

GENERAL AGREEMENT ON TARIFFS AND TRADE

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International Dairy Arrangement

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INTERNATIONAL DAIRY PRODUCTS COUNCIL

Reply to Questionnaire 5 Regarding Information on Domestic Policies and Trade Measures

AUSTRALIA

Australia is one of the more efficient, relatively low-cost dairy-producing and exporting countries. The outlook in the mid-1970's was for world dairy trade to be chronically depressed for some time to come, largely as a result of lack of access to, and frequent disruption from dumping of surplus production on world markets. In response to these factors, the Australian dairy industry was contracted and rationalized with the result that milk production fell to a level more in line with remunerative outlets.

Milk production declined from 7,523 million litres in 1969/70 to 5,243 ML in 1980/81 but has since experienced some recovery with output in 1984/85 reaching 6,038 million litres. There has also been some change in the mix of dairy products, away from butter, skimmed milk powder and casein towards cheese and whole milk powder. Exports of butter (including the butter equivalent of butteroil) have fallen from 102,565 tonnes in 1969/70 to 51,758 tonnes in 1984/85. Exports of cheese and whole milk powder, however, increased from 40,847 to 66,616 tonnes and 15,326 tonnes to 36,217 tonnes, respectively, over the same period.

A. PRODUCTION

SUPPORT AND STABILIZATION MEASURES

Due to changes in the international trading environment, Australia's dairy industry was forced to rationalize in the 1970s with major reductions in the number of dairy farms, milk production and the level of exports.

In recent years production has increased again but returns from the export market have remained depressed due largely to increased world production and the level of subsidized exports entering a restricted world market. These developments have placed increased pressure on the Australian industry despite its being one of the most efficient and relatively low cost industries in the world. In these circumstances the Australian Government has reviewed its support and stabilization measures and in 1985 introduced proposals in to Parliament for new dairy industry marketing arrangements.

However, legislation to give effect to the new changes was not passed by the Parliament in 1985 and new legislation is expected to be introduced early in 1986. In the meantime the arrangements described below are continuing to apply for the 1985/86 season (July/June).

(a) Inventory of the Instruments of Support and/or Stabilization

There are two distinct markets and Government support arrangements for milk. Milk used for liquid human consumption is termed "market" milk whereas milk used for the manufacture of dairy products is termed "manufacturing" milk. In 1984/85, of total milk production of about 6,038 million litres, market milk accounted for about 1,600 million litres.

Market milk production, distribution and pricing is controlled by individual State Governments whilst Australian Government (federal) support is directed at manufactured dairy products.

Two marketing schemes operate in respect of dairy products. An equalization scheme utilizes a levy on production of major ("prescribed" or "leviable") products. The levy is equal to the difference between the estimated average export prices ("assessed export prices" or AEP) and target domestic prices and levy funds are distributed over total sales so as to equalize returns from domestic and export markets. In addition an export market pooling scheme averages returns to manufacturers from all export markets. The marketing arrangements and export pooling are administered by a statutory body, the Australian Dairy Corporation.

(b) Levels of Guaranteed Prices or Support Prices

The Australian Government supports domestic prices of major dairy products through the imposition of the levy described above. The levy amount added to the AEP of each product gives a domestic value for levy purposes (DVLDP) which acts to underpin domestic market prices. DVLDPs have been kept constant since December 1982. The DVLDPs, AEPs and levies are established annually. For 1985/86 the amount of levy rates are as follows:

| | <u>1985/86</u> <u>A\$/tonne</u> |
|----------------------------|------------------------------------|
| Butter/butteroil (cbe) (1) | 1,151 |
| Leviable Cheese (2) | 753 |
| Skimmed Milk Powder (3) | 327 |
| Whole Milk Powder | 633 |
| Casein | 642 |

(1) cbe = commercial butter equivalent

(2) Cheddar, Cheddar types, Cheedam, Colby, Monterey, Granular and Stirred Curd

(3) Includes skimmed milk powder, buttermilk powder, skimmed milk powder/buttermilk powder mixtures and skimmed milk powder modified.

The Australian Government also underwrites the gross export returns of the prescribed dairy products on the basis of 90% of a three-year average of gross export returns. The underwritten values of gross export pool returns for prescribed products in 1985/86 are shown below.

| <u>Product</u> | | <u>A\$/tonne</u> |
|------------------------|-----|------------------|
| Butter/butteroil (cbe) | (1) | 1,144 |
| Leviabile Cheese | (2) | 1,279 |
| Skimmed Milk Powder | (3) | 719 |
| Whole Milk Powder | | 1,004 |
| Casein | | 2,001 |

- (1) cbe = commercial butter equivalent
- (2) Cheddar, Cheddar types, Cheedam, Colby, Monterey, Granular and Stirred Curd
- (3) Includes skimmed milk powder, buttermilk powder, skimmed milk powder/buttermilk powder mixtures and skimmed milk powder modified.

Underwriting payments are not expected to be triggered for 1985/86 production. (However about \$3m in respect of the 1983/84 and 1984/85 production seasons is expected to be paid for underwriting during the 1985/86 period. Those production years operated on a different basis).

(c) Amount of Producer Subsidies

Apart from some assistance measures which operate for all primary producers (such as taxation allowances, income equalization, fertilizer subsidies), milk producers do not receive direct subsidies. Assistance for market milk is provided through the State Government marketing arrangements. In addition some assistance is provided for manufacturing milk by the equalization scheme whereby levies raised on the domestic sales of prescribed products are distributed over all sales (export and domestic). Thus, indicative domestic wholesale price levels (the DVLPS) are established for those products, allowing manufacturers of

prescribed products to pay their suppliers a price dependent on the equalized returns, their manufacturing costs and a profit margin. As a consequence, prices received by producers for manufacturing milk tend to differ according to the products manufactured, the location of the manufacturing (freight costs) and available supplies of milk.

(d) Average Returns to Producers, Including Methods of Determining Those Returns

The average farm gate return for manufacturing milk is estimated at 13.5 cents/litre in 1984/85 and 1985/86. The average farm gate return for market milk is estimated at 31.2 cents/litre in 1984/85 and 33.2 cents/litre in 1985/86.

The overall average of farm gate return for milk delivered to factories is estimated at 18.2 cents/litre in 1984/85 and 18.7 cents/litre in 1985/86. Note that average returns differ markedly from State to State. With very little interstate trade in market milk due to high transport costs, average returns to milk produced depend on the proportion of milk produced in a State used for market milk and manufacturing milk.

2. Other Policies and Measures

The Australian Dairy Corporation has access to Reserve Bank (Australia's central bank) funding at non-concessional interest rates. These funds are used by the Corporation for the purposes of making advance payments to manufacturers on the production of prescribed products. It is expected, however, that the Corporation will increasingly rely on other market sources of funds which are available at more competitive interest rates.

B. INTERNAL PRICES AND CONSUMPTION1. Representative Retail and Wholesale Prices

Domestic Values for Levy Purposes (DVLPS) described in Section A.1(b) above, which provide indicative domestic wholesale prices, have been set as follows for 1985/86:

| <u>Product</u> | | <u>A\$/tonne</u> |
|------------------------|-----|------------------|
| Butter/butteroil (cbe) | (1) | 2,415 |
| Leviabile Cheese | (2) | 2,250 |
| Skimmed Milk Powder | (3) | 1,155 |
| Whole Milk Powder | | 3,000 |
| Casein | | 1,740 |

(1) cbe = commercial butter equivalent

(2) Cheddar, Cheddar types, Cheedam, Colby, Monteray, Granular and Stirred Curd

(3) Includes skimmed milk powder, buttermilk powder, skimmed milk powder/buttermilk powder mixtures and skimmed milk powder modified.

Average retail prices for selected dairy products in the city of Sydney in the December quarter of 1985 were:

| <u>Item</u> | <u>Unit</u> | <u>A\$</u> |
|-------------------------------------|-------------|------------|
| Milk, carton, supermarket sales | 1 litre | 0.72 |
| Milk - bottled, delivered | 2 x 600 ml | 0.88 |
| Butter | 500 g | 1.67 |
| Cheese - processed, sliced, wrapped | 500 g | 2.04 |
| Milk - powdered, full-cream | 1 kg can | 4.51 |

2. Factors which Constitute the Evolution and Level of Internal Consumption

The Australian retail food market is competitive and considerable media advertising and other sales promotion activities are a regular feature of retailing. Increasing awareness of health and nutrition aspects of diet by consumers has been a key factor in marketing strategies in recent years. In this regard, the dairy industry has been stressing the "naturalness" of its products.

Butter sales have recovered somewhat in the last two years but still face continuing strong competition from margarine, which is cheaper than butter and holds some 70% of the domestic table spread market. Cheese sales have increased markedly in recent years especially of non-cheddar types and imported varieties. Dairy product retail price increases have generally been less than for other food prices over recent years, which has also probably assisted sales.

3. Policies and Measures and Comments on their Effect on Consumption

Promotion of market milk (liquid milk for human consumption) including flavoured milk is carried out by State Government milk authorities. Expenditure in 1984/85 totalled about A\$3m including a contribution of A\$770,000 from the Australian Dairy Corporation.

Dairy products promotion is funded by a levy on milk production and expended by the Australian Dairy Corporation. In 1984/85 a levy of A\$0.19 per 100 litres yielded A\$11.6m which was used in: butter and cheese advertising in the media; a health and nutrition education programme directed at medical practitioners, dietitians and nutritionists; and other promotional activities such as cricket sponsorship for primary school children and cooking seminars.

In addition to industry generic advertising, individual manufacturers and retailers advertise branded products. These promotion campaigns have been instrumental in raising butter and cheese sales over recent years and have helped foster positive consumer attitudes towards dairy products. Per capita consumption of dairy products in recent years has been as follows:

Consumption - kg/head

| Product | 1979/80 | 1980/81 | 1981/82 | 1982/83 | 1983/84 | 1984/85 |
|-------------------------------------|---------|---------|---------|---------|---------|---------|
| Market Milk (litres) | 103.5 | 104.8 | 104.8 | 103.8 | 102.6 | 103.1 |
| Butter - Retail | 3.2 | 3.2 | 3.2 | 3.0 | 3.2 | 3.4 |
| Total Butter/ butteroil (cbe)(1) | 4.6 | 4.3 | 4.3 | 4.0 | 4.0 | 4.0 |
| Cheddar Types (2) | | | | | | |
| - Leviable (3) | 4.3 | 3.9 | 4.0 | 3.9 | 4.0 | 3.9 |
| - Other | 0.1 | 0.3 | 0.1 | 0.2 | 0.1 | 0.4 |
| | 4.4 | 4.2 | 4.1 | 4.1 | 4.1 | 4.3 |
| Non Cheddar Types (2) | 1.4 | 1.5 | 1.9 | 2.0 | 2.1 | 2.4 |
| Imported Cheese | 0.8 | 0.9 | 1.1 | 1.3 | 1.4 | 1.4 |
| Total Cheese | 6.6 | 6.6 | 7.1 | 7.4 | 7.6 | 8.1 |
| SMP | 3.6 | 3.0 | 2.7 | 2.6 | 2.2 | 2.3 |
| Total SMP/BMP | 3.7 | 3.1 | 2.8 | 2.7 | 2.4 | 2.5 |
| Casein | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| WMP | 0.8 | 0.9 | 0.9 | 0.8 | 0.7 | 0.7 |

Source: Australian Dairy Corporation

(1) cbe = commercial butter equivalent

(2) Domestic Product

(3) Leviable cheese includes: - 1980/81 Cheddar, Cheddar types, Stirred Curd
 - 1981/82 Cheddar, Cheddar types, Stirred Curd, Colby, Cheedam
 - 1982/83-1984/85 Cheddar, Cheddar types, Stirred Curd, Colby, Cheedam, Monterey

C. MEASURES AT THE FRONTIER

CUSTOMS TARIFF

Import duties are levied at the levels specified in Appendix A.

OTHER MEASURES

(i) Imports

As a member of the GATT since its inception Australia has placed considerable emphasis on avoiding measures contrary to the spirit of that Agreement. In the case of dairy products, the only constraints which Australia imposes on imports other than under the tariff are those relating to compliance with marking and packaging requirements and/or quarantine requirements (see Appendix B).

Australia has tariff rate bindings on dairy products under the GATT negotiated during the Multilateral Trade Negotiations 1973-79 (see Appendix C).

At the time of importation, sales tax is collected on imported goods. The tax is at the same level as is charged on domestic goods at the point of wholesale distribution.

Australia has acceded to the CCC Nomenclature Convention and so is obliged to observe the requirements of the CCCN in its tariff. Australia intends to accede to the Harmonized Commodity Description and Coding System Convention.

Australia has a number of bilateral commitments relating to dairy products (see Section D).

(ii) Exports

Export Measures at Tariff Line Level

As indicated in Section A above, returns from domestic and export sales of butter, cheese, skimmed milk powder, whole milk powder and casein are pooled and equalized returns are made to manufacturers.

D. BILATERAL, PLURILATERAL AND MULTILATERAL AGREEMENTS

The Australia New Zealand Closer Economic Relations - Trade Agreement (ANZCERTA) entered into effect on 1 January 1983. Its objective is to further liberalize trade between Australia and New Zealand. Trade in dairy products between the two countries is covered by a Memorandum of Understanding on Dairy Products (MOU) between the Australian and New Zealand dairy industries attached to an Annex of the ANZCERTA. A Joint Dairy Industry Consultative Committee has been established to allow for consultations between the Australian and New Zealand dairy industries and surveillance of the trade in dairy products. The level of New Zealand exports of cheese is specifically covered by the MOU - the growth in these exports being related to the growth in the Australian market for cheese.

Within the Tokyo Round of GATT Multilateral Trade Negotiations Australia concluded agreements on dairy products with the EEC and the United States.

Under the MTN bilateral agreements on dairy products Australia received access to the EEC market for 2,500 tonnes a year of Cheddar for direct consumption and 500 tonnes a year of cheese for processing. Initial arrangements provided for these exports to be subject to an import levy of 12.09 ecu/100 kg and also minimum import prices which were to be adjusted from time to time. Because of marketing problems arising from the operation of the minimum import prices, negotiations were opened in 1983 to determine new terms of access. On 11 December 1984, an exchange of letters was signed between the Government of Australia and the

EC Commission providing for the suspension of the minimum import price arrangements and, in turn, an increase in the import levy to 153 ecu/100 kg. The new arrangements commenced on 16 December 1984 and will remain in force until 31 December 1986 and then continue in force indefinitely thereafter subject to each party having the right to denounce it by giving 6 months notice in writing. If the arrangement were to be denounced then the access arrangements would revert to the original arrangements, i.e. a levy of 12.09 ecu/100 kg subject to minimum import prices.

Australia granted the EEC duty-free access for surface-ripened soft cheese, Stilton, Roquefort, and goats' milk cheese (except Fetta and Kasserli). In addition it granted guaranteed access for not less than 1,000 tonnes of Edam and Gouda per annum at a rate of A\$96/tonne and 2,500 tonnes of other cheeses (excluding in particular Cheddar, Fetta and Kasserli) a year at a rate of A\$96/tonne.

The United States granted Australia an aggregate annual quota entitlement of 4,000 tonnes of cheese divided up into a number of cheese varieties plus an annual quota entitlement of 2,000 tonnes of chocolate crumb over 5.5 per cent fat content.

E. PROVISION OF INFORMATION ON THE MEASURES TAKEN TO ENSURE THE OBSERVANCE OF THE GATT INTERNATIONAL DAIRY ARRANGEMENT'S MINIMUM PRICES

AUSTRALIA - MEASURES TO ENSURE OBSERVANCE

The Dairy Produce Act 1924, as amended, of the Australian Parliament, provides the framework for the regulation and control of the export of dairy products. Section 14 of this Act provides that, for the purpose of enabling effective control over the export of dairy products, regulations made under the Act may prohibit export except by a person or organization which holds a licence to export.

The Dairy Produce Export Control (Licences) Regulations, which are based on the Dairy Produce Act, prohibit the exportation of dairy products from Australia except in accordance with such conditions and restrictions as are prescribed by these Regulations. These Regulations make the observance of the International Dairy Arrangement's minimum prices a specific condition for the exporting of dairy products. The Regulations are amended from time to time to reflect changes in the Arrangement's minimum price or other conditions laid down by the Arrangement for the exporting of dairy products.

Should an exporter breach any of these regulations, his licence to export dairy products from Australia may be withdrawn. In addition, he could be subject to a fine not exceeding A\$2,000, or imprisonment for up to one year, or both.

Procedures are also in place to ensure that the export of dairy product from Australia is only undertaken by licensed exporters who have been issued with a current Certificate of Authority to Export (CAE) for that shipment by the Australian Dairy Corporation. Exporters are required to provide details of this CAE when making application for an export permit. The CAE carries a notification to the exporter of his obligations to observe the Arrangement's minimum prices.

The Australian Dairy Corporation has also been directed by the Minister for Primary Industry to ensure observance of the Arrangement's minimum prices and to notify the Government of any instance where the pricing of dairy products exported from Australia has been in breach of the Arrangement. To date the Corporation has not had occasion to make a report to the Government pursuant to the Ministerial directives it has received.

Copies of the Regulations referred to above are available from the Australian delegation.

AUSTRALIAN TARIFF
ABBREVIATIONS USED

| | |
|-----|-----------------------------|
| DC | Developing country |
| DPC | Declared preference country |
| FI | Forum Islands |
| PNG | Papua New Guinea |
| NZ | New Zealand |
| kg | Kilogram |
| L | Litre |

APPLICATION OF RATES OF DUTY

The general rate of duty applies to goods from all countries,
unless indicated otherwise.

CUSTOMS TARIFF - SCHEDULES

(1 January 1983)

Chapter 4

Dairy Produce; Birds' Eggs; Natural Honey; Edible Products
of Animal Origin, not elsewhere Specified or Included

| Reference No. | Goods |
|------------------|--|
| 04.01 | Milk and cream, fresh, not concentrated or sweetened |
| 04.02 | Milk and cream, preserved, concentrated or sweetened |
| 04.03 | Butter |
| 04.04 | Cheese and curd |
| 04.05 | Birds' eggs and egg yolks, fresh, dried or otherwise preserved, sweetened or not |
| 04.06 | Natural honey |
| 04.07 | Edible products of animal origin, not falling within any other item |

CHAPTER NOTES

1. In this Schedule, "milk" means full cream milk, skimmed milk, buttermilk, whey, curdled milk, kephir, yoghurt and other fermented or acidified milk.

2. For the purposes of 04.02 -

(a) milk or cream put up in hermetically sealed cans shall be regarded as preserved; and

(b) milk or cream not put up in hermetically sealed cans shall not be regarded as preserved by reason only of being pasteurized, sterilized or peptonized. *

| Column 1 Reference No. | Statistical Code | Unit | Column 2 Goods | Column 3 General rate ⁽¹⁾ | Column 4 Special rate ⁽¹⁾ |
|------------------------------|---------------------|------|---|--|--|
| 04.01.000 | | | Milk and cream, fresh, not concentrated or sweetened | Free | .. |
| | 10 | kg | | | |
| 04.02.00 | | | Milk and cream, preserved, concentrated or sweetened | \$0.05/kg | .. |
| | 39 | kg | Whey | | |
| | | | Other: | | |
| | | | Powdered or granulated: | | |
| | 4X | kg | - containing not more than 1.5 per cent by weight of fat | | |
| | 50 | kg | - containing more than 1.5 per cent by weight of fat | | |
| | 61 | kg | Other | | |
| 04.03.000 | | | Butter | \$0.10/kg | .. |
| | 13 | kg | | | |
| 04.04 | | | Cheese and curd: | | |
| 04.04.100 | | | - Cheese which, in the opinion of the Collector, is cheese of a following type: | Free | .. |
| | | | (a) surface-ripened soft cheese having - | | |
| | | | (i) a fat content in the dry matter of not less than 50 per cent by weight; and | | |

(1) NZ rate appears in Schedule 5.

Unless otherwise indicated:

- general rate applies to all sources except NZ and PNG
- PNG rate is Free
- DC rate applies to FI and DPC countries

| Column 1 Reference No. | Statistical Code Unit | Column 2 Goods | Column 3 General rate ⁽¹⁾ | Column 4 Special rate ⁽¹⁾ |
|------------------------------|--------------------------|--|--|--|
| 04.04.100 (cont'd) | | (ii) a moisture content of not less than 65 per cent by weight of the non- fatty matter, but not including cheese having mould distributed throughout its interior; | | |
| | | (b) cheese made wholly from goats' milk, other than fetta and kasseri; | | |
| | | (c) stilton cheese; | | |
| | | (d) roquefort cheese | | |
| | 263 kg | Cheese made wholly from goats' milk, other than fetta and kasseri | | |
| | 274 kg | Roquefort | | |
| | 285 kg | Stilton | | |
| | | Surface-ripened soft cheese: | | |
| | 296 kg | Camembert | | |
| | 30X kg | Other | | |

(1) NZ rate appears in Schedule 5.

Unless otherwise indicated:

- general rate applies to all sources except NZ and PNG
- PNG rate is Free
- DC rate applies to FI and DPC countries

| Column 1 Reference No. | Statistical Code Unit | Column 2 Goods | Column 3 General rate | Column 4 Special rate |
|---------------------------|--------------------------|--|-----------------------------|-----------------------------|
| 04.04.900 | | Other | \$0.096/kg | FI:Free |
| | | CHEESE: | | |
| | | Processed: | | |
| | | + Cheddar | | |
| 187 | kg | | | |
| | | + Emmenthaler: | | |
| 686 | kg | . In packs not exceeding 284 grams | | |
| 697 | kg | . Other | | |
| | | + Gruyere: | | |
| 700 | kg | . In packs not exceeding 284 grams | | |
| 711 | kg | . Other | | |
| 518 | kg | + Pastes, spreads and the like | | |
| 529 | kg | + Other | | |
| | | Not processed: | | |
| 223 | kg | + Blue vein types | | |
| | | + Surface-ripened types: | | |
| 53X | kg | . Esrom | | |
| 540 | kg | . Other | | |
| | | + Cheddar and cheddar types: | | |
| 245 | kg | . Cheddar | | |
| 347 | kg | . Colby | | |
| 551 | kg | . Egmont | | |
| 562 | kg | . Other | | |
| | | + Edam, gouda and edam/gouda types: | | |
| 265 | kg | . Edam | | |
| 267 | kg | . Gouda | | |
| 573 | kg | . Other | | |

- . NZ rate appears in Schedule 5
- . Unless otherwise indicated:
 - General rate applies to all sources except NZ and PNG
 - PNG rate is Free
 - DC rate applies to FI and DPC countries

| Column 1 Reference No. | Statistical Code Unit | Column 2 Goods | Column 3 General rate | Column 4 Special rate |
|------------------------------|--------------------------|--|-----------------------------|-----------------------------|
| | | + White brine pickled types: | | |
| | 278 kg | . Fetta | | |
| | 584 kg | . Other | | |
| | | + Hard grating cheese: | | |
| | 29X kg | . Parmesan (including parmigiano) | | |
| | 595 kg | . Romano | | |
| | 609 kg | . Other | | |
| | | + Stretch curd cheese: | | |
| | 358 kg | . Mozzarella (including pizza type) | | |
| | 314 kg | . Provolone (including provoletti type) | | |
| | 289 kg | . Kasseri | | |
| | 61X kg | . Other | | |
| | | + Swiss types: | | |
| | 449 kg | . Emmenthaler | | |
| | 620 kg | . Other | | |
| | | + Granular brine salted types: | | |
| | 631 kg | . Havarti | | |
| | 642 kg | . Other | | |
| | 653 kg | + Soft white unripened types | | |
| | 664 kg | + Whey Cheese | | |
| | 675 kg | + Other | | |
| | 336 kg | CURD | | |
| 17.02:200 | | LACTOSE | 20% | |
| | 77 t | + syrup | | |
| | 88 t | + other | | |

| Column 1 Reference No. | Statistical Code Unit | Column 2 Goods | Column 3 General rate (1) | Column 4 Special rate (1) |
|------------------------------|-----------------------------|--|---------------------------------|---------------------------------|
| 21.07.900 | | - Other | 5% | DC:Free |
| | | Frozen confections: | | |
| | 270 L | Ice cream | | |
| | 281 L | Other | | |
| | 292 L | Ice cream mix | | |
| | 248 kg | Jellies | | |
| | 168 kg | Mixtures of chemicals and foodstuffs | | |
| | 259 kg | Peanut butter | | |
| | 179 . . | Preparations for making non-alcoholic beverages | | |
| | 237 kg | Syrups | | |
| | 226 kg | Vegetable extracts, NSA | | |
| | 26X kg | Other | | |
| 35.01 | | Casein, caseinates and other casein derivatives; casein glues: | | |
| 35.01.100 | | - Goods, as follows: | 15% | .. |
| | | (a) casein; | | |
| | | (b) ammonium caseinate; | | |
| | | (c) sodium caseinate; | | |
| | | (d) casein glues | | |
| | 33 kg | | | |
| 35.01.900 | | - Other | 5% | DC:Free |
| | 37 kg | | | |
| 35.02.000 | | Albumin, albuminates and other albumin derivatives | Free | .. |
| | 12 . . | | | |

(1) NZ rate appears in Schedule 5.

Unless otherwise indicated:

- general rate applies to all sources except NZ and PNG
- PNG rate is Free
- DC rate applies to FI and DPC countries

CUSTOMS TARIFF
SCHEDULE 5

Import of dairy products from New Zealand - Free.

APPENDIX B

QUARANTINE REQUIREMENTS

Due to geographic isolation and to strict quarantine controls, Australia remains free of many of the serious diseases which occur in many other parts of the world. Food products of animal origin may only be imported into Australia in accordance with the provisions of the quarantine legislation. The specific purpose of the legislation is to prevent the entry to Australia of exotic diseases.

The Commonwealth Department of Primary Industry is responsible for the administration of quarantine provisions relating to the importation of foods. A number of foodstuffs are prohibited from importation unless the permission in writing from the Minister for Primary Industry has been granted.

The importation of foodstuffs of animal origin is subject to restrictions in the case of certain countries, or, made subject to certain conditions according to the disease status of the exporting country and the degree of assessed quarantine risk associated with the animal or animal product concerned.

In the specific case of dairy products, milk (including dried or powdered milk, condensed or concentrated milk and milk albumen) cream, butter and ice cream, may be imported by sea or air, but only when produced in and consigned from Canada, Denmark, Finland, Japan, New Zealand, Norway, Sweden, Irish Republic, Great Britain and the United States, unless permission is granted by the Director of Animal and Plant Quarantine for importation for therapeutic or scientific purposes.

Cheese from countries other than those mentioned above is subject to 120 days quarantine unless exempted by the Director of Animal and Plant Quarantine on the basis that the manufacturing process, as submitted, is such as would inactivate the virus of foot and mouth disease. Some 90 per cent of European cheeses for which exemption has been sought have been so exempted.

Prepared infant food containing milk may be imported in a quantity not exceeding 1 kg with an infant under two years of age arriving on a vessel or aircraft from any country. The importation of cheese of the type which contains meat or meat products or which is enclosed in a casing of animal origin is prohibited.

Casein shall not be imported unless:

- (a) The Director of Animal and Plant Quarantine or a person authorized by the Director, being satisfied that the casein is to be imported for purposes other than commercial food production, has consented in writing to the importation of the casein; or
- (b) the casein, and the milk from which it was made, were produced in Canada, Denmark, Finland, Ireland, Japan, New Zealand, Norway, Sweden, United Kingdom or United States and the casein is:
 - (i) imported from the country in which it was produced; and
 - (ii) landed in Australia in the packing in which it was last packed in the country in which it was produced.

MARKING AND PACKAGING REQUIREMENTS

The commerce marking requirements are designed essentially to:

- (a) protect those traders who correctly describe their goods, from the actions of competitors who, by false or misleading descriptions, deceive the consumer; and

- (b) protect the consumer by requiring, in cases where the proper maintenance of the public health or the public interest makes it expedient, that manufacturers shall indicate on their goods the nature of the ingredients or materials of which they are composed.

These Regulations require specified goods to have applied to them a trade description in the form of a principal label which must contain:

- (a) the name of the country in which the goods were made or produced; and
- (b) for certain specified goods a true description.

Following the introduction by Australian States of legislation to give effect to a uniform packaging code for locally produced goods the Commonwealth Government introduced complementary legislation for imported goods. The legislation requires principally:

- (a) the packing of certain basic commodities in simplified weight denominations allowing a ready comparison for value of one package with another of the same size;
- (b) clarity of weight and measure markings; and
- (c) elimination or restriction of use of descriptions intended to mislead.

APPENDIX C

Under the General Agreement on Tariffs and Trade, Australia has agreed:

- not to apply to imports from GATT countries rates of duty in excess of those set out below for the following goods:

04.04 Cheese and curd:

ex Cheese as follows:

- Cheese made from goats' milk
 - except . Fetta;
 - . Kasserri;
 - Roquefort;
 - Stilton;
 - Surface ripened soft cheese having:
 - (a) a fat content in the dry matter of not less than 50% by weight; and
 - (b) a moisture content of not less than 65% by weight of the non-fatty matter
 - except cheese having yeast and other organisms on the surface which also contain mould distributed throughout the interior of the cheese
- Free
- Edam and Gouda
- \$0.096/kg
for not
less than
1000t per
annum
- Other varieties
 - except . having the Swiss or Emmenthaler type eye formation characteristic;
 - . processed Gruyere or Emmenthaler type when in packs not exceeding 284 grams;
 - . Cheddar;
 - . Fetta;
 - . Kasserri;
- \$0.096/kg
for not
less than
2500t per
annum
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