

**Submission to the
Joint Grain and Seed Industry
Australian Quarantine Inspection Service
Ministerial Taskforce
Export Certification Reforms Issues Paper
May 2010**

KEY POINTS

1. AQIS moving sampling, testing and inspection requirements to accredited third parties or actively recognising the exporter's internal quality assurance programs if they meet the regulatory requirements;
2. Increased international engagement to ensure the regulatory framework Australia is working within is internationally harmonised, and according to international standards and agreements;
3. The concerning decline of Government corporate knowledge regarding the seed industry which will impact on ASF member's ability to export seed;
4. Increased engagement with the seed industry to facilitate the exchange of technical and international expertise to assist the Biosecurity Services Group with reforming the export seed supply chain, market access negotiations and achieving international harmonisation.

INTRODUCTION

The Australian Seed Federation (ASF) welcomes the opportunity to provide the following submission in response to the release of the Export Certification Reforms Issue Paper April 2010 (the Paper) from the Joint Grain and Seed Industry Australian Quarantine Inspection Service Ministerial Taskforce (the Taskforce).

The ASF is the peak national body representing the interests of the Australian seed industry at the state, national and international levels.

The membership of the ASF can be located at www.asf.asn.au and comprises stakeholders from all sectors of the total seed supply chain including plant breeders, seed growers, seed processors, seed exporters and importers, and covers a diversity of geography, climate, crops, and cultivars.

SEED EXPORTS

The ASF supports reform of the seed export supply chain, relevant legislation and regulations, which will assist in complementing the rapid growth in the international seed trade due to a number of technological advancements, increased knowledge and quality management systems.

The growth in the seed trade has been enhanced by improvements in seed health and purity to meet market demands including:

- herbicide technology for seed production fields and advancements in seed cleaning equipment and processes;
- chemical control mechanisms for disease management in crops, and rapid screening techniques for the management of crop health;
- seed testing methods, including molecular techniques and technologies;
- seed treatment technology; and
- consumer driven increase in accountability for all aspects of seed health and purity.

GRAIN AND SEED MINISTERIAL TASKFORCE

The ASF is a member of the Taskforce and welcomes the opportunity to work constructively with industry and Government/s to reform the seed export supply chain, and the regulatory and legislative procedures which currently facilitate the export of seed.

LEGISLATION AND INSPECTION MODELS

1. What outcomes are you seeking from grain and seed export legislation?

The ASF is seeking:

- Legislation that promotes greater alignment and coordination between the Commonwealth and the States based on the current resources of the relevant departments, and the recognition of the inspection and quality assurance programs currently underway in the domestic and international seed export sector;
- Government setting the regulatory framework for seed exports;
- Greater clarification and recognition of the roles performed by the tiers of Government and its relevance to the current regulatory and legislative environment;
- Increased international engagement to ensure the regulatory framework Australian is working within is internationally harmonised, and according to international standards and agreements, including the World Trade Organisation (WTO), and the International Plant Protection Convention (IPPC);
- Flexibility being introduced to the seed export supply chain including inspection and documentation services being outsourced to accredited and recognised third party operations to facilitate increased and efficient trade;
- Delivery of Australian Government's commitment that the implementation of reforms will:
 - *"support the removal of substantial costs from the export supply chain for industry and AQIS, as well as progressing potential improvement in international market access across all commodities through intensive market access negotiations"*¹.
 - *"reduce regulatory costs to industry by \$30 million per year from mid-2011 and those savings will be passed on to industry through reduced fees and charges"*².
 - be the *"largest reforms to export certification services in a generation"*³.
 - *"... cut red tape by funding IT upgrades which will help to improve market access....."*⁴
 - *"...help ensure Australia remains a world leader in export certification systems"*⁵.
- The point of certification being moved up the supply chain to recognise the current practices of the seed industry and internal quality assurance programs operated by seed exporters and industry today; and

¹ http://www.maff.gov.au/media/media_releases/2009/november/export_industry_reforms_back_on_track

² http://www.maff.gov.au/media/media_releases/2009/november/export_industry_reforms_back_on_track

³ http://www.maff.gov.au/media/media_releases/2010/may/building_a_stronger_biosecurity_system_for_australia

⁴ http://www.maff.gov.au/media/media_releases/2010/may/building_a_stronger_biosecurity_system_for_australia

⁵ http://www.maff.gov.au/media/media_releases/2010/may/building_a_stronger_biosecurity_system_for_australia

- Legislation and practices in line with IPISM requirements, and that AQIS agree to a periodic “*review of the effectiveness of all aspects of its export certification system and implement changes to that system if required*”.⁶

The ASF notes the Paper indicates that changes to the export legislation “*will be brought about by the adoption of existing industry practices such as quality assurance systems or AQIS approved arrangements*”⁷

The ASF supports this as an urgent step forward.

The ASF **recommends** the urgent requirement to introduce measures now which will assist the ability of the Commonwealth employing “*the services of the states to conduct some inspection functions under the Export Control Act 1982*”.⁸

The ASF holds the view that State Governments and their ability to support export functions has the potential for rapid decline. In some states this decline has already commenced.

The Beale Review also outlined that the “*Panel recommends that Australia should expend more effort in ensuring that the performance of state systems for regulating food and agricultural commodities are consistent with agreed national standards through a national auditing process*”.⁹

The ASF has regularly engaged with state and federal officials surrounding the capability of state governments to issue “area freedoms” and “crop inspections” for example, because both the State and Australian Government/s have the clear responsibility to facilitate the efficient export of seed.

The ASF does not want to see inaction in this area due to the introduction of a debate over “cost shifting” from one government to another, and urges Government/s to implement contingencies (legislative and regulatory) now, to continue the facilitation of trade into the future.

2. Does the existing legislation benefit industry in terms of access to markets? Does it support requirements for both short term market access opportunities and longer term market access arrangements? If not, what changes are required?

The legislation provides the platform to commence the process to achieve market access and to facilitate trade.

The ASF supports Government setting the regulatory framework for seed exports.

The ASF **recommends** the time is now right however for the Government to implement a detailed review of the current legislation to ensure it actively achieves and pursues international harmonisation to the to the highest degree, according to international standards and agreements including the World Trade Organisation (WTO), and the International Plant Protection Convention (IPPC).

3. What concerns, if any, do you have with the existing legislation? Where concerns exist, are these related to the scope or application of the legislation in practice? (Please provide examples)

The ASF **recommends** that the Taskforce request AQIS and relevant line areas within DAFF to clearly outline the relevant parts of the legislation which should be considered for review by the Taskforce as Government should have the relevant information in relation to the international trade requirements from a Government to Government perspective and this will assist industry moving forward.

⁶ [https://www.ippc.int/index.php?id=13399&tx_publication_pi1\[showUid\]=13724&frompage=13399&type=publication&subtype=&L=0#item](https://www.ippc.int/index.php?id=13399&tx_publication_pi1[showUid]=13724&frompage=13399&type=publication&subtype=&L=0#item)

⁷ Joint Grain and Seed Industry Ministerial Taskforce Issues Paper – page 6

⁸ One Biosecurity – A Working Partnership – page 8

⁹ One Biosecurity – A Working Partnership – page 171

The seed industry has raised concerns regarding the interpretation and application of the legislation by AQIS, including in relation to phytosanitary certificates meeting import requirements

For example, the ASF in the past has sought clarification regarding what is determined as the appropriate declaration required when an importing country requests that the seed is “free from” a specific pest or disease.

ASF members advise that this clarification has been requested since 2001.

The concern, for example, is when it is identified that “a seed must be free from Pest X”, and then in the absence of a more definitive description of the freedom requirement from the importing country, what is acceptable for the phytosanitary certificate.

If “Pest X” is a weed seed is it, country freedom, area freedom, or physical purity certificate from a recognised accredited laboratory or sample and test at an independent laboratory, or found on inspection by an AQIS officer?

If “Pest X” is an insect is it, country freedom, area freedom, or seed treatment/fumigation or found free on inspection by AQIS?

If “Pest X” is fungal, bacterial, is it country freedom, area freedom, or crop inspection or not recorded on this crop species, or is not a seed borne disease or tested by independent pathologist or appropriate seed treatment.

4. Are there elements of legislation that should be deleted, added to or reviewed while still enabling export product to meet legislative requirements? (For example, outdated legislation - Please specify the relevant part of the legislation)

The ASF will engage with the Taskforce to review and make recommendations, in consultation with ASF members, for potential changes to Australia’s export legislation, noting that the Beale Review proposed a number of recommended amendments¹⁰.

5. How can legislation and work practices be altered to more effectively link with existing industry supply chain requirements? (For example, is there legislation and subsequent inspection by AQIS that duplicates industry functions such as QA sampling and testing or vessel inspection?)

The ASF has outlined its support above for a detailed review of the legislation to ensure it achieves international harmonisation and recognises changes in the commercial environment of the sowing seed industry.

The ASF has also outlined that, in order to facilitate trade, it supports AQIS moving sampling, testing and inspection requirements to accredited third parties or actively recognising the exporter’s internal quality assurance programs if they meet the regulatory requirements.

The ASF **recommends** the Taskforce considers the acceptance of OIC sampled seed for germination and purity for the purposes of issuing phytosanitary certificates. This would flow onto packing sheds with accreditation for OIC sampling being able to take and inspect samples on behalf of AQIS.

The ASF also encourages the Taskforce to **consider** the potential for a broader role to be played by industry bodies including the Australian Seeds Authority (ASA) in the context of AQIS approved certification arrangements.

¹⁰ http://www.daff.gov.au/_data/assets/pdf_file/0010/931609/report-single.pdf

The ASF would like to stress that ASA does not have a confirmed policy position in relation to this proposal and consultation would need to commence. The ability of ASA to perform a broader role also needs to be considered in this context.

The ASF however would like to highlight the concept for example, that ASA is currently licensed by the Australian Government Department of Agriculture, Fisheries and Forestry (DAFF), to be the “Designated Authority” for ensuring that all seed with the Organisation for Economic Cooperation and Development (OECD) certified seed labels has been certified according to the OECD rules.

In the context of exports, the OECD controls seed certification schemes for seed entering international trade. ASA also requires certification agencies to achieve accreditation by the National Association of Testing Authorities for their certification and activities.

The ASF also notes that Australia would not be alone in considering this option and that international bodies such as Naktuinbouw Accredited Laboratories (NAL) also outline their aim *“is to generate the greatest possible effect for the seed laboratory, ultimately resulting in the ideal situation of a “one stop testing” system. This means that the results of the NAL accredited laboratories are accepted by the clients without the intervention of third parties (for instance state laboratories)”*.¹¹

The ASF **recommends** the Taskforce engages with international bodies including NAL to generate further international harmonisation and international expertise in this area.

It is also important to highlight that the seed export industry is varied and covers a number of commodities which do not neatly fit into the same requirements as the bulk exporters of coarse grain and oilseeds, and this needs to be carefully considered by members of the Taskforce moving forward.

The ASF **recommends** the Taskforce therefore considers the concept of a “shared responsibility” and implement procedures which accept reports and/or declarations issued by accredited authorities, individuals or companies, regarding the details of inspections and the results to assist AQIS and the implementation of its regulatory functions.

6. *Is there sufficient information, rigour, consistency and transparency of AQIS work practices and decision making? What changes could you suggest to make them more accessible and understood by both industry and AQIS? (For example, are the reasons and frequency of decisions by AQIS to reject export product made known or adequately understood by your industry?)*

ASF members have raised concern and frustration with inconsistencies in the decision making process for rejecting consignments. This concern included for example, the issues of soil or live insects being external to the packaging and not actually in the seed being exported.

ASF members have also outlined that in some instances the interpretation of requirements set out in import permits does not make sense to exporters and at times the import permit appears to override anything on the phytosanitary certificate. On the next occasion there is a different position communicated, including the complete reverse. The ASF highlights that one of the main frustrations is the lack of clarity in identifying a person responsible for fixing problems making it “difficult and frustrating” particularly when commercial turnaround times and contractual obligations are required to be met.

ASF members have also advised that there are often inconsistencies in both the advice and direction provided by different AQIS officers. This may come down to interpretation of the actual intent of the declarations from importing countries or the interpretation of the intent of IPPC regulations internationally.

¹¹ Source: <http://www.naktuinbouw.com/engels/engels.html>

The ASF encourages the Taskforce to **recommend** an increase in consistency and transparency of AQIS communication, practices and decision making. Often industry is left confused about the interpretation of the role played by AQIS and its expectation of the roles performed by state Governments and exporters.

For example the ASF has organised a number of meetings between AQIS, the Office of the Chief Plant Protection Officer, Biosecurity Australia and Queensland Department of Primary Industries (now DEEDI) to raise the issue of “crop inspections” and “area of freedoms”.

The ASF formally commenced this process on 27 October 2008 and understands the issue has been clarified as of April 2010, although the ASF highlights that the trade in some commodities has not commenced and the process is yet to be fully tested.

Therefore, despite 18 months of consultation, and at the time of writing, the ASF is still unclear if the outcome will assist in facilitating exports. Industry cannot afford these long lead times when trying to remain competitive and recognised as a consistent supplier in the international marketplace.

What the process has however confirmed, from an ASF perspective, is the concerning trend of the lack of capacity of regulatory procedures being performed by Government/s.

The Taskforce should also **recommend** the implementation of an industry distribution list for any policy changes in exports so that industry bodies such as the ASF can clearly inform members of changes to the regulatory and legislative environment.

The ASF also supports the Taskforce **recommending** that the Biosecurity Services Group (BSG) actively increase its engagement with the seed industry in drafting responses to overseas countries import conditions.

While the ASF notes that AQIS regulates the export of seed under the *Export Control Act 1982* for which a phytosanitary certificate is required by a foreign country authority, the ASF highlights that industry is often well placed, and sometimes better placed, to access and provide additional and current technical and international expertise which can assist the BSG in recommending and advocating the removal of unnecessary requirements.

This will assist AQIS in determining how the Australian export standards including tolerances and correct trade descriptions can meet the importing country’s phytosanitary requirements, in accordance with the IPPC requirements.

The ASF is seeking to strengthen this engagement and consultation with the BSG. It also proposes for the BSG to more actively engage with NPPO’s in importing countries on clarification of existing rules and harmonisation of future legislation and procedures.

This will also improve the ability of seed exporters to recognise and understand the country’s biosecurity and quarantine arrangements and the negotiations being undertaken by the BSG, and that AQIS will not be issuing export permits unless consignments comply with the negotiated outcomes.

Often this is viewed by industry to be occurring behind “closed doors” and often exporters are only made aware when there is a public policy announcement or at the point of export when conditions have changed. For industry it is then too late to make changes unless it advocates for the Government to Government consultation process to begin again – this is not always successful when Governments have already agreed to the requirements to facilitate trade.

7. The current system largely relies on “end-point inspection” (inspection by AQIS during loading of product for export). Are there other inspection systems or processes that would produce the same or an improved outcome? (For example, could exports of highly processed commodities such as seed sachets and trade samples be managed by industry and audited by AQIS?)

The ASF **recommends** the Taskforce agrees to seed exports being managed by accredited industry and/or internal quality management processes where possible, and that they meet the regulatory process implemented and administered by AQIS and Government overall.

The ASF understands that this is not a new concept for AQIS and that the commercial organic and biodynamic certification bodies can apply to AQIS for accreditation to perform assessments of organic production systems for exporters.

The ASF **recommends** the Taskforce investigates the concept of “delegation under official supervision” for the seed industry of official phytosanitary tasks including export certification and official inspection, sampling and laboratory tests, under an auditable system overseen by Government.

The ASF also **recommends** that the Taskforce determine if AQIS inspectors are adequately trained and accredited to the required level of competence in sampling for example as recognised and accepted internationally.

The ASF would also like to highlight the barriers to efficient despatch of trade samples is often an issue in dealing with the importing country following approval from AQIS.

The ASF **recommends** that the Taskforce investigates increasing Government to Government engagement to streamline the process where possible. This includes achieving an outcome of ensuring that once the consignment is cleared for export to “country X”, the country has the ability to accept the consignment without repeating testing and other import clearance processes.

8. How can the AQIS inspection process and modern industry practices be better aligned? (For example, quality assurance arrangements, third party service providers, AQIS Approved Arrangements). What barriers exist to the adoption of these alternative inspection practices? (For example can industry provide sampling and testing certification of the pest and disease status of a commodity?)

The ASF believes the current barriers to modern industry practices need to be better aligned include:

- “Evidence of a reduced flow of biosecurity information between the Commonwealth and the states and of states acting independently in some areas”¹²;
- The resources of AQIS not reflecting the technical requirements for the facilitation of seed being exported; and
- A previous lack of genuine consultation with the seed industry on industry practices, including quality assurance, outside of the formal consultation through the AQIS Grains Industry Consultative Committee.

The ASF **recommends** the Taskforce further investigate a system where accredited inspectors are able to inspect exports and/or samples, and request phytosanitary certificates electronically from AQIS.

The accreditation could be similar to the ISCO1 compliance implemented by Queensland for field inspections, whereby accredited staff can carry out appropriate phytosanitary field inspections.

¹² One Biosecurity – A Working Partnership – page 5

Accredited inspectors could be audited regularly to insure compliance. Inspectors would also be responsible for ensuring that any laboratory tests required for phytosanitary certificates were supplied and correct. Accredited inspectors would also physically inspect seed using accepted protocols for the presence of live insects for example.

MARKET ACCESS AND SYSTEMS INTERFACES AND CAPABILITY

1. How can Government and industry work better together to achieve market access? Please provide examples

The ASF **recommends** that the BSG designates a specific contact for the seed industry on seed export and market access issues.

The ASF has also previously **recommended** that the BSG should actively increase its engagement with the seed industry in drafting responses to overseas country import conditions.

ASF notes that AQIS regulates the export of seed under the *Export Control Act 1982* for which a phytosanitary certificate is required by a foreign country authority, the ASF highlights that industry is often well placed to access and provide additional technical and international expertise which can assist the BSG in recommending and advocating the removal of unnecessary requirements.

This will assist the BSG with the resources required to draft a response, increase the exchange of information between Government/s, and the turnaround times to meet the commercial requirements of the seed exporters.

Industry and Government should also formalise the consultation process when industry receives import requirements which can't be met. For example, the weed or pest does not occur in Australia, resources are unavailable to conduct the tests or inspections, and seed analysis tests for pathogens that are unable to be detected by laboratory tests.

2. Are there market access opportunities that would provide new opportunities for your business/sector? How should these be prioritised (For example value, volume, strategic value to the industry, etc?)

The ASF **recommends** the Taskforce supports an increased priority being placed on seed exports and supports the BSG supporting the seed industry in all of its export requirements. Seed exports are often high value, facilitate the delivery of new and improved varieties to assist with securing world food security and climate change adaptation, and are strategically important for Australia domestically and internationally.

The requirements of the seed industry cannot always be accurately compared to the requirements of the bulk coarse grains and oilseed industry for example, because they are inherently different in their requirements, especially as the seed enters the environment, and is not always for consumption.

The ASF also believes that the majority of issues currently being addressed by the Market Access Biosecurity Grains Industry Consultative Committee are heavily weighted towards market access on seed exports because of its technical issues and this must be reconsidered to incorporate specific concerns for the sowing seed industry.

3. Can you provide examples where a successful market access outcome has been achieved? Can you provide examples of other countries' success in market access that Australia could consider adopting?

Due to being commercial – in - confidence on behalf of ASF members, the ASF can provide broad examples of successful market access requirements to the Taskforce, when the Taskforce meetings are held in person.

4. What gaps are there in the availability of data and capability of the supply chain to support market access in the longer term? (For example, knowledge of the pest and disease status of grain) What new technology and/or service providers are available to support this capability?

The ASF **recommends** the Taskforce increases the engagement between AQIS and the seed industry to “tap into” the expertise in the seed export supply chain and formally consult, identify, work through, and address specific issues as they arise.

It is the ASF's view that one of the greatest dangers to the seed export industry is the declining lack of knowledge within Government departments regarding the export seed supply chain, and on the seed industry in general, and who is actually obligated to perform the roles.

This is not a direct criticism of BSG employees however it is to highlight that the responsibility of AQIS and subsequently the States is interlocked and they must face the reality of their responsibility to ensure Australia can perform its role as outlined in the International Standards for Phytosanitary Measures (ISPM) which states that:

“The NPPO should have personnel with a level of expertise appropriate for the duties and responsibilities of the positions being occupied. NPPOs should have or have access to personnel with training and experience in:

- *performing inspections of plants, plant products and other regulated articles for purposes related to the issuance of phytosanitary certificates*
- *identification of plants and plant products*
- *detection and identification of pests*
- *performing or supervising phytosanitary treatments required for the certification in question survey, monitoring and control activities related to phytosanitary certification*
- *constructing appropriate certification systems and formulating instructions from importing country phytosanitary requirements*
- *auditing of accredited personnel and certification systems, where appropriate.”¹³*

The question for the Taskforce, AQIS and the States is: - does it recommend investing in the training and recruitment of personnel to perform the roles required, or does it move to engaging third party services to provide the services to facilitate the export functions?

The ASF has also for example, requested information on historical seed export data to assist with an issue surrounding international market access and AQIS were unable to provide it. This “information gap” impacts on market access negotiations and the industry as a whole.

¹³ [https://www.ipcc.int/index.php?id=13399&tx_publication_pi1\[showUid\]=13724&frompage=13399&type=publication&subtype=&L=0#item](https://www.ipcc.int/index.php?id=13399&tx_publication_pi1[showUid]=13724&frompage=13399&type=publication&subtype=&L=0#item)

5. How can information capture between Government and industry be improved to support market access? (For example, knowledge of the level of weed seed contamination in grain or freedom from weed seeds to be exported)

ASF **recommends** that Government engage with relevant laboratories with appropriate levels of experience in testing relevant species for issues such as the level of weed seed contamination or freedom from weed seeds.

The ASF also **recommends** consideration being given to a process where additional declarations on importing permits are cross referenced against the Phyto Database. The ASF understands there are discrepancies, and that evidenced based dialogue needs to commence between the importing country and AQIS to resolve the difference.

The ASF **recommends** the formation of a technical committee under MABGICC comprising representatives from ASF, ASA, BSG, DAFF and Plant Health Australia to specifically address technical issues around seed for sowing in and exports.

6. It can be difficult for Industry to obtain Import Permits from foreign governments. The information on an Import Permit can vary and be difficult to understand. Inaccurate interpretation on those conditions can affect market access. What is a more effective way to deal with these issues?

The ASF has often experienced irregularities over import permits and has provided these to the BSG. The ASF has also provided above, an example of the confusion surrounding overseas Government's requirements to facilitate trade (refer to Pest X example).

The ASF has welcomed the willingness of the Trade Market Access Division in DAFF, and officials from AQIS and the BSG to engage with the ASF on many of these issues. This consultation has been successful in some areas while others remain outstanding.

To assist the seed industry, the ASF **recommends** the BSG appoint a designated seed export officer to ensure the ASF can have one point of contact and facilitate responsive engagement within the relevant line areas of DAFF as a whole to rectify immediate problems.

On the broader issues of ongoing market access concerns, the ASF **recommends** the BSG engages technical expertise within ASF members to progress issues of concern and seek clarification to build a comprehensive argument during negotiations, backed by evidence.

The ASF also **recommends** that the BSG and AQIS ensure that their database administration are resourced to ensure they are in a position to take a proactive role in assessing market access requirements and providing advocacy to the relevant country's authorities to clarify the intention and wording of the import permits and if they are justifiable internationally.

7. Have you used the PHYTO database? (http://www.aqis.gov.au/phyto/asp/ex_home.asp) Does it meet your needs? How can it be improved to assist your industry?

The ASF's experience is that the information on the database it is not always current and creates uncertainty for seed exporters. For example, on 12 May 2010, the ASF notes that the phytosanitary database outlines the following:

What's changed¹⁴

The following is a list of changes made in PHYTO. To view the changes, click on the appropriate hyperlink. It is recommended that **What's changed** be viewed regularly.

Date of Change	Country and commodity	Comments
11 May 2010	EUROPEAN UNION - Herbaceous - Bare rooted	Horticulture - Nursery Stock - New phyto case in accordance with EU directive 2000-29
10 May 2010	CHINA - Hordeum spp	Grain - Seed for consumption - Update to additional declaration.
7 May 2010	EGYPT - Triticum spp	Grains - seed for consumption - Update to ergot tolerance.
7 May 2010	JAPAN - Citrus spp	Horticulture - Fruit - amend treatment text to clarify temperatures
6 May 2010	EGYPT - Triticum spp	Seed for consumption - Removal of ergot tolerance.

Yet under "Phyto Alerts" below there is no content despite the website declaring it is "frequently updated":

PHYTO Alerts¹⁵

PHYTO Alerts is a frequently updated list of new issues and major changes to export conditions. The list is in date order, with the most recent alert at the top and each alert appearing on a single line consisting of a **Date**, **Title** and **Topic**. The Title of the alert is a hyperlink to the content of the alert.

Date	Title	Topic
		There are no documents of this type to display. Please click the back button on your browser to return to the previous screen.

The ASF would argue that changes to European Union Herbaceous – Bare rooted, China - Hordeum spp, Egypt – Triticum spp, are important issues for ASF members to be aware of, yet this may not necessarily be the view of Government officials.

Therefore there is a potential gap in the requirements of industry, versus the determination and management of the database.

The ASF **recommends** the Taskforce implements procedures to improve this process including the clear guidelines on how "issues of importance" for industry are determined.

8. Do you use the Exdoc system? (available at <http://www.daff.gov.au/aqis/export/exdoc>) If not, what needs to change in order for you to use it? How could Exdoc be improved?

There is a mix of ASF members using either the EXDOC system or manual system.

ASF members have expressed concern that following previous engagement with AQIS they were "convinced" that adopting the electronic system for preparation and issue of Phytosanitary Certificates through the EXDOC system would increase efficiency and reduce costs compared to manual preparation.

¹⁴ http://www.aqis.gov.au/phyto/asp/ex_whatschanged.asp - 12 May 2010

¹⁵ http://www.aqis.gov.au/phyto/asp/ex_alert.asp - 12 May 2010

In many cases ASF members have purchased the software, and had their staff trained to only find that their costs are now going to increase.

The ASF also understands that members have found a duplication of entry is required where exporters are required to input the relevant data to request a phytosanitary certificate, and are then required to input the data again, which is then forwarded to the regional AQIS office to request an inspection appointment.

The ASF **recommends** this duplication is investigated by the Taskforce to see if it can be streamlined.

The ASF also **recommends** the Taskforce increases the speed of IT reforms and that in line with Government policy ensure *“savings will be passed on to the industry through reduced fees and charges”*¹⁶.

9. How could IT systems better support AQIS and / or industry activities?

The ASF understands that seed exporters have expressed frustrations regarding the shortage of AQIS staff and this can impact on approvals not occurring for up to 28 hours which slows the export process.

The ASF **recommends** the Taskforce ensures that if better IT systems are developed then there is additional trained personnel and/or sufficient internal AQIS arrangements to actually use them.

10. What opportunities exist to improve the interface between AQIS and industry IT systems?

The ASF **recommends** that AQIS engage with its Regional Offices to determine the type of IT systems being utilised by seed exporters to assist with the reform of its own internal systems to ensure that it is developing an appropriate interface moving forward.

It is also extremely difficult for the ASF to understand what is actually being proposed by AQIS in relation to IT systems as the Australian Government has indicated that the resources *“needed for the new biosecurity arrangements will be considered in Budget processes”*.¹⁷

The ASF **recommends** the Taskforce clarify what is the actual stage and progress of the IT system reforms.

11. Do you use electronic certification? If not, why not? What barriers exist to its use for document exchange with importing country governments and customers?

The ASF understands that some members who have used the electronic certification have found it “convenient”. The ASF does understand however that those consignments under the conditions of a letter of credit may experience difficulties as there could be a loss of control of the consignment and the terms negotiated. The ASF encourages further investigation into the release of the electronic certificate being controlled by the exporter.

12. In what areas should the Taskforce focus on to increase innovation? (For example the concept of export seed passports, electronic certification)

The ASF **recommends** the Taskforce supports the concept of “seed passports”. This is summarised by seed being exported from Australia to the importing country, where it may be “re-exported”.

¹⁶ http://www.maff.gov.au/media/media_releases/2009/november/export_industry_reforms_back_on_track

¹⁷ http://www.daff.gov.au/about/publications/quarantine-biosecurity-report-and-preliminary-response/frequently_asked_questions

As an example seed exported from Australia may be imported to a European country and must comply with the phytosanitary requirements valid in the European Union (EU). However, in many circumstances the EU may not be the final destination for the exported seed.

Many lots will be re-exported to other countries all over the world and the ASF is seeking greater flexibility in this area with AQIS providing the relevant information to meet the requirements of the second country.

This could, for example, be achieved by placing the required information on the original phytosanitary certificate, including the additional declarations that may be relevant for other designations, upon request by the exporter.

The issuing of phytosanitary certificates for re-export can present significant challenges for Australian seed exporters. The concept of a “seed passport” is not new to the international seed trade and the ASF would refer AQIS to the following example from the International Seed Federation (ISF), of which the ASF is a member.

“The seed industry welcomes a proposal made to introduce the concept of a plant health passport issued by the country of production, wherein information on the phytosanitary status of the crop prior to exportation is included.

The passport, as proposed, would document the various actions taken - production area freedom, field inspections, mother stock freedom, laboratory analyses/testing and treatments/processes - to determine the phytosanitary status of the consignment in the country of production. Based on this information and/or subsequent phytosanitary action taken the NPPO of the re-exporting country could issue a phytosanitary certificate for re-export.

*ISF recognises that the basic criterion for the issuance of a plant health passport must be based on the consignment, seed or other reproductive material for sowing, meeting the importing country’s phytosanitary requirements, and therefore, companies that re-export must communicate their intentions to re-export to suppliers in the country of production”.*¹⁸

The ASF would also like to refer the Taskforce to the International Standards for Phytosanitary Measures Number (ISPM) 7, 4.2 which outlines:

*“If the country of destination has special requirements (e.g. field inspection) that cannot be fulfilled by the country of re-export, no phytosanitary certificate for re-export can be issued unless this special item has been included or declared on the original phytosanitary certificate or if equivalent laboratory tests agreed by the country of destination can be done on samples. When regular re-export exists, or is started, suitable procedures for satisfying these special requirements may be agreed between the NPPOs of the countries of origin and re-export”.*¹⁹

The ISPM also outline that the relevant National Plant Protection Organisation (NPPO) is responsible for ensuring there is adequate personnel and resources for the “*development of bilateral protocols if necessary*”.²⁰

¹⁸ International Seed Federation – ISF_Paper Phyto_certificate_reexports

¹⁹ [https://www.ippc.int/index.php?id=13399&tx_publication_pi1\[showUid\]=13724&frompage=13399&type=publication&subtype=&L=0#item](https://www.ippc.int/index.php?id=13399&tx_publication_pi1[showUid]=13724&frompage=13399&type=publication&subtype=&L=0#item)

²⁰ [https://www.ippc.int/index.php?id=13399&tx_publication_pi1\[showUid\]=13724&frompage=13399&type=publication&subtype=&L=0#item](https://www.ippc.int/index.php?id=13399&tx_publication_pi1[showUid]=13724&frompage=13399&type=publication&subtype=&L=0#item)

FINANCIAL IMPACTS OF INSPECTION ARRANGEMENTS

1. What are the cost areas that have the greatest impact on your business and/or the industry?

ASF members have advised that the greatest impact on the seed export industry is the:

- increased cost of phytosanitary certificates;
- increased fees attributed to dry box inspectors and burdensome audit process;
- slowness of negotiation and clarification between the states and Canberra to review certification and protocols for the export of seed with the potential for missing export markets;
- the potential for statutory declarations not being provided by state governments;
- inefficiencies in IT systems;

The Taskforce should also **consider** the “flow on” costs of inefficiencies including delays, inconsistencies and interpretations which can lead to lost sales and potentially loss of customers.

In relation to Dry Box Inspectors, ASF members have raised concerns regarding the fee increasing to \$500.00 per annum. The ASF understands that AQIS initially asked industry stakeholders to become Dry Box Inspectors to “facilitate trade and remove the burden from each AQIS office”, yet now the fee has been increased.

ASF members have also raised concerns regarding the six monthly audits, which seems excessive, especially once the inspector has been accredited for a number of years.

2. What alternative charging mechanisms should be explored?

Clearly the export of seed when compared to bulk exports is extremely different, and this needs to be recognised in the fees being charged on the individual industry and its participants. The removal of the 40% rebate in June 2011 will impact on the seed industry.

For example the cost of issuing phytosanitary certificates on seed samples and other exports will be proportionally high compared to the bulk coarse grains and oilseed’s industry. The seed industry does not support the current AQIS logic of charges across the bulk coarse grains and oilseed industry being compared to the export requirements for seed.

The ASF **recommends** the Taskforce introduce a sliding scale whereby smaller and multiple sample exports (including samples) are charged at a reduced rate across the entire export fees being implemented.

3. What areas do you see where there could be potential savings as a result of changed practices?

The ASF believes there is the potential for savings in the reduction of delays for the dispatch of consignments.

The ASF also understands there is potential savings in the area of scheduling inspections especially if an overlap of inspectors occurs during a 24 hour period and a sliding payment schedule for multiple phytosanitary certificates being issued.

The greatest potential saving will be achieved through accreditation of third part providers of sampling, inspection and clearance procedures. This will allow cheaper coverage of the functions particularly in rural areas.

4. Are the current charges equitable across all industry sectors? If not, what is an alternative charging arrangement across all industry sectors? (For example, charges related to export of samples versus bulk shipments)

The ASF believes the charges are not equitable across all industry sectors. Rural and regional users of the system are often disadvantaged.

The ASF **recommends** the taskforce implements a sliding scale on the basis of the size of consignments.

5. How can the monitoring and collection of charges by AQIS be improved?

Because AQIS is a monopoly service provider, the ASF **recommends** the Taskforce implement a process to regularly review the operating costs of the Grain and Seed Export program to ensure that industry is receiving value for money and to assist the Taskforce to more accurately target the large costs centres and the strategies required to lower the costs for industry, while meeting Australia's international requirements.

This process will also ensure a greater focus on an equitable charging regime regarding the services provided to the seed industry.

The ASF also **recommends** the Taskforce implement a requirement for the services being provided by AQIS being benchmarked against world's best practice, and a credible plan introduced to attain world's best practice within a negotiated timeframe. As an incentive the ASF **recommends** that until the agreed benchmark is achieved, AQIS should pay a penalty for the inefficiency.

COMMUNICATION PATHWAYS

1. What information from AQIS or other areas of Government would assist industry in the export process?

Access to area disease freedom information would be of assistance in planning of production and allocations. The ASF also understands from members that there are limited disease surveys being implemented over a regular period.

2. Are you aware of the AQIS Grains Industry Consultative Committee (AGICC) and do you receive feedback or provide input into its operation? If you are aware of AGICC, please provide comment on the effectiveness of AGICC and any suggested improvements.

The ASF is a member of the AQIS Grains Industry Consultative Committee (AGICC) and consults with ASF members by providing feedback on the meetings and formally requesting input from members into the AGICC meetings.

The ASF will be guided by submissions from ASF members to the Taskforce on the effectiveness of ASF representation and communication surrounding AGICC.

3. Are you satisfied with the current level of communication from AQIS? What do you consider of value? What could be improved? (For example, Industry Advice Notices <http://www.daff.gov.au/aqis/export/plants-grains-hort/ian>)

The ASF considers that formal representation on AGICC and the Market Access Biosecurity Grains Industry Consultative Committee (MABGICC) is valued, including the ability to consult with other peak industry bodies.

The ASF does however **recommend** the formation of a formal consultative committee specific to seed industry issues and agreed consultation and meeting times.

4. How do you receive information from AQIS? Is this effective? Are there alternative methods of communication that could be used?

The ASF receives information from AQIS by a number of forums including:

- ASF members communicating their engagement with AQIS to the ASF;
- The ASF monitoring AQIS and Ministerial communications;
- The ASF being a member of AGICC and MABGICC and the Post Entry Plant Quarantine Committee;
- DAFF newsletters;
- AQIS attending the ASF Annual Convention
- The ASF, as the peak industry body, requesting a meeting with AQIS, and
- Consultation with other peak industry bodies.

The ASF would support AQIS implementing an active distribution list for peak industry bodies to increase the exchange of information to industry. This would revolve around AQIS actually sending out the notices directly to peak industry body for dissemination to the industry.

The ASF for example, receives industry notices from Tasmania, Western Australia and Queensland on changes to their Biosecurity and Quarantine arrangements and the ISPM outlines that the NPPO “*should have procedures in place for timely communication to relevant personnel and to industry concerning changes in:*

- *importing country phytosanitary requirements*
- *pest status and geographical distribution*
- *operating procedures.*²¹

The ASF also **recommends** the Taskforce requests AQIS, in line with IPSP requirements “*put in place, for non-conforming consignments, a procedure which enables rapid communication to all affected industry parties and certification personnel. This is in order to facilitate resolution of the problem and to prevent re-submission of the consignment unless approved corrective action has been undertaken.*”²²

5. Are you satisfied with the AQIS decision making process that affects you/your business and the communication of those decisions during the export inspection process? What improvements could be made?

ASF members have advised that they are sometimes confused by the AQIS decision making process and that communication between the regions and Canberra is lacking. For example, when the move to re-introduce the 40% rebate until June 2011 was negotiated, ASF members had regional officials advising them that AQIS had now moved to full cost recovery.

In some cases, regional AQIS officials were told by ASF members to contact AQIS in Canberra, to confirm this, because the ASF, as the peak industry body, had communicated earlier that an agreement had been reached, and the Australian Government had announced its intention to continue the rebate into 2011.

²¹ [https://www.ipcc.int/index.php?id=13399&tx_publication_pi1\[showUId\]=13724&frompage=13399&type=publication&subtype=&L=0#item](https://www.ipcc.int/index.php?id=13399&tx_publication_pi1[showUId]=13724&frompage=13399&type=publication&subtype=&L=0#item)

²² [https://www.ipcc.int/index.php?id=13399&tx_publication_pi1\[showUId\]=13724&frompage=13399&type=publication&subtype=&L=0#item](https://www.ipcc.int/index.php?id=13399&tx_publication_pi1[showUId]=13724&frompage=13399&type=publication&subtype=&L=0#item)

The ASF also believes that a lack of consistency in information being provided to industry creates unnecessary confusion and the ASF has experienced members outlining that the action was acceptable and now it is not, even if in their view and interpretation, the requirements have not changed.

6. What type of training would further assist AQIS to meet its legislative requirements and the expectations of industry?

The ASF **recommends** the Taskforce implement a requirement to ensure that AQIS and the States combined have the skills to perform, as a minimum, the requirements under the ISPM which outlines that:

“The NPPO should have personnel with a level of expertise appropriate for the duties and responsibilities of the positions being occupied. NPPOs should have or have access to personnel with training and experience in:

- *performing inspections of plants, plant products and other regulated articles for purposes related to the issuance of phytosanitary certificates*
- *identification of plants and plant products*
- *detection and identification of pests*
- *performing or supervising phytosanitary treatments required for the certification in question*
- *survey, monitoring and control activities related to phytosanitary certification*
- *constructing appropriate certification systems and formulating instructions from importing country phytosanitary requirements*
- *auditing of accredited personnel and certification systems, where appropriate.”²³*

7. What training would benefit your company in relation to AQIS export inspection and certification?

The ASF **recommends** the Taskforce considers an updated training manual for exporters to clearly outline AQIS operations and should new legislation be introduced, a clear and concise outline on what has changed and what does it mean in practice for the exporter.

8. How would you like to be kept informed and have input into the reform agenda?

The ASF intends to keep members informed through a number of internal communication channels, newsletters, membership alerts and policy decision making process.

²³ [https://www.ippc.int/index.php?id=13399&tx_publication_pi1\[showUid\]=13724&frompage=13399&type=publication&subtype=&L=0#item](https://www.ippc.int/index.php?id=13399&tx_publication_pi1[showUid]=13724&frompage=13399&type=publication&subtype=&L=0#item)

CONCLUSION

As a member of the Taskforce the ASF welcomes the opportunity for the seed export industry to engage in the process of working to achieve real reforms in the export supply chain. The export seed industry relies on an efficient supply chain including the provision of services from AQIS. The efficiency of the seed industry also impacts on other industries and their exports because “82 per cent of Australian grain growers have adopted a new variety in the past five years”.²⁴

The delivery of new varieties requires heavy investment and has long lead times. The Advisory Council on Intellectual Property has identified that the “breeding of a new variety typically takes about 12 to 14 years”.²⁵

Furthermore the ASF believes that the cost of evaluation of plant materials is high, as a large proportion, in some cases, >99.95% of breeding lines will be discarded from the process due to under-performance in one or more characteristics, before a viable commercial product is released and potentially exported.

This long period between initial investment in breeding and the commercialisation of varieties, together with the high level of ongoing investment across the total seed supply chain is necessary in a high-risk investment for commercial companies. The export seed industry therefore aims to work constructively with AQIS to work to achieve seed export reform to ensure ASF members can increase their performance in an international and competitive market place.

Should the Taskforce require more information, the ASF can be contacted on 02 6282 6822.

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Ends

²⁴ Seed Business Magazine – March 2009

²⁵ ACIP options paper June 2007 – page 3