

## Fonterra Australia Pty Ltd. Response to **Draft Export Control Bill 2017**

17 October 2017

### **Fonterra Australia Pty Ltd.**

Fonterra is a global leader in dairy nutrition – the preferred supplier of dairy ingredients to many of the world’s leading food companies. It is also a market leader with its own consumer dairy brands in New Zealand and Australia, Asia, Africa, the Middle East and Latin America. Fonterra is a farmer-owned co-operative and the largest processor of milk in the world. It is one of the world’s largest investors in dairy research and innovation drawing on generations of dairy expertise to produce more than two million tonnes of dairy ingredients, value added dairy ingredients, specialty ingredients and consumer products for 140 markets.

In Australia, Fonterra operates seven manufacturing sites across Victoria and Tasmania and employs around 1,650 people. Fonterra Australia collects around 2 billion litres of milk annually from almost 1,100 farmer suppliers and their 300,000 dairy cows. This milk is made into the many Fonterra dairy foods that generations of Australians have grown up with and love, including Perfect Italiano™, Mainland™, Western Star™ and Anchor™. The business also sells dairy ingredients to many of the world’s leading food companies and it operates a dedicated sales channel for the foodservice industry, providing a full range of dairy products specifically designed for commercial kitchens. In New Zealand, Fonterra is a market leader in the consumer dairy segment with a portfolio of milk, cheese, butter and spreads, ice cream and yoghurt brands. Some of our consumer brands include Anchor™, Fresh n’ Fruity™, Kapiti™, Mainland™, Perfect Italiano™, Primo™, Tip Top™ and Symbio™.

### **Response to draft Export Control Bill 2017**

Fonterra Brands Australia Pty Ltd. (Fonterra) welcomes the opportunity to provide comment on the Export Control Bill 2017. Fonterra supports the submission and views of Dairy Australia. In our comments below, we will take the opportunity to highlight a few points of particular importance

We acknowledge that many points previously raised by the dairy industry have been taken on board in the exposure draft. We recognise that those that haven’t been reflected in the exposure draft require policy or process actions, rather than the legislative change that is the focus of the project.

The dairy industry has emphasised the importance of this review resulting in a Bill that provides enough flexibility so that the export regulation system is able to respond to future challenges as they arise. These may include:

- New market requirements and expectations from importing countries.
- Changing supply chains – including closed loop and small consignments.
- New technologies including in traceability, surveillance and testing capabilities.
- Potential demands for assurances on production attributes (animal welfare, environmentally sustainable, hormone-free, religious requirements) and quality attributes.

- Changes to industry or third party assurance programs, with opportunities to streamline audits and verifications across commercial, domestic and export requirements.

We also welcome the devolution of powers to the Secretary to make rules, with appropriate checks and balances, as this will ensure the system remains flexible and responsive to changing needs. We recognise that most of the impact for dairy will come when the 'Export Control Rules' for dairy are developed and finalised in 2018. Fonterra would appreciate the opportunity to provide input to this process.

Fonterra notes the process that have been undertaken to improve quota administration regulation. We appreciate the extensive consultation with the dairy industry through this process; we are pleased with the process and expected outcomes and look forward to improvements coming into effect.

Finally we note the proposed implementation timeframe and the importance of appropriate consultation and timing with trading partners to ensure no disruption to trade.

If there are any queries relating to this submission, please contact us.

Regards,

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