

Fonterra Co-Operative Group Limited



Dairy for life

Daniel Wright – Group Customs and R&D Manager

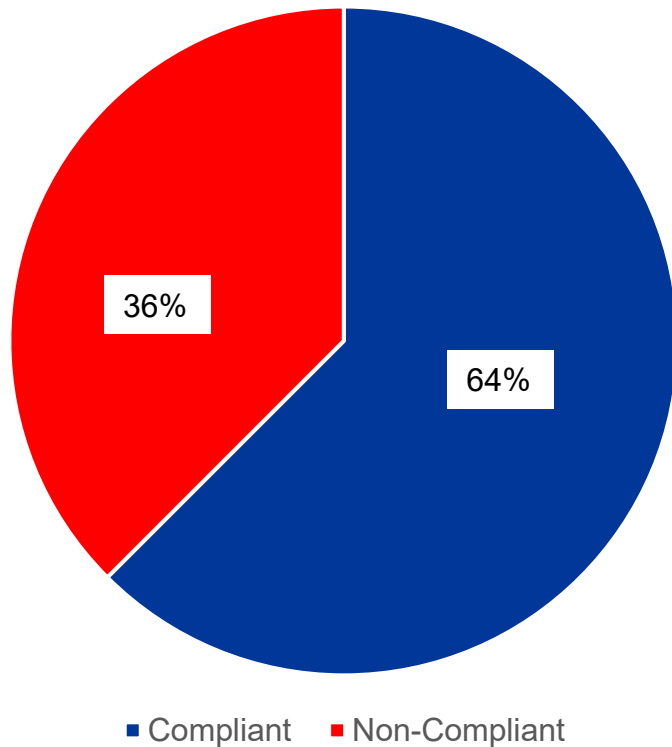


Using Artificial Intelligence to complete Customs Declarations

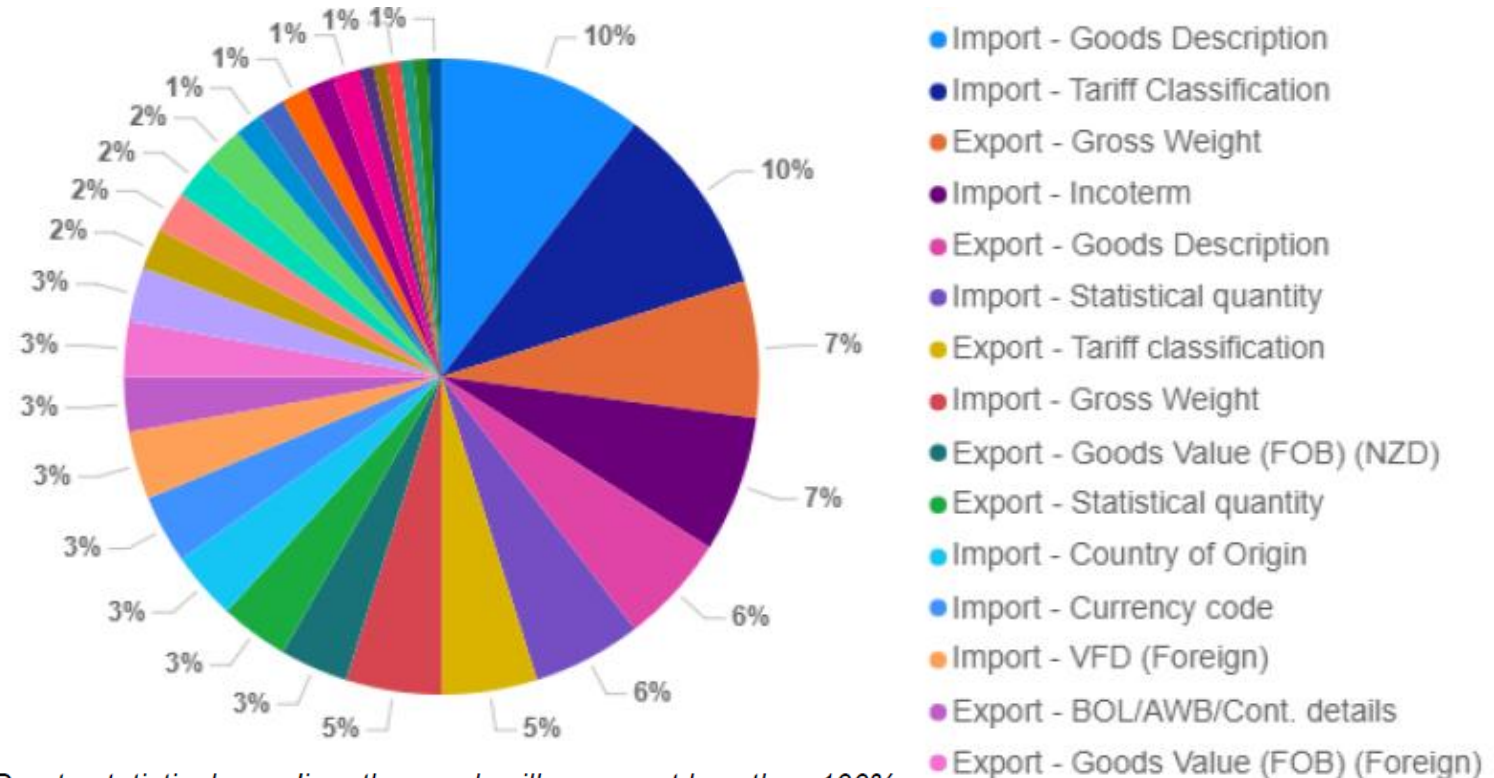


New Zealand Customs Outcomes Reports a concerning level on unintentional Non-Compliance

Overall Declarant Compliance



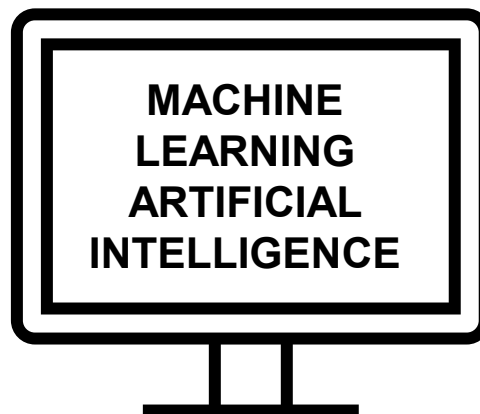
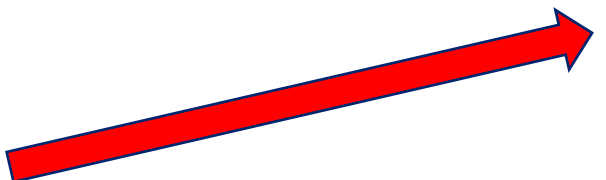
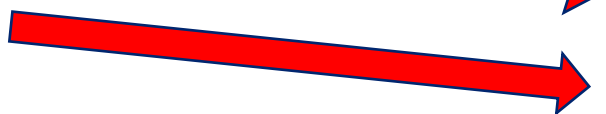
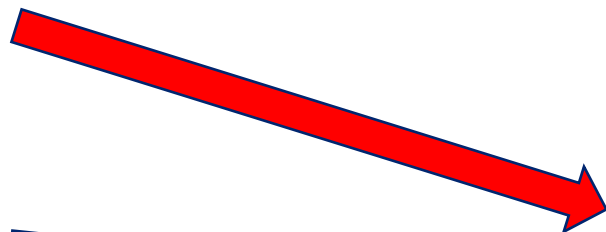
Declaration Errors



*NZ Customs Trade Assurance Report December 2025

NB: Due to statistical rounding, the graph will represent less than 100%

What we can already do...



Form C

IMPORT ENTRY

To Mainland Australia

| | | | | |
|---|----------------------|--------------------|------------------------|----------------------------|
| Client Reference | | Entry Type | Entry Number | |
| Payment Method | | | | |
| Importer | | Code | Agent | Code |
| Customs Controlled Area | | Code | Declarants Code | |
| Invoice Number(s) | | Invoice Terms | | Importer/Agent of Importer |
| declare that the particulars contained in this entry are true and correct | | | | |
| Signature | | | | Date |
| SUBMISSION OF BOUTEMPORARY ENTRY | | PERMIT INFORMATION | | OTHER INFORMATION |
| Original Entry Number | Authority | Number | Code | Data |
| Remarks | | | | |
| SHIPPING DETAILS | | | | |
| Mode of Transport | Voyage No. | Craft/Flight | Date of Import | Total Gross Weight (kg) |
| Sea / Air / Mail | Port of Discharge | | Delivery Authority | Code |
| CONTAINER AND PACKAGE INFORMATION | | | | |
| Number & Type of Packages | | Container Number | Container Status | Bill Number |
| DETAIL LINE INFORMATION | | | | |
| Detail Line No. | Description of Goods | Unit | Concession Code | |
| 1 | | | | |
| Country of Export | Country of Origin | Supplier Code | Supplier Name | |
| Statistical Unit | Statistical Quantity | Supplementary Unit | Supplementary Quantity | |
| VFD (Foreign) | Currency Code | VFD (Whole NZ\$) | Exchange Rate | |
| Insurance (Whole NZ\$) | Freight (Whole NZ\$) | Misc. Reason Code | Misc. Amount NZ\$ | |
| Duty Payable NZ\$ | | GST Payable NZ\$ | Total Payable NZ\$ | |
| PERMIT INFORMATION | | PROHIBITED GOODS | | OTHER INFORMATION |
| Authority | Number | Code | Code | Data |
| ENTRY TOTAL | | | | |
| | | | | Total Payable NZ\$ |

Fonterra's Proposal in 2017:

Use Fonterra's Internal IT system to push data to the NZ Single Window without any human connection

New Zealand Customs raised a series of concerns related to the proposal which included

Legal

1. A Customs Declaration must be submitted by a “Person” (Customs & Excise Act 2018)
2. A Customs Unique User Identifying Number can only be issued to a Registered Person (means a person who is registered to use the system, Customs & Excise Act 2018)
3. The Comptroller of Customs can only register a person to use the registered user system



New Zealand Customs raised a series of concerns related to the proposal which included

Assurance

1. If the “Company” declares using it’s own systems, then who would take overall responsibility/ownership ensuring the data is accurate?
2. A declarant must meet the “fit and proper person” test and be audited by NZ Customs. How would an IT system meet this criteria?
3. What precedence would this set? Especially for high volume transaction models such as the Fast Freight industry?



TE MANA ĀRAI O AOTEAROA

Fonterra's Proposal Response

Legal:

Whilst the Customs & Excise Act 2018 required a “Person” or referred to a “Person” in many aspects of the legislation, section 5 (Definitions for Act) of the Customs & Excise Act 2018 does not define a person.

Section 13 of the Legislation Act 2019 (Definitions of terms for all legislation) did however define a “Person” to include “includes a corporation sole, a body corporate, and an unincorporated body”

Fonterra's Proposal Response

Assurance:

A live person was only involved in the process because it was a “Customs Requirement”. However this person has no control over the data nor can they change or amend the data.

The company has invested significant capital in these systems to improve efficiency, productivity and performance. The company has an overall responsibility to ensure all data is accurate. If data is inaccurate then payments, shipments etc are all compromised.

Agreement to conduct a trial

In 2023 after six years of on/off discussions, NZ Customs agreed to conduct a trial



Dairy for life



Why did the trial only focus on exports?



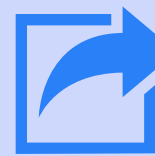
There are no revenue implications for exports in most cases. There was a comfort level from New Zealand Customs the outcome would not involve revenue leakage.



New Zealand is an export driven trading economy. Export data accuracy for New Zealand is imperative as it impacts foreign currency exchange, trade integrity, and national economic reporting.



New Zealand Customs requires export declarations to be made 48 hours prior to export. The Customs & Excise Act 2018 imposes financial sanctions on persons that submit a materially incorrect export declaration.



Export information can change suddenly and often outside of the control of the exporter. This can include vessel name, date of export etc which are required to be accurate at the time of export.

Outcome of the Trial

In 2024, a six-week trial took place where a specific Customs Client Code was used for these shipments.

6720 Export Declarations were cleared in the Single Window System with 100% accuracy in the following data fields.

The program was given approval to implement into Business-as-Usual operation.

Final Thoughts



Be Patient
bureaucracy
takes time.

Expect
unexpected
hurdles.

Consider how this
will impact them