

R. Paterson
hgl.



TREATY
B 1999/23

A/NZ/2/4/2

The New Zealand High Commission presents its compliments to the Department of Foreign Affairs and Trade and has the honour to refer to the Agreement between the Government of New Zealand and the Government of Australia on Social Security signed at Wellington on 19 July 1994, as amended on 7 September 1995 and 2 July 1998 ('the Agreement') and to recent discussions between the Government of New Zealand and the Government of Australia concerning the need for more stable and durable social security arrangements and to simplify the reimbursement provisions in the interim period until a new Agreement is concluded.

The High Commission now has the honour to inform the Department that the Government of New Zealand undertakes to suspend the operation of Articles 13 and 14 of the Agreement, and to reimburse the Government of Australia on the basis of the following arrangements.

Clause 1

Reimbursement Requirements

1. As agreed in the Joint Prime Ministerial Communique of August 1999, for the financial years beginning 1 July 1999 and 1 July 2000, the net amount that the Government of New Zealand will reimburse the Government of Australia for the benefits reimbursable under Article 12 will be:
 - (a) the sum of \$A107.5 million for the financial year beginning 1 July 1999; and
 - (b) the sum of \$A122.5 million for the financial year beginning 1 July 2000.

2. In addition the Government of New Zealand will reimburse the Government of Australia for an additional amount for the benefits reimbursable under Article 12 of \$A17.5 million for the financial year beginning 1 July 1999 and \$A12.5 million for the financial year beginning 1 July 2000.
3. If a new agreement on social security between the Parties is not in force by 1 July 2001, the Parties will mutually determine in writing at least 3 months prior to that date, and any subsequent year until a new agreement is in force, the amount based on agreed forecasts that the Government of New Zealand will reimburse the Government of Australia for benefits that are reimbursable under Article 12.
4. In addition to any amount reimbursable for a financial year under subparagraph 3, the Government of New Zealand will reimburse the Government of Australia a further \$A15 million a year.
5. The Parties will mutually determine in writing by 14 February 2000 a model for calculating the agreed forecasts on which the amount that the Government of New Zealand will reimburse the Government of Australia under subparagraph 3, will be estimated.

Clause 2

Reimbursement Procedures

1. Except as provided in subparagraph 2, the reimbursements payable for each financial year will be paid, in arrears, by equal quarterly instalments on 1 October, the first New Zealand Treasury working day in January, 1 April and 1 July or, if those dates are not banking days, on the first banking day after that date. New Zealand may choose to pay quarterly instalments earlier than the dates specified in this subparagraph should it so desire.

2. The first quarterly instalment payable after this Arrangement comes into effect will be an amount equal to the amount payable under the number of quarterly instalments that would have been due if this Arrangement had come into effect on 1 July 1999, less any amount paid by the Government of New Zealand to the Government of Australia under the Agreement after 30 June 1999, in respect of the financial year beginning 1 July 1999, but prior to this Arrangement coming into effect.

If the foregoing proposal is acceptable to the Government of Australia, the New Zealand High Commission has the honour to propose that this Note and the Department of Foreign Affairs and Trade's reply, will constitute an Arrangement between the Government of New Zealand and the Government of Australia which will come into effect on the date of the Department of Foreign Affairs and Trade's Note in reply.

The New Zealand High Commission takes this opportunity to renew to the Department of Foreign Affairs and Trade the assurances of its highest consideration.

New Zealand High Commission
CANBERRA
21 October 1999





N° LGB 99/439

The Department of Foreign Affairs and Trade presents its compliments to the New Zealand High Commission and has the honour to refer to the High Commission's Note No. A/NZ/2/4/2 of 21 October 1999 which reads as follows:

"The New Zealand High Commission presents its compliments to the Department of Foreign Affairs and Trade and has the honour to refer to the Agreement between the Government of New Zealand and the Government of Australia on Social Security signed at Wellington on 19 July 1994, as amended on 7 September 1995 and 2 July 1998 ('the Agreement') and to recent discussions between the Government of New Zealand and the Government of Australia concerning the need for more stable and durable social security arrangements and to simplify the reimbursement provisions in the interim period until a new Agreement is concluded.

The High Commission now has the honour to inform the Department that the Government of New Zealand undertakes to suspend the operation of Articles 13 and 14 of the Agreement, and to reimburse the Government of Australia on the basis of the following arrangements.

Clause 1 Reimbursement Requirements

1. As agreed in the Joint Prime Ministerial Communique of August 1999, for the financial years beginning 1 July 1999 and 1 July 2000, the net amount that the Government of New Zealand will reimburse the Government of Australia for the benefits reimbursable under Article 12 will be:

(a) the sum of \$A107.5 million for the financial year beginning 1 July 1999;
and

(b) the sum of \$A122.5 million for the financial year beginning 1 July 2000.

2. In addition the Government of New Zealand will reimburse the Government of Australia for an additional amount for the benefits reimbursable under Article 12 of \$A17.5 million for the financial year beginning 1 July 1999 and \$A12.5 million for the financial year beginning 1 July 2000.

3. If a new agreement on social security between the Parties is not in force by 1 July 2001, the Parties will mutually determine in writing at least 3 months prior to that date, and any subsequent year until a new agreement is in force, the amount based on agreed forecasts that the Government of New Zealand will reimburse the Government of Australia for benefits that are reimbursable under Article 12.

4. In addition to any amount reimbursable for a financial year under subparagraph 3, the Government of New Zealand will reimburse the Government of Australia a further \$A15 million a year.

5. The Parties will mutually determine in writing by 14 February 2000 a model for calculating the agreed forecasts on which the amount that the Government of New Zealand will reimburse the Government of Australia under subparagraph 3, will be estimated.

Clause 2 Reimbursement Procedures

1. Except as provided in subparagraph 2, the reimbursements payable for each financial year will be paid, in arrears, by equal quarterly instalments on 1 October, the first New Zealand Treasury working day in January, 1 April and 1 July or, if those dates are not banking days, on the first banking day after that date. New Zealand may choose to pay quarterly instalments earlier than the dates specified in this subparagraph should it so desire.

2. The first quarterly instalment payable after this Arrangement comes into effect will be an amount equal to the amount payable under the number of quarterly instalments that would have been due if this Arrangement had come into effect on 1 July 1999, less any amount paid by the Government of New Zealand to the Government of Australia under the Agreement after 30 June 1999, in respect of the financial year beginning 1 July 1999, but prior to this Arrangement coming into effect.

If the foregoing proposal is acceptable to the Government of Australia, the New Zealand High Commission has the honour to propose that this Note and the Department of Foreign Affairs and Trade's reply, will constitute an Arrangement between the Government of New Zealand and the Government of Australia which will come into effect on the date of the Department of Foreign Affairs and Trade's Note in reply."

The Department has the further honour to advise that the foregoing proposal is acceptable to the Government of Australia and that the High Commission's Note and this reply will constitute an Arrangement between the Government of Australia and the Government of New Zealand which will come into effect on the date of this Note.

The Department of Foreign Affairs and Trade avails itself of this opportunity to renew to the New Zealand High Commission the assurances of its highest consideration.

CANBERRA
25 October 1999
92/14246

