

GTA MARKET NOTIFICATIONS



No. 2 of 20 Outcome of the Grain & Plant Products Export Industry Consultative Committee Meeting—18 March 2020

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, Water and the Environment (DAWE) 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 18 March 2020 and issues of relevance to GTA members are outlined below.

2. Meeting Outcomes

DA Export Finance and Certification Charges

- 2019/20 year to date (December) revenue for the Grain and Seed Export Program arrangement continues to remain significantly lower than budgeted, primarily driven by lower than expected demand for inspection services driving reduced fee revenue. A similar scenario exists in some other export industries. DAWE are considering options to address this issue.
- The Cost Recovery Reserve is forecast to be \$1.1 million in deficit at the end of the financial year.

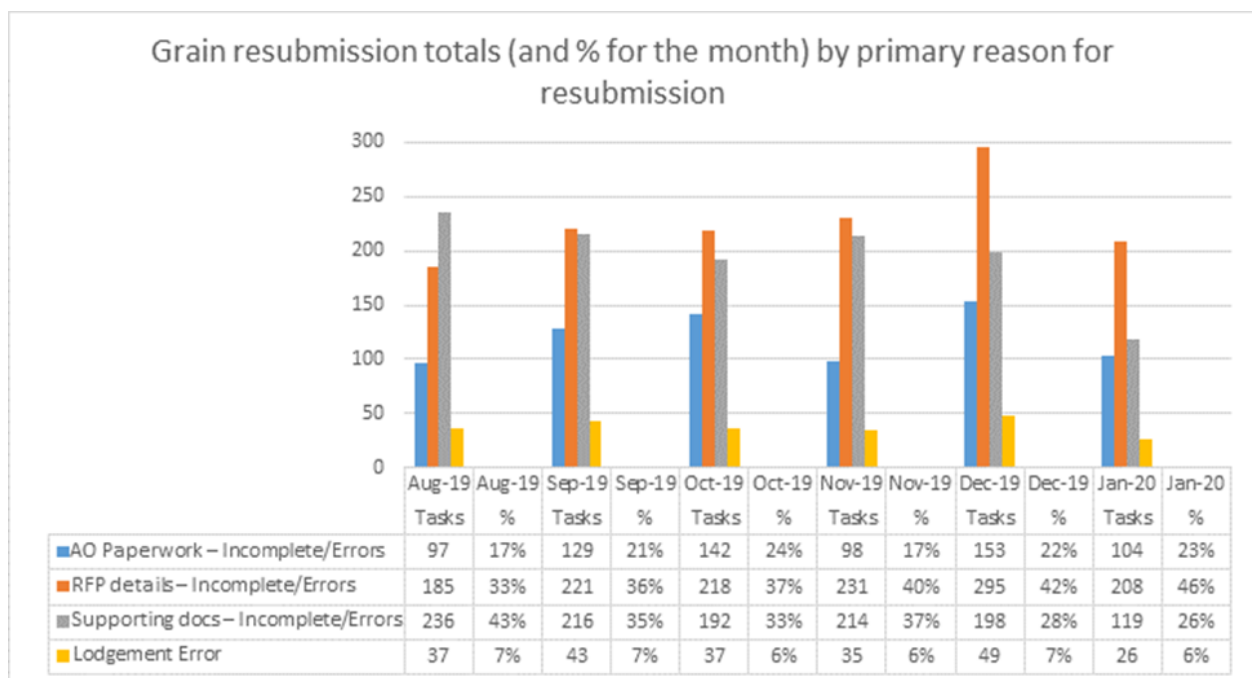
- Several industry submissions have been received on the draft Cost Recovery Impact Statement (CRIS) for grain and seed under the charging review. In general submissions indicated concerns with the rising expenses, the legitimacy of the cost recovery policy, and the ability of DAWE to contain costs. The CRIS is currently being revised taking into account industry feedback and a revised draft CRIS will shortly be provided to industry for comment. A timeframe for completing the review and implementing any new charges is unknown at present but is expected to be delayed given current circumstances beyond DAWE control.

The GTA submission is available on the website here http://www.graintrade.org.au/news/gta-submissions?date_filter%5Bvalue%5D%5Byear%5D=2019"

- DAWE have been working collaboratively with industry to reduce industry debt levels and to provide assistance in resolving payment and billing related issues. Reminder notices were sent out in March 2020. The outcome has seen a reduction in industry overdue debts. Industry is encouraged to continue to appropriately manage overdue fees and liaise with DAWE where issues are expected.

Documentation & IT System Issues

- Authorisation volumes, and thus the number of certificates issued for grain exports have showed positive growth over the past 4 months prior to January 2020 after 2 years of negative growth.
- Managing and reducing resubmissions continues to be a focus for the Assessment Services Group. As part of this, changes to the recording system for resubmissions was implemented in August 2019. This has provided greater clarity in capturing and grouping the reasons for resubmissions and also the task that was being undertaken when the resubmission occurred. The total resubmission rate for grain tasks remains around 12%. The following graph highlights where issues arose for the period Aug19-Jan20.



- The continued implementation of PEMS will assist to address some of these issues however industry is again reminded care with documentation will assist in reducing the resubmission rate.
- Documented hygiene programs for hygiene and pest control are lacking in some plant export registered establishments and issues with these programs on-site are more prevalent during unannounced audits. Industry improvements are required.
- PEMS 3 was delivered in December 2019. Integration with industry systems has been delayed until March 2020. PEMS will be upgraded further to make PEMS compatible on mobile devices. The enhancement is planned to be finalised prior to 30 June 2020.

- A business case is being developed to seek funding in 2020-21 to further enhance PEMS.
- Integration with the new NEXDOC system is further delayed and the earliest for integration is in 2021/22. GTA intends to write to the DAWE Secretary seeking action on this issue. Concerns will also be raised over the lack of progress on the ePhyto project.

Operational and Market Access Matters

- DAWE has introduced a new Plant Export Registered Establishment Policy. Establishments will no longer receive an audit score but will be provided an audit outcome of Pass, Acceptable, Marginal or Fail which will determine the next audit timeframe. The outcome will be an increase in unannounced audits for export registered establishments and AOs. A risk based approach to audits is being developed (targeting entities that present a greater risk, with entities showing good compliance possibly receiving less scrutiny). The final model will be implemented at the start of 2020/21.
- GPPEICC members have assisted DAWE to develop a Plant Export Operations Strategic Plan 2020-30. This plan will shortly be made available to industry. Plans under each strategy will then be developed for industry input.
- DAWE have received applications for four new additional anchorage sites for the purposes of empty bulk vessel inspections. Each are being assessed and will be progressed over time.
- Several changes to market quarantine issues have recently been made. Industry is reminded to check MICoR conditions before conducting business with markets.
- Once Indian legislation has been updated, fumigation of malting barley with phosphine as an alternative to methyl bromide can occur. Industry will be advised when this approval has been granted.
- Fall armyworm has been confirmed in northern Queensland. While only four countries list it as an issue in MICoR, it is present in those countries and therefore is not expected to be a major quarantine restriction. Industry is reminded that any chemicals used for control of fall armyworm must be applied as per label directions and resulting MRLs must comply with importing country requirements.
- As part of its program to improve the performance of AOs and the verification and compliance of empty bulk vessel inspections, DAWE is considering the use of GoPros to record all such inspections. An industry-DAWE Working Group is being formed to consider all issues arising from the use of this technology during those inspections. **Industry is encouraged to nominate for membership, with responses to GTA required by Wednesday 1 April.**
- While there has been a significant reduction in the total number of AOs holding grain job functions, the roll out of DAWE Regional Assurance Managers will assist in an expected increase in AO applications during 2020, depending on the crop development. In addition, DAWE will shortly be advising industry of a further strategy to assist maintaining/increasing the number of AO job functions.

Legislation Review

- The Export Control Bill 2019 has passed the House of Representatives and the Senate and will now go to the Governor General for Royal Assent to become an Act.
- The Plant Rules continue to be developed and industry consultation will commence once the exposure draft is complete, possibly in April - May 2020.
- A second round of industry consultation is expected towards the end of 2020.

3. Further Information

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