

Member Update

Title: **AQIS Export Certification Reform Package - update 3**

Update No.: **20 of 11**

Date of Issue: **8 August 2011**

1 Background

GTA has been advised that all of the documentation and details will be formally available within a few weeks but this is dependent on AQIS completing documents and having the legislative amendments registered by the Minister. Not much has gone to schedule so far so we are not overly optimistic that this will actually happen in the next few weeks, but, it should be “soon”.

The delays by AQIS in concluding many of the formalities of the new arrangements have meant that the new scheduled start date has been pushed back to 1st October (at this stage). AQIS is now charging the 2010/11 fees without the 40% subsidy.

The objective of the new AQIS procedures is outcomes based not the prescriptive procedures presently in place. The objective is to ensure that Australian grain exports are free from insects and diseases and meet the requirements of the importing country. The present system requires certain inspection procedures and protocols to be slavishly followed. The new system provides for significant flexibility in how the objective is reached.

2 New AQIS Charges

The industry Ministerial Task Force (MTF) signed off on the next draft of the new fee schedule at its last meeting, although further analysis is occurring. AQIS had changed earlier drafts of the charges so, until the schedule is gazetted, it still could be changed. The new fees will not include the previous 40% government subsidy – the fees will be full cost recovery for the AQIS Grains Export Program.

About \$1m (out of a total of \$12m) of the “business as usual” costs has been shaved from the AQIS Grains programs for the 2011/12 budget. This is obviously not going to recover the loss of the 40% subsidy. However, if the reforms are taken up by industry as expected, the AQIS costs will continue to decline and fees will decline accordingly. It is possible that the total AQIS fees could even decline by 40% over the next three years.

Also, the new arrangements will provide for substantial opportunity for exporters to gain logistic efficiencies in the export certification process. In most cases the logistic costs of positioning the cargo for the certification can cost more than the certificates themselves.

The new fee schedule will strongly reward exporters who are able to use the new Authorised AQIS Officer (AAO) arrangements and use electronic documents.

The new fees should be announced in the next few weeks, but, do not hold your breath. They should have been concluded and published before the originally scheduled start date of the scheme, 1st July 2011.

3 Authorised AQIS Officers - AAOs

The AAOs may certify each shipment. AAOs may be employees of the exporter or an independent third party. They will be responsible to AQIS for their AAO activities. They will need to undergo a training program; a certification process and will be subject to AQIS audit.

Exporters who do not wish to use AAOs may use the existing AQIS inspectors and pay the Fee for Service. The costs for Fee for Service will be much higher than the current rates.

Initially, Approved Persons under the existing Approved Arrangements may become AAOs upon application with the formal training and certification taking place over the following months.

The cost of certifying and auditing of AAOs will be charged by AQIS at the Fee for Service rate. It is estimated that the certification will take 3 to 4 hours of AQIS time, i.e., probably about \$500 - \$600, for correctly completed applications. The training and evaluation will largely be done on line. It has been estimated that the on line training modules will take 4 to 8 hours of study to complete to a satisfactory level – this will obviously vary with the incoming experience of an applicant.

Some of the funds from the MTF process have been allocated to the training and certification of AAOs. These funds will last until expended, perhaps until the end of 2011. Hence it is recommended that exporters that wish to go down the AAO route register with AQIS as soon as possible ..

The AAO package and access to the E-learning training modules should have been available on line *two weeks ago*. . You will be advised as soon as they are available.

4 New information for exporters on line

The reform process has devoted resources to upgrading the information available on line of the requirements of importing countries . The system is now working for the meat division. The system is supposed to be on-line for grains by the end of August.

5 EXDOC

To electronically lodge permits and certificates, you will need to have access to EXDOC. EXDOC is an interface not without problems or cost. The MTF is conducting a review of the various EXDOC software providers. This will be available in September.

6 Road shows of the new arrangements

Workshops will be held from late August around Australia on the new arrangements. Like other matters, the announcement of the actual dates and locations has been delayed. But, they will happen.

7 The formal announcement

The details of the new arrangements will be formally made by AQIS by way of an IAN email to all exporters. As soon as this happens, GTA will issue an update attempting to translate the formal notice into practical reality.