

# GENERAL AGREEMENT ON

RESTRICTED

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## TARIFFS AND TRADE

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International Dairy Arrangement

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### INTERNATIONAL DAIRY PRODUCTS COUNCIL

#### Questionnaire Regarding Information on Domestic Policies and Trade Measures

#### AUSTRALIA

Revision - September 1989

Australia is one of the more efficient, relatively low-cost dairy-producing and exporting countries. The outlook in the mid-1970s 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, commercial decisions by producers and manufacturers led to a significant contraction and rationalization of the Australian dairy industry 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 million litres in 1980/81, but has since experienced some recovery with output in 1988/89, reaching 6,288 million litres. There has also been some considerable change in the mix of dairy products, away from butter and skimmed milk powder towards cheese and whole milk powder. Exports of butter (including the butter equivalent of butter oil) have fallen from 102.5 kt. in 1969/70 to 52.3 kt. in 1988/89. Exports of cheese and whole milk powder, however, increased from 40.8 kt. to 62.1 kt. and 15.3 kt. to 48.4 kt. respectively, over the same period.

The introduction of new marketing arrangements which became operative on 1 July 1986 provides for a significant and progressive reduction in assistance levels within the industry. The Australian Government is committed to placing the industry in a position where it can compete in both the Australian domestic and export markets with undumped, unsubsidized product from other countries by 1 July 1992.

#### 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. The number of dairy farms fell from almost 60,000 in 1970 to almost 16,000 in 1988/89.

Since 1980/81 milk production has increased again but has tended to stabilize since 1984/85. While the world market for dairy products is currently buoyant, export returns were depressed during the mid-1980s due largely to high world stock levels and subsidized European Community exports. The low world prices over a number of years during the mid-1980s placed considerable pressure on the Australian dairy industry despite it being one of the lowest cost industries in the world. In these circumstances the Australian Government reviewed its support and stabilization measures for the industry and new marketing and assistance arrangements were introduced from 1 July 1986.

These arrangements (outlined in brief below) have the objective of ensuring the development of a more efficient and profitable industry, able to respond as quickly as possible to changing market conditions and technology. In particular, the arrangements provide that the production of those products which are most profitable is encouraged and that the more profitable export markets are exploited and production for export that returns a loss is discouraged. In this regard distortionary assistance arrangements have been abolished so that market forces can play a larger role in decision-making relating to product mix. In particular, the abolition of export pooling and "allowances" (which treated certain costs as costs to met by the industry as a whole) ensures that producers and marketers themselves reap the benefits/costs of their own production and marketing decisions.

The current arrangements assist the industry by supporting higher domestic prices than would otherwise be the case. The level of domestic price support is, however, being reduced progressively to fair import parity with New Zealand products. The arrangements involve inter-industry transfers through the imposition of a levy, however, the upper amount of the levy is fixed and the arrangements are due to expire in June 1992. Further legislation would be required for the arrangements to continue beyond 1992.

(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 1988/89, of total milk production of about 6,288 million litres, market milk accounted for about 1,695 million litres.

Production, distribution and pricing of market milk is controlled by individual State legislation whilst Australian Government (Federal support is directed at manufactured dairy products.

The main provisions of the marketing arrangements for manufactured dairy products are:

- (i) Market Support Fund financed by a levy on all milk produced, including milk for the liquid market<sup>1</sup>; this levy is imposed on the milk fat component and is limited by a ceiling of 45 cent/kg. milk fat or the equivalent of 2 cents/litre of milk. Assistance is provided to manufactured products by supporting domestic prices above international market prices by a fixed percentage. This is achieved by paying manufacturers a market support payment on exports of all dairy produce at a maximum rate of 30 per cent of the estimated average export price for the season for the major dairy products, adjusted to a bulk ex-factory basis. For other dairy products, rates will be set having regard to those for the major products.

Under certain circumstances, a rate other than 30 per cent may be payable; less may be paid when funds are insufficient or other market-related reasons. The increases in world market prices, together with the ceiling on the market support levy on all milk produced is expected to result in a reduction in the rate of market support from 30 per cent in 1987/88 to 17 per cent in 1989/90. At a time of collapse in world market prices when underwritten prices are triggered, a rate of more than 30 per cent may be payable. The Australian Bureau of Agricultural and Resource Economics calculates a trend price for certain major products, i.e. the export price that would prevail if export prices were on their longer-term trend. When the average export price for these major products is less than 85 per cent of the trend value, the market support rate will be the difference between 110 per cent of the trend value and the estimated current average export price.

- (ii) Supplementary market support fund was aimed at smoothing the transition from the previous arrangements to the current one. It was financed by levies on domestic sales of butter/butter oil and Cheddar-type cheeses credited to the supplementary market support fund. Supplementary market support payments were made from this fund until the fund was exhausted. The levy on cheese was phased out in five equal six-monthly steps and terminated on 1 July 1989. As regards butter/butter oil the Government announced the accelerated phasing out of this product levy as part of the Economic Statement made in May 1988.

As a result the rate of supplementary market support fell from 10.9 per cent in 1987/88 to 1.3 per cent in 1988/89 and was completely phased out from 1 July 1989. These changes have reduced total assistance to the dairy industry from 45 per cent in 1986/87 to 17 per cent in 1989/90 and will have the effect of further encouraging the industry to respond to market realities.

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<sup>1</sup>The other special arrangements for the liquid market, which are under State and not Federal Government control, remain unchanged.

(b) Levels of guaranteed prices or support prices

The Australian Government underwrites the average export returns for butter, Cheddar-type cheeses, skimmed milk powder/buttermilk powder, casein and whole milk powder at 85 per cent of their respective long-term trend prices. The trend price of a product is determined by ordinary least squares analysis over a period of eight years with observations of actual average export prices for seven years and the estimated average export price for the year in which underwriting applies.

The underwritten values for 1989/90 are shown below.

<u>Product</u>	<u>A\$/tonne</u>
Butter/butter oil (cbe) <sup>1</sup>	1,274
Cheese (Cheddar types) <sup>2</sup>	1,561
Skimmed milk powder <sup>3</sup>	1,848
Whole milk powder	1,554
Casein	4,492

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<sup>1</sup>cbe = commercial butter equivalent

<sup>2</sup>Cheddar, Cheddar types, Cheedam, Colby, Monterey, Granular and Stirred Curd

<sup>3</sup>Includes skimmed milk powder, buttermilk powder, skimmed milk powder/buttermilk powder mixtures and skimmed milk powder modified

(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, which focus on the establishment of domestic retail prices, industry margins and production controls.

(d) Average returns to producers, including methods of determining those returns

The average farmgate return for manufacturing milk in 1988/89 is estimated at approximately \$5.30 per kg. butterfat (approximately 23.9 cents per litre). The average farmgate return for market milk during 1988/89 is estimated at 42 cents per litre. Note that average returns differ markedly from State to State. With little inter-State 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.

B. INTERNAL PRICES AND CONSUMPTION

1. Representative retail and wholesale prices

The theoretical domestic values for manufactured dairy products which provide indicative domestic wholesale prices were set as follows for 1988/89.

<u>Product</u>	<u>A\$/tonne</u>
Butter/butter ojl (cbe) <sup>1</sup>	2,500
Leviable cheese <sup>2</sup>	2,700
Skimmed milk powder <sup>3</sup>	2,400
Whole milk powder	2,500
Casein	6,200

<sup>1</sup> cbe = commercial butter equivalent

<sup>2</sup> Cheddar, Cheddar types, Cheedam, Colby, Monteray, Granular and Stirred Curd

<sup>3</sup> 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 June quarter of 1989 were:

<u>Item</u>	<u>Unit</u>	<u>A\$</u>
Milk - carton, supermarket sales	1 litre	0.88
Milk - bottled, delivered	2 x 600 ml.	1.04
Butter	500 g.	1.85
Cheese - processed, sliced, wrapped	500 g.	2.84
Milk - powdered, full-cream	1 kg. can	5.73

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 recent years but still face continuing strong competition from margarine, which is cheaper than butter and holds some 70 per cent of the domestic table-spread market. Cheese sales have increased markedly in recent years especially for 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.

Dairy products promotion is funded by a levy on milk production and expended by the Australian Dairy Corporation. In 1988/89 a levy of 4.95 cents per kg. butterfat was estimated to yield A\$13.5 million which will be used for: butter and cheese advertising in the media; a health and nutrition education programme directed at medical practitioners, dieticians 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	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88
Market milk (litres)	104.8	104.8	103.8	102.6	103.3	102.2	102.6	101.2
Butter - retail	3.2	3.2	3.0	3.2	3.2	3.0	5	5
Total butter/ butter oil (cbe) <sup>1</sup>	4.3	4.3	4.0	4.0	4.0	3.7	3.5	3.2
Cheddar types <sup>2</sup> - leviabile <sup>3</sup>	3.9	4.3	4.3	4.4	4.3	4.2	4	4
- other	0.3	0.1	0.2	0.2	0.4	0.3		
	4.2	4.4	4.5	4.6	4.7	4.5	4.6	4.6
Non-Cheddar types <sup>2</sup>	1.5	1.9	2.0	2.1	2.4	2.5	2.2	2.9
Imported cheese	0.9	1.1	1.3	1.4	1.4	1.3	1.2	1.2
Total cheese	6.6	7.4	7.8	8.1	8.5	8.3	8.5	8.7
SMP	3.0	2.7	2.6	2.2	2.3	2.3	5	5
Total SMP/BMP	3.1	2.8	2.7	2.4	2.5	2.5	2.8	2.9
Casein	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
WMP	0.9	0.9	0.8	0.7	0.7	0.6	0.8	0.9

Source: Australian Dairy Corporation

<sup>1</sup> cbe - commercial butter equivalent

<sup>2</sup> Domestic product

<sup>3</sup> Leviabile 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

<sup>4</sup> No longer applicable

<sup>5</sup> Not separately available

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).

Australia has acceded to the Harmonized Commodity Description and Coding System Convention and is obliged to observe these requirements in its tariff.

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

(ii) Exports

Export measures at tariff line level

The current dairy marketing and assistance arrangements, introduced on 1 July 1986, provide for exports of all dairy produce to be eligible for market support payments equal to a maximum of 30 per cent of the estimated average export price for the period. This market support is funded through a levy on all milk produced with a ceiling of 2 cents per litre (or 45 cents per kg. butterfat).

To assist the industry in the adjustment to the new arrangements, there were supplementary market support payments funded by a product levy on domestic sales of butter/butter oil and Cheddar-type cheese. These product levies have now been phased out.

D. BILATERAL, PLURILATERAL AND MULTILATERAL AGREEMENTS

The Australia New Zealand Closer Economic Relations - Trade Agreement (ANZCERTA) came into effect on 1 January 1983. Its objective is to completely 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 as an Annex of the ANZCERTA. A Joint Dairy Industry Consultative Committee was 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. In 1988, a general review of the ANZCERTA was carried out and the future of the MOU and trade between Australia and New Zealand in dairy products in general was considered as part of this review.

From 1 July 1990, the MOU will cease to be part of the ANZCERTA, and trade in dairy products will be governed by the provisions of the ANZCERTA and subsequent protocols. The two Governments have entered into understandings to ensure that dairy trade between Australia and New Zealand is conducted on a basis that is consistent with the principles of free trade and fair competition contained in the ANZCERTA.

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 European Community 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 EEC 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 remained in force initially until 31 December 1986. Since then the arrangements have continued on an indefinite basis subject to each party having the right to denounce them by giving six months' notice in writing. If the current arrangements 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 Kasserri). In addition, it granted guaranteed access for not less than 1,000 tonnes of Edam and Gouda per annum at a rate of A\$ 86/tonne and 2,500 tonnes of other cheeses (excluding in particular Cheddar, Fetta and Kasserri) 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 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 Amendment Act 1987, of the Australian Parliament, which came into effect on 26 December 1987, provides the framework for the regulation and control of the export of dairy products. The Amendment Act replaces criminal penalties in the Dairy Produce Act 1986 for Australian exports selling below GATT-IDA minimum prices for dairy products with an economic penalty.

Under the current arrangements, exporters who breach IDA minimum prices will be required to pay the Australian Dairy Corporation the difference between the price for which they sold their dairy products and the current IDA minimum price for the particular dairy product. Failure to do so may lead to the ADC suspending or cancelling the exporter's licence. The amendments bring Australia into line with the other major IDA members who impose economic penalties on breaching exporters.

Procedures are also in place to ensure that the export of dairy products 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 Industries and Energy 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.

APPENDIX A

Australian Tariff Abbreviations Used

DC	Developing country
FI	Forum Islands
PNG	Papua New Guinea
NZ	New Zealand
kg.	Kilogramme
l.	Litre
t.	tonne

CUSTOMS TARIFFSchedule 3

Reference	Goods	Rate*
0401	Milk and cream, not concentrated, nor containing added sugar or other sweetening matter:	
0401.10.00	- Of a fat content, by weight, not exceeding 1 per cent	Free
0401.20.00	- Of a fat content, by weight, exceeding 1 per cent but not exceeding 6 per cent	Free
0401.30.00	- Of a fat content, by weight, exceeding 6 per cent	Free
0402	Milk and cream, concentrated or containing added sugar or other sweetening matter:	
0402.10.00	- In powder, granules or other solid forms, of a fat content, by weight, not exceeding 1.5 per cent	Free
0402.2	- In powder, granules or other solid forms, of a fat content, by weight, exceeding 1.5 per cent:	Free
0402.21.00	.. not containing added sugar or other sweetening matter	Free
0402.29.00	.. other	Free
0402.9	- Other:	
0402.91.00	.. not containing added sugar or other sweetening matter	Free
0402.99.00	.. other	Free
0403	Buttermilk, curdled milk and cream, yogurt, kephir and other fermented or acidified milk and cream, whether or not concentrated or containing added sugar or other sweetening matter or flavoured or containing added fruit or cocoa:	

\*Unless otherwise indicated NZ, PNG, FI and DC rates are free.

CUSTOMS TARIFF (cont'd)

Schedule 3 (cont'd)

Reference	Goods	Rate*
0403.10.00	- Yoghurt	Free
0403.90.00	- Other	Free
0404	Whey, whether or not concentrated or containing added sugar or other sweetening matter: products consisting of natural milk constituents, whether or not containing added sugar or other sweetening matter, not elsewhere specified or included:	
0404.10.00	- Whey, whether or not concentrated or containing added sugar or other sweetening matter	Free
0404.90.00	- Other	Free
0405.00.00	Butter and other fats and oils derived from milk	Free
0406	Cheese and curd:	
0406.10.00	- Fresh cheese (including whey cheese), not fermented, and curd	Sch. 5
0406.20.00	- Grated or powdered cheese, of all kinds	Sch. 5
0406.30.00	- Processed cheese, not grated or powdered	Sch. 5
0406.40	- Blue-veined cheese:	
0406.40.10	.. cheese of the following types: (a) Roquefort (b) Stilton	Free
0406.40.90	.. other	Sch. 5
0406.90	- Other cheese:	

\*Unless otherwise indicated NZ, PNG, FI and DC rates are free.

CUSTOMS TARIFF (cont'd)Schedule 3 (cont'd)

Reference	Goods	Rate*
0406.90.10	.. cheese, of the following types:  (a) made wholly from goats' milk, other than Fetta or Kasseri (b) surface-ripened soft, having: (i) a fat content in the dry matter of not less than 50 per cent by weight; and (ii) a moisture content of not less than 65 per cent by weight of the non-fatty matter	Free
0406.90.90	.. other	Sch. 5
1702	Other sugars, including chemically pure lactose, maltose, glucose and fructose, in solid form; sugar syrups not containing added flavouring or colouring matter; artificial honey, whether or not mixed with natural honey; caramel:	
1702.10.00	- Lactose and lactose syrup	20% DC:15%
2105.00.00	Ice cream and other edible ice, whether or not containing cocoa	5%
2106	Food preparations not elsewhere specified or included:	
2106.90.90	.. other	5%
3501	Casein, caseinates and other casein derivatives; casein glues:	
3501.10.60	- Casein	10% DC:5%
	From 1 January 1990	7.5% DC:2.5%
	From 1 January 1991	5%
	From 1 January 1992	Free

\*Unless otherwise indicated NZ, PNG, FI and DC rates are free.

CUSTOMS TARIFF (cont'd)

Schedule 3 (cont'd)

Reference	Goods	Rate*
3501.90.00	- Other	5%
	From 1 January 1992	Free
3502	Albumins, albuminates and other albumin derivatives:	
3502.10.00	- Egg albumin	Free
3502.90.00	- Other	Free

\*Unless otherwise indicated NZ, PNG, FI and DC rates are free.

CUSTOMS TARIFF (cont'd)

Schedule 5

Item	Goods	Rate*
61	Cheese and curd, being goods classified under a heading or sub-heading of Schedule 3 specified in the table below:	
	0406.10.00      0406.30.00      0406.40.90 0406.90.90      0406.20.00	
61A	- Goods, as prescribed by by-law (311)	\$96/t. DC:\$96/t., less 5%
61V	- Other	\$2,100/t. DC:\$2,100/t., less 5%
	From 1 July 1992	\$96/t. DC:\$96/t., less 5%

\*Unless otherwise indicated NZ, PNG, FI and DC rates are free.

APPENDIX B

Quarantine requirements

Due to geographic isolation and to strict quarantine controls, Australia remains free of many of the serious animal 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 Industries and Energy 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 Industries and Energy 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.

Commercially-manufactured dairy products including casein, 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.

There is a general prohibition on the importation of non-commercially-manufactured dairy products and commercially-manufactured dairy products from non-approved countries with the exception of cheese and lactose.

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 the 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.

Caseinates may also be imported from the Netherlands dependent on individual process and factory approval and must be accompanied by prescribed Government certification.

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 restrictions 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:

Cheese and curd:

0406.10	Fresh cheese (including whey cheese), not fermented, and curd	\$0.096/kg. <sup>1</sup>
ex 0406.20	Grated or powdered cheese	
	- <u>except</u> Cheddar	\$0.096/kg. <sup>1</sup>
ex 0406.30	Processed cheese, not grated or powdered:	
	- <u>except</u> - Cheddar	
	- Emmenthaler or Gruyère	
	- types when in packs not exceeding 284 g.	\$0.096/kg. <sup>1</sup>
0406.40	Blue-veined cheese	
	- Roquefort; Stilton	Free
	- other	\$0.096/kg. <sup>1</sup>
ex 0406.90	Other cheese as follows:	
	- cheese made wholly from goats' milk	
	- <u>except</u> - Fetta	
	- Kasseri	Free
	- surface-ripened soft cheese having:	
	(a) a fat content in the dry matter of not less than 50 per cent by weight; and	
	(b) a moisture content of not less than 65 per cent by weight of the non-fatty matter	Free
	- Edam; Gouda	\$0.096/kg. <sup>2</sup>
	- other	
	- <u>except</u> - Cheddar	
	- Fetta	
	- Kasseri	
	- Swiss or Emmenthaler types	\$0.096/kg. <sup>1</sup>

<sup>1</sup>For not less than a combined total of 2,500 tonnes per annum

<sup>2</sup>For not less than 1,000 tonnes per annum