EXCHANGE OF LETTERS WITH NEW ZEALAND PROVIDING AN INTERIM SUSPENSION OF THE TERMS OF THE AUSTRALIA NEW ZEALAND CLOSER ECONOMIC RELATIONS TRADE AGREEMENT IN CONNECTION WITH SALES TAX ON CERTAIN FRUIT JUICE PRODUCTS

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A. INITIATING AUSTRALIAN LETTER TO NEW ZEALAND

Minister for Trade

Parliament House

CANBERRA

28 March 1983

H.E. Sir Laurie Francis
High Commissioner
New Zealand High Commission
CANBERRA

My dear High Commissioner

I refer to the Australia New Zealand Closer Economic Relations - Trade Agreement signed today at Canberra.

I wish to bring to your attention that Australian legislation provides in general terms that goods the produce or manufacture of New Zealand are not subject to sales tax if they are goods of the same class or kind as goods upon the sale value of which, if produced or manufactured in Australia, sales tax is not payable. However, for technical reasons, certain fruit juices and fruit juice products of New Zealand origin which would be required to be exempt under the Agreement would not be exempt under the terms of existing Australian legislation.

In order to meet this difficulty, and to permit the Agreement to come into force without further delay, I propose that pending the passage of legislation amending the Australian legislation to which I have referred, both Governments regard Article 7 of the Agreement as being suspended in its application to fruit juice and fruit juice products except those covered by exemptions under existing Australian legislation and equivalent goods in New Zealand.

I wish to propose that if the foregoing is acceptable to the Government of New Zealand this letter and your confirmatory reply shall together constitute an Agreement between our two Governments which shall enter into force on today's date.

Yours sincerely,

[Signed]
LIONEL BOWEN
28 March 1983

Hon L. F. Bowen MP
Minister for Trade
Parliament House
CANBERRA

Dear Minister,

I refer to your letter of today's date which reads as follows:

[Here follows the text of the letter as printed under I]

I wish to confirm that the foregoing is acceptable to the Government of New Zealand which therefore agrees that your letter with the present reply shall together constitute an agreement between our two Governments which shall enter into force on the date of your letter.

Yours sincerely,

[Signed]
L. J. FRANCIS