

Article III

Schedules of concessions

1. Subject to the provisions of this Agreement the Government of Australia shall:
 - (a) permit the duty free and unrestricted entry of goods listed in Schedule 1 to this Agreement that originate in and are imported from Forum Island countries;
 - (b) permit the entry of goods listed in Schedule 2 to this Agreement that originate in and are imported from Forum Island countries, subject to the duties and quantitative limits specified in that Schedule.
2. Subject to the provisions of this Agreement the Government of New Zealand shall permit the duty free and unrestricted entry of all goods wholly obtained or partly manufactured in the territory of a Forum Island country, except those goods listed in Schedule 3 to this Agreement which shall be subject to such treatment as may be specified therein.
3. The Schedules to this Agreement shall be an integral part of this Agreement.

Article IV

Amendment to Schedules

1. A Government of a Forum Island country may at any time propose in writing to the Director the amendment of a Schedule to this Agreement.
2. On receipt of such a proposal the Director shall advise all Parties of the proposed amendment, and if requested by the Government of any Forum Island country, shall arrange consultations between the Party to which the Schedule applies and interested Governments of Forum Island countries.
3. Following the consultations referred to in paragraph 2 of this Article the Party to which the Schedule applies shall, within a reasonable period, notify the Director of the outcome of consultations. The Director shall thereupon notify all Parties of this outcome including any amendment to the Schedule and the date of its entry into effect.
4. The Party to which a Schedule applies may amend it in order to provide improved concessionary treatment in respect of the importation of goods to which the rules of origin in Article V apply. Such amendments and the date on which they shall take effect shall be notified to the Director by the Government to which the Schedule applies. The Director shall thereupon notify all Parties of the amendments to the Schedule and of the date of their entry into effect.

Article V

Rules of origin

1. Goods shall be treated by the Government of Australia as originating in the territory of a Forum Island country if these goods are:

- (a) the unmanufactured raw products of a Forum Island country; or
- (b) manufactured goods, in relation to which:
 - (i) the process last performed in manufacture of the goods was performed in a Forum Island country; and
 - (ii) not less than 50 percent of the factory or works cost of the goods is represented by the value of labour or materials, or both, of:
 - (a) a Forum Island country; or
 - (b) a Forum Island country and one or more other Forum Island countries; or
 - (c) one or more Forum Island countries and Australia.

2. The following shall be the classes of goods entitled to be entered under the New Zealand Tariff at the rates and exemptions provided for Forum Island countries, namely:

- (a) Then following goods wholly obtained in the territory of any of the Forum Island countries:
 - (i) mineral products extracted from its soil or from its seabed;
 - (ii) vegetable products harvested there;
 - (iii) live animals born and raised there;
 - (iv) products obtained there from live animals;
 - (v) products obtained by hunting or fishing conducted there;
 - (vi) products of sea fishing and other products taken from the sea by its vessels;
 - (vii) products made on board its factory ships exclusively from the products referred to in sub-paragraph (a)(vi) of this paragraph;
 - (viii) used articles collected there fit only for the recovery of raw materials;
 - (ix) waste and scrap resulting from manufacturing operations conducted there; and

(x) products obtained there exclusively from products specified in sub-paragraphs (a)(i) to (ix) of this paragraph.

(b) Goods partly manufactured in the territory of a Forum Island country subject to the following conditions:

(i) that the process last performed in the manufacture of the goods was performed in the territory of a Forum Island country; and

(ii) that in respect of the goods, the expenditure:

(a) in material that is the origin of one or more Forum Island countries or of New Zealand;

(b) in other items of factory or works cost (as defined in the New Zealand Customs Regulations) incurred in one or more Forum Island Countries or in New Zealand; or

(c) partly in such material and partly in such other items as aforesaid is not less than 50 percent of the factory or works costs of the goods in their finished state.

3. (a) In special circumstances either the Government of Australia or the Government of New Zealand may determine that the expenditure referred to in paragraph 1(b)(ii) of this Article in the case of the Government of Australia, or paragraph 2(b)(ii) of this Article in the case of the Government of New Zealand may be less than 50 percent of the factory or works cost of the goods in their finished state for particular goods or classes of goods. Any such determination may be applied to all such goods originating from the Forum Island countries or restricted to goods from individual Forum Island countries.

(b) In making a determination under this paragraph of the rules of origin, the Government of Australia and the Government of New Zealand shall take account, inter alia, of the special problems of the Smaller Island countries and the area content derived from all Forum Island countries.

4. A Government of a Forum Island country may request the Government of Australia or the Government of New Zealand to make a determination pursuant to paragraph 3 of this Article. The requesting Government shall notify the Director of its request who shall thereupon inform all the Parties. The Government requested to make a determination shall notify the Director of the outcome of the request within 3 months of receipt of that request. The Director shall thereupon notify all the Parties of that outcome.

Article VI

General exceptions, revenue duties, dumped and subsidised goods

General exceptions