tariffs within the meaning of Article 4 of this Agreement;
 - (ii) quantitative import restrictions or tariff quotas within the meaning of Article 5 of this Agreement;
 - (iii) the performance-based export incentives listed in Annex D of this Agreement; or
 - (iv) measures for stabilisation or support which hinder the development of trading opportunities between the Member States on an equitable basis.

2. A Member State may in writing request consultations with the other Member State if, in its opinion, following the entry into force of this Agreement goods originating in the territory of the other Member State:

- (a) are being imported in such increased quantities and under such conditions as to cause, or to pose an imminent and demonstrable threat to cause, severe material injury to a domestic industry producing like goods; and
- (b) such increased imports are occurring as a result of:
 - (i) government measures taken to liberalise tariffs pursuant to Article 4 of this Agreement or quantitative import restrictions or tariff quotas pursuant to Article 5 of this Agreement; or
 - (ii) other government measures affecting trade in the Area such as encouragement to export by reason of measures for stabilisation or support in the territory of the exporting Member State or differences in measures for stabilisation or support between the Member States.

3. Should either Member State request consultations under paragraph 2 of this Article, the Member States shall consult immediately to seek a mutually acceptable solution which would avoid the application of safeguard measures under this Article. If the Member States do not promptly reach a solution, the Member State into whose territory the goods are being imported shall refer the matter to an industry advisory body for investigation, report and recommendation for appropriate action, consistent with paragraphs 4 and 6 of this Article.

4. The Member States shall consult at the written request of the Member State into whose territory the goods are being imported if its industry advisory body has:

- (a) provided an opportunity for evidence to be presented to it from the other Member State; and
- (b) reported that severe material injury has been caused on an industry-wide basis or that there exists an imminent and demonstrable threat thereof occasioned by increased quantities of goods imported from the territory of the other Member State under the operation of this Agreement in one or more of the circumstances listed in paragraph 2(b) of this Article.

5. The Member State which requested the consultations referred to in paragraph 4 of this Article may apply such safeguard measures as it considers most appropriate if:

- (a) there has been opportunity for consultation pursuant to paragraph 4 of this Article; and
- (b) the Member States did not reach a mutually satisfactory solution after 90 days from the date of request for the consultations referred to in paragraph 3 of this Article.

6. Wherever possible, safeguard measures shall be sought that do not restrict trade. However, notwithstanding Articles 4, 5 and 8 of this Agreement, safeguard measures that restrict trade may be applied provided that:

- (a) they shall be the minimum necessary to allow the fullest possible opportunity for trade to continue consistent with amelioration of the problem; and
- (b) if involving quantitative import restrictions or tariff quotas they shall be applied only in the most extreme circumstances and where other safeguard measures would provide insufficient amelioration of the problem and shall not be regarded as a means of extending the date for the elimination of quantitative import restrictions or tariff quotas pursuant to paragraph 14 of Article 5 of this Agreement.

7. Where safeguard measures involving the imposition, increase, intensification or retardation of the removal of tariffs within the meaning of Article 4 of this Agreement or quantitative import restrictions or tariff quotas within the meaning of Article 5 of this Agreement are applied in respect of the circumstances described in paragraph 2(b)(i) of this Article, the Member State applying those measures shall:

- (a) apply those measures for a period specified at the time of applying those measures which period shall not exceed two years;
- (b) at the conclusion of the specified period in respect of the safeguard measures that have been applied, set the same level of tariff and intensity of quantitative import restrictions or tariff quotas as existed on the goods on the day immediately before the day on which the safeguard measures were applied; and
- (c) thereafter resume the liberalisation of trade pursuant to paragraph 4 of Article 4 or paragraphs 3 to 7 of Article 5 of this Agreement as appropriate and wherever practicable shall accelerate such liberalisation.

8. Where a Member State has applied safeguard measures in respect of the circumstances described in paragraph 2(b)(i) of this Article, the other Member State may apply measures having equivalent effect in respect of the same industry to achieve conditions of fair competition. Such measures shall be of no longer duration than the safeguard measures themselves.

9. Where safeguard measures are applied in respect of the circumstances described in paragraph 2(b)(ii) of this Article the Member State applying those measures shall:

- (a) apply those measures only for so long as the conditions which led to the severe material injury or demonstrable threat thereof persist; and
- (b) while those measures apply review annually with the other Member State the need for the continuation of such measures.

10. Measures applied by a Member State pursuant to this Article to goods originating in the territory of the other Member State shall be no more restrictive than measures of the same nature that apply to imports of the same goods from third countries in the usual and ordinary course of trade.

11. In the event of severe material injury or demonstrable threat thereof arising from the operation of this Agreement in respect of any goods and occurring after the transition period applicable to those goods, the Member States shall, pursuant to paragraph 2 of Article 22 of this Agreement, consult promptly upon the written request of either to determine jointly whether remedial action is appropriate.

Article 18 Exceptions

Provided that such measures are not used as a means of arbitrary or unjustified discrimination or as a disguised restriction on trade in the Area, nothing in this Agreement shall preclude the adoption by either Member State of measures necessary:

- (a) to protect its essential security interests;
- (b) to protect public morals and to prevent disorder or crime;
- (c) to protect human, animal or plant life or health, including the protection of indigenous or endangered animal or plant life;
- (d) to protect intellectual or industrial property rights or to prevent unfair, deceptive, or misleading practices;
- (e) to protect national treasures of artistic, historical, anthropological, archaeological, palaeontological or geological value;
- (f) to prevent or relieve critical shortages of foodstuffs or other essential goods;
- (g) to conserve limited natural resources;
- (h) in pursuance of obligations under international commodity agreements;
- (i) to secure compliance with laws and regulations relating to customs enforcement, to tax avoidance or evasion and to foreign exchange control;
- (j) to regulate the importation or exportation of gold or silver;
- (k) for the application of standards or of regulations for the classification, grading or marketing of goods; or
- (l) in connection with the products of prison labour.

Article 19 Termination of earlier Agreements

In so far as they were in force on the day immediately before the day on which this Agreement enters into force, the following Agreements shall terminate on the day of entry into force of this Agreement:

- (a) Trade Agreement between the Commonwealth of Australia and the Dominion of New Zealand, dated 5 September 1933 as amended;ⁱⁱ²
- (b) Exchange of Notes at Canberra on 30 September 1952 constituting an Agreement between the Government of New Zealand and the Government of Australia amending Article X of the Trade Agreement between the Dominion of New Zealand and the Commonwealth of Australia, dated 5 September 1933;