

# GTA MARKET NOTIFICATIONS



Notice No. 8 of 21 - 15 July 2021

TOPIC: Outcome of the Grain and Plant Products Export Industry Consultative Committee Meeting 7 July 2021

*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 on 7 July 2021 and issues of relevance to GTA members are outlined below.

## 2. Meeting Outcomes

### DAWE Finance and Budget Issues

- Industry debt levels with DAWE have again reduced in the most recent reporting period, a pleasing result. While some debt has recently been recovered and industry debtors are co-operating with DAWE on repayment plans of overdue funds, Notice of Suspension have been issued to some DAWE clients and once applied DAWE services to those industry stakeholders will cease.
- The Grain Program is expected to incur a deficit for the 2020/21 year of \$0.8m. The Cost Recovery Reserve at the end of the financial year (June 2021) is expected to be a deficit of \$1.2m.
- GTA will participate in a Finance Working Group to consider adoption of more suitable measures to forecast the estimated DAWE budget. The Working Group will consider:

- More accurate reporting mechanisms to DAWE of expected export tonnages.
- DAWE fees and charges to the grain sector.
- Reporting mechanisms, in order to determine the DAWE fees and charges more accurately and enable a more suitable Cost Recovery Reserve at the end of each year more accurately.
- The grain Cost Recovery Implementation Statement (CRIS) outlining DAWE fees and charges for 2021/22 has been released. See <https://www.agriculture.gov.au/fees/cost-recovery-2021-22-budget> below.

#### Documentation and IT System Issues

- The overall rate of documentation resubmissions has fluctuated since the start of the year with the most recent rate at 17% for May, up from 11% in March. The DAWE Regional Assurance Managers (RAMs) have been working with the highest resubmission recidivists as part of the active approach to reducing resubmission rates.
- As noted in previous reports, the primary reasons for resubmission have been:
  - ◇ AO Paperwork – incomplete/errors
  - ◇ RFP details – incomplete/errors
  - ◇ Supporting documents – incomplete/errors
  - ◇ Lodgement error
- The industry Working Group will meet shortly to also consider actions to be taken to reduce this level of re-submissions.
- The Export Control Act 2020 and the subordinate Plant Rules 2021 (along with other commodity Rules) commenced on 28 March 2021. As a result, a number of inspection and treatment records, certificate templates, user guides, guidelines, work instructions, training products, government certificate templates and reference materials were rescinded, updated, or added to the DAWE website.
- PEMS has been upgraded further with amendments to existing functions. A further release will occur in July 2021.
- E-phyto will not be developed and released for grain during 2021. Despite previous assurances and correspondence between GTA and DAWE, it has been delayed until sometime in 2022 so that DAWE can reprioritise resources on other IT developments. This will include more frequent changes to their IT systems to speed up the documentation management processes. DAWE advise updates to IT systems are expected to be released more frequently, rather than wait and release changes “all at once”. GTA will continue to liaise with DAWE on this issue, given the benefits to industry of e-phyto (and NEXDOC – which will now be called Enhanced Certification Modernisation Program [ECMOD]).

#### Operational Matters

- The COVID outbreak in Victoria has limited audits of facilities in regional areas due to travel restrictions. These types of restrictions are being managed as they arise. Remote audits are being done where the risk profile allows or deferred if possible.

- There are several activities occurring in regard to Bulk Vessel Inspection (BVI) by Authorised Officers:
  - ◊ The audit policy is under review. The policy aims to provide a better level of assurance and enable a review of actual inspections previously conducted by BVI AO's. This will complement the assessment of BVI records currently being undertaken.
  - ◊ The introduction of the requirement for AOs to use Go Pros (or equivalent) to record empty bulk vessel inspections at berth and anchorage has again been deferred until 1 October 2021. An Industry Advice Notice and Frequently Asked Questions will be circulated to industry for comment prior to then.
  - ◊ Recently DAWE suspended some BVI AOs due to non-compliance with inspection requirements. Further communication will occur shortly on this issue reminding industry of their obligations.
  - ◊ DAWE will be working with Marine Surveyors (and SAL, shippers and GTA) to develop standards for the inspection of empty bulk vessels, to meet DAWE legislative and AIMS requirements. This will be a similar strategy to the recently released container document.
  - ◊ New qualifications for a marine surveyor have been introduced. In addition, due to the ongoing problems with verifying and monitoring of Marine Surveyor qualifications, it has been proposed that the Accredited Grain Surveyor List (AGSL) list be re-introduced and AIMS will be responsible for maintaining this list. The AGSL will be published on the AIMS website but there will also be links to the list on the DAWE and SAL website to enable quick and easy access for shippers and agents.
- The mouse plague continues for the Eastern states. Audits in these areas will continue to review hygiene and pest control measures.
- Applications for new approvals and amendments to registered operations now subject to a consideration period of 120 days from receipt of a completed application
- DAWE is finalising a reinstatement of the expired and inactive AOs policy. This policy will cover inactive AOs who have not conducted an inspection in more than 12 months and expired AOs who were previously appointed as an AO but have since let that appointment expire. The policy aims to expedite the appointment of expired AOs and the recommencement of inspections for inactive AOs, whilst still providing DAWE with assurance that these persons have the skills, knowledge to be an AO.

#### Reforms

- In conjunction with GTA, DAWE is undertaking a project is looking at delivering efficiencies through recognition of proposed GTA Grain Storage Assets and Operations Standards in meeting the department's regulatory requirements. The proposed GTA standards will include DAWE's requirements for entities involved in the export grain supply chain. Longer term it may provide the platform to establish a third-party auditing arrangement, or an alternative assurance arrangement, in which DAWE recognise the GTA standards and the proposed auditing and assurance framework in meeting their regulatory requirements. This reform is intended to reduce the costs associated with DAWE audits of grain establishments and improve product traceability in the export grain supply chain.
- As part of the project, the GTA and DAWE will be exploring grain sampling and testing technology. Longer term this may provide an opportunity to recognise the technology in streamlining the AO inspection process.
- More information will be provided to industry shortly.

### **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>