

## **14. MANAGEMENT REPORTS**

### **[1] BRUNEI PREMIUM HALAL FOOD BRAND LAUNCH AND BUSINESS DELEGATION AUGUST 2007 (CEO)**

**File Number:** 13/10/01  
**Officer:** Phil Pearce  
**Position Title:** Chief Executive Officer

#### **1. INTRODUCTION**

1.1. The Brunei Government, Elders International (Brian Norwood), Williams International (Jayson Williams) and SMEDB (John Irwin/Andrew Millen) have for the past 15 or so months, been engaged in negotiations and discussions to develop a Bruneian Premium Halal Food Brand and to assist Mildura region businesses to become involved in the Brand. Thus far 17 region businesses have expressed interest in this food brand.

Exports of honey, table grapes and dried fruit have occurred into Brunei prior to the launch of the food brand. These products have been available for purchase since approximately March 2007.

On August 16<sup>th</sup> 2007 the Sultan of Brunei will launch this new food brand to the world in Brunei Darussalam as part of the International Halal Products Expo (16<sup>th</sup> - 19<sup>th</sup> August 2007).

Dato Hamid Jaafar, Permanent Secretary, Ministry of Industry and Primary Resources and Hajah Norma, Acting Director Agriculture Brunei Darussalam Government have invited representatives of Mildura, Hume and Baw Baw Local Government Area's (LGA's) to be present at the launch, participate in the Expo (with local businesses) and to attend organised and scheduled meetings with the Brunei Halal Food Brand Departments.

I am aware that both Hume and Baw Baw LGA's will be attending the launch and participating in the associated itinerary, represented by their respective Mayor, CEO and Economic Development Manager.

The potential of this food brand is enormous. According to the World Halal Forum 2006, the following is of interest:-

- World Muslim Population around 1.9 billion with a 2.5% p.a. growth rate
- Overall Halal industry worth US \$560 billion p.a. with Halal food accounting for US \$150 billion p.a.
- Estimated growth for Halal food spending is about 2% p.a.

#### **2. COMMENTS**

2.1. Elders advise that the various government agencies in Brunei co-ordinating the launch, expo and development of this Halal food brand indicate they would welcome and encourage a Mildura delegation as part

of the launch and expo. A draft itinerary has been developed generally between Tuesday 14<sup>th</sup> - Saturday 18<sup>th</sup> August 2007. A draft Itinerary is attached (**refer agenda pages 29 to 30**).

In addition to the launch and expo, MRCC and SMEDB anticipate the signing of Memorandum of Understanding (MOU) documents between both organisations and the Brunei Darussalam government. These MOU's relate to the mutual development of trade, commerce and investment opportunities between the stated parties. The draft agreements have been drafted by MRCC's lawyers (Martin Irwin & Richards) and are attached to this report (**refer agenda pages 31 to 38**).

Flights to and from Brunei are already heavily booked and travel before and after these dates (mentioned above) may be necessary so to secure seats as advised by MRCC's travel agent. Approximate costs are provided below.

There are no confirmed businesses for the expo yet, however it is believed that SMEDB will be able to achieve 2 to 3 for the expo likely to represent - honey, dried fruit, citrus, organic products and nuts.

The draft Itinerary has been designed to let each business and or organisation representative participate in the food brand launch, exhibit at the expo and get an overall understanding of the Halal Food Brand program and steps needed to participate in it, to continue dialogue with the Bruneian officials developing the program and to meet the financial institutions in Brunei that are keen to invest in the Australian, more specifically the Mildura region food chain. It will also provide the opportunity for those travelling to Brunei, to see something of the country and the Bruneian culture, as well as their way of doing business.

SMEDB has been briefed about the Brunei Premium Halal Food Brand project and approved the participation of its CEO and Chair at its meeting dated 20<sup>th</sup> June 2007.

SMEDB has identified that this niche food brand has international trade possibilities and supports its Chief Executive Officer and Chair joining this Brunei business delegation.

By joining the business delegation and participating in the expo SMEDB (on behalf of the region's businesses) would:

- be equipped to answer questions from interested companies in our region
- would provide a whole of region representative to advise companies
- most importantly provide the introduction to senior Bruneian officials developing the food brand
- further the discussions for participation of Mildura region businesses in the food brand

Please note John Irwin Chair of SMEDB, will be attending this delegation on his return journey from Europe. John Irwin is holidaying with his family and returning via Brunei to participate in the launch and expo. SMEDB will contribute to a component of John Irwin's Singapore Brunei Singapore airfare and accommodation in Brunei estimated at \$2,000.

**3. POLICY/COUNCIL PLAN CONTEXT**

3.1. Participation on this delegation accords with SMEDB and MRCC plans:-

*SMEDB's Strategic Plan 2007-2010, Domestic & International Trade* - To facilitate promotion of our region's produce, products, capabilities and talent domestically and internationally.

*MRCC's Plan 2006-2010, Strategic Outcome 3 - Growth of the Economy*, provides for Council to take a pro-active response to a changing economic business environment.

**4. FINANCIAL & RISK MANAGEMENT CONSIDERATIONS**

4.1. The anticipated cost to each participant will be approximately \$6,720 as follows:-

• Return domestic, international airfares and visas	\$5,100
• Accommodation & Meals	\$1,200
• Insurance	\$ 120
• Miscellaneous	\$ 300

**5. RECOMMENDATION**

**THAT:**

- 1. Council approves the delegation to Brunei by Andrew Millen, Chief Executive Officer and John Irwin, Chairman of the Sunraysia Mallee Economic Development Board, Phil Pearce, Chief Executive Officer and John Arnold, Mayor of the Mildura Rural City Council at the launch, expo and business and trade discussions as part of the Brunei Premium Halal Food Brand.**
- 2. Council approves the Mayor and Chief Executive Officer of Mildura Rural City Council to sign the Memorandum of Understanding documents.**

**BRUNEI PREMIUM HALAL BRAND – AUGUST 2007 LAUNCH**

**VIP PROGRAM**

**Tuesday 14<sup>th</sup> August**

- 1500 Arrive Brunei from Melbourne/Singapore – to hotel (Empire Hotel & Country Club)
- 1700 Briefing on program - Brian Norwood
- Evening Casual delegation gathering
- Overnight Empire Hotel

**Wednesday 15<sup>th</sup>**

- 0830 Briefing on Brunei
- Dr Ruth Adler, Australian High Commissioner, Brunei
  - Suresh Marimuthu, Senior Partner, PricewaterhouseCoopers
- 1000 Visit Supersave supermarket to see halal food retailing
- 1100 Sightseeing tour of Bandar
- 1230 Casual lunch
- 1400 Meeting at Ministry of Industry & Primary Resources to meet senior Brunei Government officials managing BPHB and presentation on BPHB
- YB Pehin Orang Kaya Setia Pahlawan Dato Seri Awang Haji Ahmad bin Haji Jumat, Minister for Industry & Primary Resources
  - YM Dato Paduka Haji Hamdillah bin Haji Abd Wahab, Deputy Minister for Industry & Primary Resources
  - YM Dato Paduka Haji Mohd Hamid bin Haji Mohd Jaafar, Permanent Secretary, Ministry of Industry & Primary Resources,
  - Director of Agriculture, Hjh Normah, and BPHB team
- Evening Official Brunei Government Welcome Dinner Reception hosted by Minister for Industry & Primary Resources, Pehin Ahmad, at head office of Yayasan Sultan Haji Hassanal Bolkiah

**Thursday 16<sup>th</sup>**

- 0900 Attend launch of Brunei Premium Halal Brand and opening of Halal Product Expo 2007 by His Majesty, the Sultan of Brunei – His Majesty tours exhibition booths following launch, International Convention Centre
- 1200 Business matching opportunities for Australian companies at International Convention Centre
- 1400 Signing of Memorandum of Understandings at International Convention Centre

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- 1600 Tour exhibition booths
- Evening Official Dinner hosted by Dato Hamdillah, Deputy Minister for Industry & Primary Resources
- Friday 17<sup>th</sup>**
- 0830 Working breakfast hosted by Dato Hamid, Permanent Secretary, Ministry of Industry & Primary Resources
- 1030 Leave hotel for Eco Tour **OR** Business meetings **OR** Depart Brunei for other destinations (depending on individuals itineraries and travel arrangements)
- 1600 Return to hotel
- 1800 Dinner to be organised with Brunei local Businesses
- Saturday 18<sup>th</sup>**
- 0900 Halal Food Brand Seminar and workshops (all day program)
- NOTE** For those delegates wanting to stay longer for business meetings etc, individual programs will be arranged.

**MEMORANDUM OF UNDERSTANDING**

**BETWEEN**

**SUNRAYZIA MALLEE ECONOMIC DEVELOPMENT BOARD  
OF MILDURA IN THE STATE OF VICTORIA, AUSTRALIA**

**AND**

**GOVERNMENT OF BRUNEI DARUSSALAM**

**MEMORANDUM OF UNDERSTANDING**

**BETWEEN**

**SUNRAYSIA MALLEE ECONOMIC DEVELOPMENT BOARD**

**AND**

**GOVERNMENT OF BRUNEI DARUSSALAM**

This Memorandum of Understanding is made between the Ministry of Industry and Primary Resources of Brunei hereinafter referred to as "the Ministry" of the one part and the Sunraysia Mallee Economic Development Board of Deakin Avenue Mildura in the State of Victoria Australia hereinafter referred to as "SMEDB" of the other part.

**INTRODUCTION**

- A. The Ministry of Industry and Primary Resources serves as the focal organization in the Government of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam to actively promote, facilitate and accelerate economic diversification of the nation. It seeks to improve and enhance the delivery of services to the public in fulfilling its role as a facilitator of national development especially to enable the private sector to play a more active role in the economic development of Brunei Darussalam.
- B. His Majesty's Government generally welcomes foreign investment in almost any sector to establish business ventures in Brunei Darussalam where it offers both favorable and conducive environment for investment.
- C. The Ministry has as its mission to create, promote and market a brand of Premium Halal foods and related products.
- D. The Ministry wishes to establish strong relationships with economic bodies whose regions produce foods and related products which are capable of meeting the rigorous standards set by the Ministry.
- E. SMEDB is a fully controlled entity of the Mildura Rural City Council whose mission is to develop collaborative partnerships that link the regions valuable natural resources with industry, investment and service providers.
- F. SMEDB has identified that the proposed Premium Halal brand creates excellent opportunities to sell the regions produce to the Muslim World and that the relationship already established with the Ministry has given sufficient confidence that each party can benefit from a long term venture for the mutual benefit of each.

**TERMS OF MEMORANDUM OF UNDERSTANDING**

The Ministry and SMEDB hereby confirm that they will cooperate with each other with regard to the following activities.

1. SMEDB will identify companies in the Mildura region whose products, standards and reputation will be worthy of investigation by the Ministry or its nominated agent.
2. SMEDB will introduce those companies to the Ministry in the belief that the products will satisfy the Premium Standards set for Halal foods.
3. SMEDB will give the support necessary to enable audits of the products so identified to facilitate when required by the evaluation process.
4. SMEDB will make its facilities available at all times when the Ministry's staff or agents are in the Mildura region or alternatively will assist in finding suitable facilities to meet the needs of the Ministry.
5. SMEDB will introduce the Ministry to the Victorian Government's State Government Agencies within the Mildura region and when required Federal Government agencies such as Immigration and Quarantine.
6. SMEDB will respond to any inquiries from the Ministry which relate to Australian laws and regulations.
7. The Ministry will actively work with companies in the Mildura region and encourage them to foster close ties with Brunei with a view to sole or joint ventures in Brunei whereby local products can be value added, processed and or packaged in full or in part in Brunei.
8. Both parties will work in close collaboration to ensure that the Premium Halal brand is recognized internationally as a symbol of quality and as a consequence create new market opportunities for produce in the Mildura region and simultaneously create business opportunities in Brunei Darussalam.
9. Each party will promote direct contact between their members, businesses and industry to help establish joint ventures and encourage the exchange of information with respect to Brunei Darussalam and Australian practices in international trade, research and education.

**RATIFICATION AND ENTRY INTO FORCE**

1. This Agreement will come into force from the moment of its signing and shall stay in force for a period of five (5) years and be automatically extended for a further term of five (5) years consecutively unless it is terminated by either party by notice in writing to the other party at least six (6) months prior to the end of the term of Agreement.
2. In the event of automatic extension of the term the Agreement shall continue in five (5) yearly terms unless terminated by notice in writing six (6) months prior to the end of any term.
3. In the event of termination, the provisions of this Agreement shall remain in force until the rights and obligations arising hereunder including any specific cooperation have been fully executed unless the parties agree otherwise.
4. The Agreement can be edited or extended upon mutual agreement of the Parties.

This Memorandum is produced in duplicate with copies in both the English and the xxx languages.

Signed for and on behalf of

**SUNRAYZIA MALLEE ECONOMIC  
DEVELOPMENT BOARD  
By the Mildura Rural City Council  
By its Chief Executive Officer  
P.W. (Phil) PEARCE**

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P.W. (Phil) PEARCE

Signed by

**THE MINISTRY OF INDUSTRY  
AND PRIMARY RESOURCES**

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**MEMORANDUM OF UNDERSTANDING**

**BETWEEN**

**MILDURA RURAL CITY COUNCIL of  
STATE OF VICTORIA, AUSTRALIA**

**AND**

**GOVERNMENT OF BRUNEI DARUSSALAM**

**MEMORANDUM OF UNDERSTANDING**

**BETWEEN**

**MILDURA RURAL CITY COUNCIL**

**AND**

**GOVERNMENT OF BRUNEI DARUSSALAM**

This Memorandum of Understanding is made between the Ministry of Industry and Primary Resources of Brunei hereinafter referred to as "the Ministry" of the one part and Mildura Rural City Council of Madden Avenue Mildura in the State of Victoria Australia hereinafter referred to as "MRCC" of the other part.

**INTRODUCTION**

- A. The Ministry of Industry and Primary Resources serves as the focal organization in the Government of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam to actively promote, facilitate and accelerate economic diversification of the nation. It seeks to improve and enhance the delivery of services to the public in fulfilling its role as a facilitator of national development especially to enable the private sector to play a more active role in the economic development of Brunei Darussalam.
- B. His Majesty's Government generally welcomes foreign investment in almost any sector to establish business ventures in Brunei Darussalam where it offers both a favourable and a conducive environment for investment.
- C. The Ministry has embarked upon a program to develop an internationally acclaimed premium brand of Halal foods to supply both Muslim and non-Muslim markets.
- D. To achieve the maximum sales and exposure to its brands the Ministry wishes to establish close ties with governments and government authorities or municipal councils who it believes can maintain the integrity, purity and quality which it desires.
- E. Integral to the production of quality foods the Ministry acknowledges that investment in overseas regions will guarantee the supply required.
- F. The Ministry wishes to establish within its own borders, areas in which international companies can build infrastructure capable of processing, manufacturing and packaging foodstuffs from overseas.
- G. MRCC is the local government authority for the Mildura Rural City which is one of Australia's major areas for the production of food grown for export.
- F. MRCC recognizes that significant market opportunities will emerge by working in close collaboration with the Ministry.
- G. MRCC works closely with many national and international companies and can act as an intermediary party to assist the Ministry in identifying those entities best suited to supply product for the Premium Halal brand.

- H. MRCC is keen to assist in the development of new horticultural areas for foodstuffs in its region and to this end to assist in building relationships with Australian companies and Brunei Darussalam investment groups.

**TERMS OF UNDERSTANDING**

1. To achieve the stated aims and objectives of both parties it is recognized that both must work in close collaboration and that each will welcome the participation of the other in their respective regions.
2. Each party will work towards the establishment of a strong foundation upon which can be built lasting relationships which will be mutual benefit.
3. Each party acknowledges that to have the Premium Halal brand recognized internationally, quality product from reputable companies is critical and MRCC will assist the Ministry wherever possible to forge links with Australian companies within the MRCC region and to introduce companies from outside the region.
4. Associated with the production of food is the need for research, science, technology, education and marketing, each part of which is vital in its own right. MRCC has access to industry and higher education within its region which can help build the Premium Halal brand and assist the Ministry and to this end MRCC will foster and encourage those companies and institutions to work with the Ministry.
5. It is agreed that both parties will exchange trade and business related information and regularly consult with one another with a view to promoting the Premium Halal brand and creating a climate for investment in both regions.
6. Above all, friendships and cooperation are considered paramount and each party will work to ensure that all the aims and objectives are achieved in this spirit.

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Signed for and on behalf of

**MILDURA RURAL CITY COUNCIL**

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JOHN ARNOLD  
MAYOR

.....  
P.W. (Phil) PEARCE  
CHIEF EXECUTIVE OFFICER

Signed by

**THE MINISTRY OF INDUSTRY  
AND PRIMARY RESOURCES**

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