

# GTA MARKET NOTIFICATIONS



Notice 01 of 2019 • 15 February 2019

**TOPIC: Outcome of Grain and Plant Produce Export Industry Consultative Committee Meeting 07 February 2019**

**DISTRIBUTION: GTA Members – primary contact list. Please circulate to all appropriate internal parties.**

## 1. Status Update

- Grain Trade Australia is a member of the Grain and Plant Products Export Industry Consultative Committee (GPPEICC) representing the interests of GTA members.
- The GPPEICC is the principal forum for the Department of Agriculture and Water Resources (DAWR) to consult with the grain, fodder, nuts, seed and timber industries on export inspection and certification, export market access and other relevant issues.
- The most recent meeting was held 7 February 2019 and issues of relevance to GTA members are outlined below.

## 2. Further Information

- Year to date revenue for the Grain and Seed Export Program arrangement is significantly lower than budgeted, primarily driven by lower than expected demand for inspection services driving reduced fee revenue. As a consequence, the end of year forecast for the arrangement is a deficit which will significantly reduce the Cost Recovery Reserve.
- DAWR continue to pursue revised charges for the 2019/20 budget with a planned implementation date of 1 July 2019. GPPEICC members have continued to engage with DAWR to ensure all proposed changes to charges are equitable and the reasons for changes are clearly articulated to industry. Updates on the potential charges and the timeframe of introduction will be provided once known.
- As at the end of December 2018, the total debt owed by industry for services provided by DAWR was \$1.6 million. Of this, \$0.9 million or 53% was overdue. Industry members of GPPEICC encouraged DAWR to pursue outstanding industry debt and take appropriate action such as suspending services where industry has failed to meet their financial obligations. Industry is encouraged to review their debt status and take immediate action to pay outstanding dues where appropriate.

## Documentation & IT System Issues

- Error rates with documents provided to DAWR for certification have trended down in recent months which is positive, however focus must remain on improving industry practices. The average document resubmission rate is above 9% for grain for the rolling 12 month period and thus improvements by industry on accuracy of documents presented to DAWR remains an issue. The DAWR Audit Services Group will target industry based on those errors when completing AO audits and verifications. In future, it is possible that amendments to the charging guidelines will occur to ensure the extra effort required to address these issues is cost recovered from industry.
- In summary the main causes of resubmissions are:
  - Issues with RFP details in EXDOC 38%
  - AO paperwork incorrect 29%
  - Incomplete documentation presented for authorisation 22%
- DAWR has finalised enhancements in PEMS v2.1 and the system went live to external users on 12 November 2018.
- PEMS v3.0 has scoped in additional grain inspections such as Quality System Recognition (QSR) and Mobile Bulk Loading (MBL). The project is planned to be delivered in 3 tranches with the first tranche scheduled for completion in February 2019 with release into production in March 2019. QSR functionality will be included in the first tranche release of PEMS v3.0 and MBL is planned for release in the second tranche due in May 2019. The integration with industry systems is planned for release in the third tranche, which will be towards the end of 2019, however consultation and specifications for this component will commence in the second quarter of this year.
- DAWR were pleased with the number of industry stakeholders involved in testing and they encourage further industry nominations for the next stage.
- Nexdoc, the new version of the Exdoc system, while planned for release in 2018/19 has been delayed until 2019/20.
- As recently advised to industry via a DAWR Industry Advice Notice, from 1 March 2019 DAWR will commence electronic exchange of phytosanitary certificates with the Republic of Philippines for grain. Consequently exporters will no longer be issued paper phytosanitary certificates from Exdoc for consignments going to the Philippines. Exporters or agents will be able to print 'extracts' of export certificates in order to satisfy commercial arrangements, where necessary. Exporters should discuss with their relevant importers the implications of this change.
- DAWR are pursuing a strategy for "Modernisation of the Agriculture Trade", due to commence 2021. Industry stakeholders are encouraged to present ideas to DAWR to modernise the export trade and create better linkages between Government and industry. Additionally by end of March 2019 industry should nominate people to discuss ideas to be considered under that project.

## Bulk Vessel & Inspections Update

- Industry uptake of the Authorised Officer (AO) model has increased since the last meeting, mainly in WA.
- As a consequence DAWR have continued to focus on conducting audits on Export Registered Establishments and AOs to ensure compliance with requirements. DAWR have cited that compliance was good as determined during recent unannounced audits.
- While overall compliance with regulatory requirements continues to be relatively high, audit findings continue to indicate industry performance can be improved for:
  - Site hygiene and pest control (i.e., grain spill management, weed control, site and storage drainage)
  - Documentation management and record keeping
- The departments Workplace Health & Safety branch have agreed to assess the suitability of the ports of Esperance and Albany in WA for the purpose of conducting empty bulk vessel inspections at anchorage. Outcomes of the review will be provided to industry in due course.
- DAWR continues to work with GTA and Shipping Australia via a working group on improvements to work instructions and guidelines for Empty Container Inspections to provide clearer instructions on what

constitutes an approved container for loading grain, including better photos in manuals and clearer language.

- DAWR continues to work with a GTA Sampling working group to develop a Technical Guideline Document that explains sampling requirements for all situations encountered along the supply chain. It is expected a draft TGD will be released shortly for industry review.
- On completion of the TGD for sampling, DAWR will develop a Grain Preparation Standard and Policy guideline to assist and guide exporters in the export of grain utilising mobile bulk loading and other export arrangements. The grain preparation standard will assist all exporters and export registered establishments to present product to the AO that is export compliant.

### Legislation Review

- In order to develop revised export legislation, drafting of the rules relating to the export of plant and plant products (the draft Plant Rules) has commenced. It is anticipated that the improved legislative framework will commence on 29 March 2020.
- Industry will be advised when the draft Plant Rules are available for consultation, due to commence mid-2019.
- DAWR is proposing to conduct information sessions during the period until the improved export legislation commences. Industry is encouraged to register interest on the department's website to ensure you are kept informed at [register your interest](#)

### **3. Further Information**

- Contact GTA to seek further information on any of the above issues.
- Further information on GPPEICC and its membership can be found at <http://www.agriculture.gov.au/biosecurity/partnerships/consultative-committees/gppeicc>