12. For the purpose of paragraph 11 of this Article "Margin of Preference" means:
(i) in the case of Australia, the difference between the General tariff imposed on goods and the tariff imposed on the same goods originating in New Zealand; and
(ii) in the case of New Zealand, the difference between the Normal tariff imposed on goods and the tariff imposed on the same goods originating in Australia.

13. In this Article "Tariff" shall include any customs or import duty and charge of any kind imposed in connection with the importation of goods, including any form of primage duty, surtax or surcharge on imports, with the exception of:
(a) fees or charges connected with importation which approximate the cost of services rendered and do not represent an indirect form of protection or a taxation for fiscal purposes;
(b) duties, taxes or other charges on goods, ingredients and components, or those portions of such duties, taxes or other charges, which are levied at rates not higher than those duties, taxes or other charges applied to like goods, ingredients and components produced or manufactured in the country of importation;
(c) premiums offered or collected on imported goods in connection with any tendering system in respect of the administration of quantitative import restrictions or tariff quotas;
(d) duties applying to imports outside the established quota levels of goods subject to tariff quota, provided that paragraphs 9 and 10 and sub-paragraph 11(c) of this Article shall apply to such duties;
(e) sales or like taxes or those portions of such taxes which do not exceed the taxes applied to like goods produced or manufactured in the country of importation;
(f) charges imposed pursuant to Articles 14, 15, 16 or 17 of this Agreement; and
(g) those by-law or concessionary rates which are mutually determined by the Member States.

Article 5
Quantitative import restrictions and tariff quotas

1. Goods originating in the territory of a Member State which in the territory of the other Member State were free of quantitative import restrictions or tariff quotas on the day immediately before the day on which this Agreement enters into force or which subsequently become free of such measures shall remain free.

2. No quantitative import restrictions or tariff quotas shall be intensified on goods originating in the territory of the other Member State.

3. Quantitative import restrictions and tariff quotas on all goods originating in the territory of the other Member State shall be progressively liberalised and eliminated.

4. Each Member State shall establish a base level of access for each grouping of goods subject to quantitative import restrictions or tariff quotas. This shall be the average annual level of imports of goods in each such grouping from the other Member State in the three year period ending 30 June 1981, except for those groupings of goods listed

in Annex A of this Agreement where the level of access specified in that Annex shall constitute the base level of access.

5. In respect of liberalisation to come into effect in 1983 each Member State shall:
(a) where the base level of access is less than $NZ400,000 cif, establish an increase in access for goods originating in the territory of the other Member State which shall be the greater of the following two figures on an annual basis:
(i) $NZ60,000 cif; or
(ii) the difference between $NZ400,000 cif and the base level of access;
(b) where the base level of access equals or exceeds $NZ400,000 cif but is less than $NZ 1 million cif, establish an increase in access for goods originating in the territory of the other Member State of 15 per cent per annum in real terms above the base level of access; and
(c) where the base level of access equals or exceeds $NZ 1 million cif, establish an increase in access for goods originating in the territory of the other Member State of 10 per cent per annum in real terms above the base level of access.

6. Notwithstanding sub-paragraph (a) of paragraph 5 of this Article, a Member State may limit the increase in access for goods originating in the territory of the other Member State to be established in 1983 to an annual level equal to:
(a) in respect of groupings of goods other than those listed in Annex B of this Agreement, the greater of:
(i) $NZ60,000 cif; or
(ii) the difference between 5 per cent of the domestic market or $NZ200,000 cif whichever is the higher and the base level of access;
(b) in respect of the groupings of goods listed in Annex B of this Agreement, the greater of:
(i) $NZ30,000 cif; or
(ii) the difference between 5 per cent of the domestic market and the base level of access.

7. In respect of liberalisation to come into effect in 1984 and each subsequent year, each Member State shall establish an annual increase in access for goods originating in the territory of the other Member State above the level of access available in the previous year of:
(a) 15 per cent in real terms in respect of groupings of goods for which the level of access is less than $NZ 1 million cif in that previous year; or
(b) 10 per cent in real terms in respect of groupings of goods for which the level of access equals or exceeds $NZ 1 million cif in that previous year.

8. A Member State may establish an initial increase in the level of access for goods originating in the territory of the other Member State for a period longer than one year provided that the increase in the level of access is consistent with paragraphs 5, 6 and 7 of this Article.

9. A Member State may liberalise more rapidly or eliminate earlier than is provided in paragraphs 5, 6 and 7 of this Article quantitative import restrictions or tariff quotas on goods originating in the territory of the other Member State.

10. The increases in access to be established under paragraphs 5, 6 and 7 of this Article shall be achieved through the provision by each Member State of access applicable exclusively to goods originating in the territory of the other Member State (hereinafter in this Agreement called "exclusive access") except as provided in paragraphs 20 and 21 of this Article.

11. Where access is expressed in terms of value, in order to achieve the annual increases in access levels in real terms pursuant to paragraphs 5 and 7 of this Article, each Member State shall adjust access levels to reflect changes in prices in the importing country in the previous year in a manner mutually determined by the Member States.

12. The access provided pursuant to this Article shall relate as far as practicable to the same groupings of goods that are used for the purpose of applying quantitative import restrictions or tariff quotas on a global basis. Where a Member State applies quantitative import restrictions or tariff quotas on a global basis measured in terms of quantity rather than value, an equivalent figure in terms of quantity as mutually determined by the Member States shall be substituted for the levels of access specified in paragraphs 5, 6 and 7 of this Article.

13. Where as part of a system of quantitative import restrictions or tariff quotas a Member State accords licence on demand treatment, replacement licensing treatment or similar liberal treatment to goods originating in the territory of the other Member State and such treatment does not result in constraints on imports from the other Member State:
(a) it may maintain such treatment for general monitoring purposes; and
(b) paragraphs 4 to 12 of this Article shall not apply to such goods.

14. Quantitative import restrictions and tariff quotas on all goods originating in the territory of the other Member State shall be eliminated by 30 June 1995.

15. Levels of access into New Zealand for goods originating in Australia shall be referred to in New Zealand currency on a cif basis as set out in this Article. Levels of access into Australia for goods originating in New Zealand shall be expressed in Australian currency on an fob basis and in applying this Article to such goods the following shall apply:
(a) for $NZ60,000 cif substitute $A41,000 fob;
(b) for $NZ200,000 cif substitute $A136,000 fob;
(c) for $NZ400,000 cif substitute $A272,000 fob; and
(d) for $NZ 1 million cif substitute $A680,000 fob.
16. Where, in the opinion of a Member State, the application of this Article does not provide a level of exclusive access for any goods or an allocation for any importer of those goods which is commercially viable, that Member State may give written notice to the other Member State. The Member States shall consult to determine within 30 days of such notice whether the level of exclusive access or allocation in respect of those goods is commercially viable and, if not, the increase in the level of exclusive access or allocation necessary to render the importation of those goods commercially viable.

17. A Member State shall, at any time during which quantitative import restrictions or tariff quotas are being liberalised pursuant to this Article, more rapidly liberalise or eliminate such measures on particular goods where:
(a) such measures are no longer effective or necessary; or
(b) for a period of two consecutive years those goods are free of tariffs within the meaning of Article 4 of this Agreement and:
(i) the total successful tender premium bid for exclusive access represents less than 5 per cent of the value of the exclusive access allocated by tender for the grouping relevant to those goods; or
(ii) less than 75 per cent of the exclusive access allocated for the grouping relevant to those goods has been utilised.

18. Each Member State shall ensure that the annual level of exclusive access established for any goods under the New Zealand-Australia Free Trade Agreement, done at Wellington on 31 August 1965, applicable on the day immediately before the day on which this Agreement enters into force shall be maintained under this Agreement in addition to the exclusive access otherwise provided pursuant to this Article.

19. In providing access on a global basis, each Member State shall ensure that such access is available for goods originating in the territory of the other Member State.

20. In calculating the exclusive access necessary to achieve the annual increases in access in real terms required under this Article for goods originating in the territory of the other Member State, a Member State shall take into account any increases or decreases in the level of global access available.

21. A Member State may at any time convert exclusive access to global access provided that it gives at the earliest possible date prior written notice to the other Member State of the proposed conversion, and provided also that the conversion is effected in a manner which to the maximum extent possible is predictable, not too abrupt in its impact and consistent with the progressive liberalisation of quantitative import restrictions and tariff quotas pursuant to this Article. Where a Member State receives notice under this paragraph it may request consultations with the other Member State. The Member States shall thereupon promptly enter into consultations.

22. In allocating exclusive access in respect of goods originating in the territory of the other Member State, a Member State shall have regard to:
(a) the need to provide genuine access opportunity for those goods;
(b) import performance in respect of those goods; and
(c) the need to publish the names of licence or quota holders.

Article 6
Modified application of this Agreement

Because of special circumstances a number of the provisions of this Agreement shall be applied to certain goods in a modified manner to the extent specified in Annexes C, E and F of this Agreement.