



**Australian Government**  

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**Department of Agriculture**

## **Third Party Certification of Food**

**SUBMISSION TO THE SENATE ECONOMICS REFERENCES COMMITTEE**

**31 July 2015**

## 1 INTRODUCTION

The Department of Agriculture (the department) provides a range of certification services for agricultural industries for the export of food, fibre, feed, biological material and live animals. It also regulates third party certifiers under the Export Organic Program and the Australian Government Authorised Halal Program for the export of red meat.

**Table 1 2013–14 export statistics for major export food commodities**

Product	Value (\$ million)	Volume ('000 tonnes)
<b>Meat and meat products</b>		
– Beef and veal	6 265	1 184
– Sheep meat	2 226	410
– Pig meat	85	27
– Kangaroo meat	22	5
– Poultry meat	50	37
– Camel and camelid meat	7	2
<b>Dairy and dairy products</b>		
– Butter	243	49
– Cheese	765	151
– Casein	42	3
– Skim milk powder	708	143
– Whole milk powder	532	94
– Other dairy products	435	n/a
<b>Fish and fish products</b>	1 304	45
<b>Eggs and egg products</b>	2	0.15
<b>Grains, Oilseeds and Pulses<sup>1</sup></b>	12 288	32 483
<b>Horticulture<sup>2</sup></b>	1 865	n/a

Data sources: Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES); Australian Bureau of Statistics, International Trade, Australia, cat. No. 5465.0, Canberra

The department's role in regulating the export of food, including its ability to issue export certification, provides recognisable economic benefit to Australia's agricultural industries and assists against the threat of market failure<sup>3</sup>. Australia is a net agricultural exporter, with around two thirds of total production exported. In 2012–13 agricultural<sup>4</sup> exports accounted for 15.5 per cent of Australian merchandise exports<sup>5</sup>, and in 2013–14 agricultural, fishery and forestry industries had a gross value of around \$55 billion and export earnings of around \$45 billion<sup>6</sup>. The value and volume

<sup>1</sup> Figures include both food (e.g. chickpeas, fava beans, lentils) and non-food products that require further processing (e.g. wheat, canola, sorghum)

<sup>2</sup> Figures include some non-food products (e.g. nursery stock)

<sup>3</sup> Frawley, P, Making, L, Nieper, R, Wilson, B, 2000, *Export Assurance: National Competition Policy Review of the Export Control Act 1982*, Australian Quarantine Inspection Service, Department of Agriculture, Fisheries and Forestry, Canberra

<sup>4</sup> Based on the World Trade Organisation definition of agriculture, which excludes fisheries, forestry and rubber

<sup>5</sup> DFAT STARS Database, based on ABS Cat No 5368.0, February 2014 data; ABS Special Data Service

<sup>6</sup> ABARES 2015, *Agricultural commodities: June quarter 2015*

of a selection of food commodities exported with certification issued by the department is provided at table 1.

The department does not regulate certification schemes for the domestic market and there is no requirement for halal or organic products sold domestically, or for kosher products sold domestically or exported, to be certified to a particular regulatory standard. The decision for a producer or processor to meet these requirements is entirely a voluntary, commercial decision.

Claims made about a product must comply with 'truth in labelling' requirements administered by the Australian Competition and Consumer Commission (ACCC). Misleading, false or deceptive claims made about a product may be considered unlawful. Many domestic food companies choose to be certified by a certification body to underpin product labelling and demonstrate compliance with ACCC requirements.

This submission focuses on export certification services provided by the department for the export of food (not including grains and seeds that require further processing) and covers the department's role in issuing sanitary, phytosanitary, halal and organic certification. It provides some detail on national arrangements for food labelling, noting the responsibility for domestic arrangements fall mainly within the remit of the Australian Government Department of Health, Food Standards Australia New Zealand (FSANZ) and state and territory government agencies. It does not include detail on domestic third party certification schemes such as may apply for kosher, halal, organic or genetically modified foods. This is largely a commercial decision, with certification managed by private organisations and the department does not have the legislative power to monitor nor manage such commercial arrangements for the domestic market. The submission also does not cover certificates issued by the Australian Fisheries Management Authority relating to illegal, unreported and unregulated fishing.

## 2 FOOD CERTIFICATION SERVICES PROVIDED BY THE DEPARTMENT

The *Export Control Act 1982* (the Export Control Act) is the primary legislation, administered by the department, which allows prescribed goods to be exported subject to conditions specified in the regulations. The Export Control Act provides the department with the authority to issue export certification, as well as to inspect goods, premises and records; sample and assess export consignments; require compliance with importing country requirements; and register premises for export. In addition, the *Australian Meat and Live-stock Industry Act 1997* (the AMLI Act) provides the department with the power to grant export licences and administer export quota arrangements. Compliance with the AMLI Act is a legal requirement for the export of some meat products and certain livestock species.

Export certification forms an integral part of departmental procedures for ensuring products meet Australian and importing country requirements. Certification of export goods by the department represents confirmation of one or more of the following:

- that the goods are fit for purpose (i.e. fit for consumption)
- that government-to-government assurances have been met
- that the goods have been produced in an establishment that is under government supervision (i.e. that inspection / audit of the food safety management system used to prepare the goods to protect public health has occurred)
- that export legislation and specific market access requirements have been met, including certain aspects of product labelling and description that relate to the integrity and identification of the product.

The department issues export certificates for all goods prescribed under the Export Control Act. Certificates issued solely by the department include sanitary (i.e. human and animal health) and phytosanitary (i.e. plant health) certificates. The department jointly issues halal certificates with approved Islamic organisations. The department does not directly issue organic export certificates; rather it plays a regulatory role in approving and auditing organisations that issue these export certificates. Legislative instruments underpinning certification by the department include the:

- Export Control (Meat and Meat Products) Orders 2005
- Export Control (Poultry Meat and Poultry Meat Products) Orders 2010
- Export Control (Rabbit and Ratite Meat) Orders 1985
- Export Control (Wild Game Meat and Wild Game Meat Products) Orders 2010
- Export Control (Milk and Milk Products) Orders 2005
- Export Control (Fish and Fish Products) Orders 2005
- Export Control (Eggs and Egg Products) Orders 2005
- Export Control (Plants and Plant Products) Order 2011
- Export Control (Organic Produce Certification) Orders 1997
- Export Control (Prescribed Goods—General) Order 2005.

As a general rule, the department does not certify goods that are not prescribed by the Export Control Act as these generally do not require certification by an importing country. However, the department may issue certificates for these goods, known as “non-prescribed goods”, where certification is required by an importing country. Certification for these goods is issued under the

Export Control (Prescribed Goods—General) Order 2005. Examples of these products include honey, nutritional supplements, confectionary, animal by-products, cakes and biscuits.

## **2.1 Export Certificates**

Export certificates may be issued electronically through the Export Documentation System (EXDOC) or manually at a departmental regional office. For most foods, export certificates are issued electronically and the process for doing so through EXDOC is as follows:

- the exporter (who may or may not be the manufacturer) enters details of the proposed exports into the EXDOC system
- EXDOC checks the database to determine if the export registered establishment from where the goods were sourced is eligible to export that type of product and to ensure the product to be exported is eligible
- where the product is deemed eligible and a certificate is required, EXDOC issues an export permit and certificate
- certificates are either printed on-site (where an establishment has an approved remote print agreement) or at a departmental regional office.

## **2.2 Sanitary certification**

Sanitary or animal health certificates are issued by the department for food and food products of animal origin, including meat, dairy, fish and eggs on the basis that the food intended for export is wholesome; meets importing country requirements; is traceable, can be recalled if required and its integrity is assured.

For prescribed goods to be eligible for export, establishments (e.g. abattoirs, food manufacturers, boning rooms, cold stores, processing facilities) must be registered by the department; and exporters must have an export licence and an import permit (if required). An establishment must have an Approved Arrangement in place with the department, demonstrating how it meets all food safety, product integrity, animal health and importing country requirements. The Approved Arrangement includes documentation of management practices, hygienic operations and export certification processes.

Certification is provided on the basis that an Approved Arrangement is operating effectively, with departmental veterinarians, food safety auditors or approved / appointed officers (depending on requirements) verifying all requirements, including importing country requirements, have been met. Once a product is deemed to meet requirements, a health certificate is issued for each consignment electronically through EXDOC or manually. In the first quarter of 2015, the department issued:

- more than 37 000 electronic health certificates for the export of more than 490 000 tonnes of red meat, poultry, wild game, rabbit and ratite meat and meat products to more than 100 countries
- nearly 8 000 electronic health certificates for the export of more than 8 million litres and 200 000 tonnes of milk and milk products to more than 80 countries
- more than 7 000 electronic health certificates for the export of more than 9 000 tonnes of fish and fish products to more than 30 countries
- more than 100 electronic health certificates for the export of eggs and egg products to six countries.

During the same period, the department manually issued 227 meat, 82 dairy<sup>7</sup> and 16 fish and egg health certificates.

### **2.3 Phytosanitary certification**

The export of plants and plant products is underpinned by the Export Control (Plant and Plant Products) Order 2011. The order ensures that the biosecurity risk for prescribed plant and plant products for export is managed to ensure that goods for export are free from pests and diseases.

The department is the National Plant Protection Organization (NPPO) of Australia and is responsible for ensuring that plant and plant products exported from Australia are compliant with Australian plant export legislation, requirements of the importing country and Australia's obligations under the International Plant Protection Convention. Phytosanitary certification is issued by the department as the NPPO of the exporting country and will only be issued to an exporter if the NPPO of the importing country requires phytosanitary certification for the consignment as a condition of entry.

For plant and plant products to be eligible for export, establishments where the goods are prepared and inspected (e.g. pack houses, cold stores, processing facilities) must be registered by the department. To demonstrate that the risk of infestation or cross-contamination of prescribed goods for export is minimised, an establishment must have documented hygiene systems, pest control systems, site plans and specifications, building structures and product record keeping. The department maintains an auditing system to ensure establishment compliance with registration requirements.

Phytosanitary certificates are official government to government certificates certifying that plants and plant products:

- have been inspected according to appropriate procedures
- have been tested according to appropriate procedures
- are sourced from particular pest free areas, and/or
- are considered to be free from the quarantine pests or diseases specified by the importing country.

Once the plants and plant products are deemed to meet all requirements, a phytosanitary certificate is issued for each consignment either through EXDOC or manually and, during the 2013–14 financial year, the department issued:

- nearly 19 000 electronic phytosanitary certificates for the export of fruit and vegetables to 55 countries
- nearly 17 000 electronic phytosanitary certificates for the export of whole grains, oilseeds and pulses to 88 countries.

During the same period, the department manually issued 488 phytosanitary certificates.

### **2.4 Halal certification**

According to a report commissioned by the Dubai Chamber of Commerce<sup>8</sup>, the global market for halal products is expected to be worth US \$1.6 trillion by 2018, up from US \$1.1 trillion in 2013. Halal

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<sup>7</sup> Dairy figures may include certificates as well as other documentation such as export permits

food made up 16.6 per cent of the total world food market in 2013, and by 2018 this is expected to rise to 17.4 per cent.

Halal production is a requirement for a number of Australian export markets, including Bahrain, Brunei, Egypt, Indonesia, Iran, Iraq, Jordan, Kuwait, Malaysia, Oman, Qatar, Saudi Arabia and the United Arab Emirates. In 2013–14, the total value of red meat exports to these countries was more than \$1.4 billion, with the value of individual markets provided at Table 2. To be eligible for export, these markets require halal red meat and meat products to be jointly certified by the department and an Authorised Islamic Organisation (AIO). In the first quarter of 2015, more than 6 000 red meat halal certificates were issued for these markets through EXDOC.

**Table 2 Value of certified halal red meat and meat product exports for the 2013–14 financial year**

<b>Country</b>	<b>Value (AUD \$ million)</b>
Bahrain	85
Brunei	9
Egypt	36
Indonesia	292
Iran	9
Iraq	1
Jordan	106
Kuwait	67
Malaysia	195
Oman	28
Qatar	82
Saudi Arabia	279
United Arab Emirates	231
<b>Total</b>	<b>1 420</b>

Data source: ABARES

Australia also exports halal red meat and meat products to a number of other countries such as China, the United States of America, Singapore, Thailand and Japan. Depending on importing country or commercial requirements, meat may be accompanied by a halal certificate jointly endorsed by the department and an AIO, or a commercial halal certificate issued by an Islamic certifier only. Under these circumstances, in the first quarter of 2015, the department jointly issued more than 5 000 electronic halal certificates for the export of halal certified red meat and meat products to 70 countries. This figure does not include any certificates issued commercially.

In the first quarter of 2015, 14 halal certificates were manually issued by the department across all markets.

Export legislation includes robust powers for the regulation of halal red meat exports under the Export Control (Meat and Meat Products) Orders 2005 (the Meat Orders). To be eligible to export

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<sup>8</sup> Dubai Chamber of Commerce and Industry 2014, 'Dubai Chamber report shows increasing preference for halal food as global market grows to US\$1.1 trillion in 2013', viewed 5 June 2015, available at [www.dubaichamber.com/en/news/dubai-chamber-report-shows-increasing-preference-for-halal-food-as-global-market-grows-to-us1-1-trillion-in-2013](http://www.dubaichamber.com/en/news/dubai-chamber-report-shows-increasing-preference-for-halal-food-as-global-market-grows-to-us1-1-trillion-in-2013)

halal certified red meat and meat products, slaughter establishments must also comply with requirements under the Australian Government Authorised Halal Program (AGAHP).

The AGAHP includes requirements for the halal slaughter of livestock; and the preparation, identification, processing, storage, segregation and certification of halal red meat for export. It also includes responsibilities for all parties involved in the production and certification of halal red meat for export:

- The Approved Islamic Organisation (AIO) has the sole responsibility for all religious aspects of the production of halal meat for export. Only authorised Muslim slaughtermen may perform halal slaughtering procedures for halal products and the AIO must provide training to, and ongoing assessment of, authorised slaughtermen in matters directly related to religious slaughter. AIOs jointly certify halal export certificates with the department.
- The export establishment holds an Approved Arrangement with the department that addresses the halal production of meat, including identifying which AIO has been selected by the company to perform halal procedures and certify halal products. The establishment also identifies all halal meat with an official Australian Government halal stamp, as described in the Export Control (Prescribed Goods—General) Orders 2005 on the meat and/or packaging. The establishment provides training to authorised slaughtermen as it relates to personal hygiene, sanitation and animal welfare requirements.
- The department approves documented Approved Arrangements for establishments and AIOs; audits and verifies compliance with all non-religious aspects of the production of halal meat; and issues halal export certificates jointly with the AIO.

A halal certificate may only be issued by the department if the animals are slaughtered in accordance with Islamic rites, the meat has maintained its integrity as halal meat and the halal requirements of the importing country have been met. The department certifies that the slaughter and production of meat and meat products has been carried out in accordance with the AGAHP under the supervision of an AIO. The AIO certifies that:

- the consignment of meat is from animals slaughtered by Muslim slaughtermen using a knife and in accordance with Islamic rites
- the meat of animals slaughtered is halal and therefore suitable for consumption by Muslims
- adequate precautions have been taken to prevent mixing with non-halal meat
- all religious requirements of the importing country have been met.

Only Australian Government approved Islamic organisations may jointly certify halal meat and meat products for export. These organisations are required to:

- have an Approved Arrangement in place with the department covering all aspects of the AIO's operations for the certification of halal meat
- comply with all conditions stipulated under the Export Control Act, the Meat Orders, other related orders and the AGAHP
- ensure that certification of halal meat is objective, fair, accurate and complete
- comply with importing country requirements
- undertake audits of establishments regularly (at least every three months for slaughtering establishments and at least every six months for non-slaughtering establishments (e.g. independent boning rooms, further processing establishments, cold stores)
- participate in audits of establishments undertaken by the department



- participate in importing country reviews as required
- keep accurate records
- notify the department immediately if it becomes aware of any critical non-compliances at an establishment at which it is engaged
- notify the department of any changes to relevant persons ( i.e. those persons who manage or control the certification operations of an AIO and the persons who issue certification) within seven days of the change.

When seeking approval to become an AIO, an organisation must provide evidence that it is recognised by a local mosque and by an importing country authority as an approved Islamic Organisation for the purpose of engaging in operations for the certification of halal meat. The applicant must also demonstrate that it, either alone or jointly with another person, does not owe the Commonwealth debt being payable to the department. The name, address, qualifications and experience of all relevant persons involved in certification must be detailed in the application, as well as particulars of any serious offences or convictions of all relevant persons.

All relevant persons must have the knowledge, training, skills and experiences to competently undertake all religious duties and make certifications; and relevant persons must be deemed as ‘fit and proper’ by the department, as prescribed under the Export Control (Prescribed Goods—General) Order 2005. The department does not make any separate evaluations of the relevant person’s competency in performing the religious aspects of the production of halal meat for export. Rather, it accepts evidence from the AIO that all relevant persons are competent in performing their duties in line with the religious requirements of the importing country.

The department plays no role in selecting which AIO is used by an individual establishment; this is the responsibility of the establishment based on commercial arrangements and market access requirements. A list of approved Islamic organisations (see section 5) is provided on the department’s website, including identifying which organisation may certify for a particular market. Key Islamic markets, such as Indonesia, Malaysia, Saudi Arabia, Singapore, the United Arab Emirates and Qatar have strict requirements around which AIO may certify products, including some state-based restrictions. For example, Indonesia requires that the Halal Certification Council may only certify halal meat and meat products in Queensland. In some cases, if an establishment wishes to use an alternative AIO, the establishment may provide a request to the department for on-forwarding to the importing country’s overarching Islamic body for consideration, for example the Malaysian Department of Islamic Development.

In addition to powers to approve AIOs, the Meat Orders also provides the department with powers to control AIOs via legal mechanisms, such as suspension or removal of accreditation or prosecution for breaches of requirements. The department may suspend or revoke accreditation if there are reasonable grounds to believe continued accreditation will result in trade from Australia being adversely affected. Accreditation may also be revoked or suspended if an AIO no longer meets requirements for accreditation; provides false, misleading or incomplete information to the department; fails to provide access to business premises and/or records for the purpose of audit; fails to provide assistance during audits; and/or ceases operations for the certification of halal meat for a period of six months or longer.

## 2.5 Organic certification

The export of organic and bio-dynamic produce is underpinned by the Export Control (Organic Produce Certification) Orders 1997 (the Organic Orders) and the *National Standard for Organic and Bio-dynamic Produce* (the National Organic Standard). The Organic Orders ensure that products (including food, cosmetics and fibre) exported under the trade description 'organic', 'biodynamic', 'biological', 'ecological' or any other word of similar indication is properly described, while the standard stipulates minimum requirements for products placed on the export market labelled with these terms.

The total value of the organic industry within Australia is \$1.72 billion annually, with total exports (including food and non-food products) valued at nearly \$340 million<sup>9</sup>. The top five organic products exported include meat, processed foods, dairy, wine and beverages, and fruit and vegetables; while the top five export countries/regions are North America, Europe, Singapore/Malaysia, Hong Kong and Japan.

The department does not issue government certification for the export of goods labelled as organic (or similar terms). As the competent authority for the Australian organic and biodynamic export sector, the department manages an export scheme along with certifying organisations that have been approved by the department. Under this scheme the department approves and conducts audits of certifying organisations to ensure ongoing compliance against the legislation, the National Organic Standard and importing country requirements. Operating conditions for certifying organisation are outlined in the *Government administrative arrangements for approved certifying organisations managing inspection and certification programs for the export of certified Australian organic and bio-dynamic produce* (the Administrative Arrangements), including that all relevant persons conducting inspection and certification programs must be deemed by the department to be 'fit and proper' as prescribed under the Export Control (Prescribed Goods—General) Order 2005.

Once an organisation meets the Administrative Arrangements, it may then inspect and certify operations as organic as well as issue government organic export certificates on behalf of the department. Organic certificates can only be issued by an approved certifying organisation if:

- the produce has been subjected to the organisation's quality management (QM) system
- the production and preparation of the produce has complied with an approved QM system
- the produce and its preparation satisfy the organic produce importing requirements of the relevant importing country.

Approved certifying organisations supply a monthly report to the department on the number of government organic export certificates, the type of certificates issued, a description of the goods and the country of destination.

In the first quarter of 2015, more than 900 organic export certificates were issued for food stuffs labelled as organic or biodynamic.

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<sup>9</sup> Australian Organic Ltd, 2014, Australian Organic Market Report 2014, Australian Organic Ltd, Nundah

## **2.6 Other certification – Non-Prescribed Goods**

Order 8.05 of the Export Control (Prescribed Goods—General) Order 2005 allows the department to issue government certification for the export of goods that are not prescribed under the Export Control Act, that is, “non-prescribed goods” if certification is required by an importing country. These goods may be edible or non-edible, with edible non-prescribed goods including processed foods such as biscuits and cakes, honey, dry pet foods, beverages and nutritional supplements.

If an exporter or their agent intends to export non-prescribed goods that require certification, under this Order they must apply in writing to the department for a government certificate. Information submitted by an exporter or their agent includes the following:

- a description and quantity of the goods for export
- the name of the exporter and importer
- a description of the certificate sought
- details of the establishment/s at which the goods were prepared.

The department may also request the exporter or their agent to submit evidence validating that importing country requirements have been met by the local manufacturer prior to issuing government certification. Where importing countries require additional regulatory controls for non-prescribed goods, certification requirements may also include physical inspection of the premises and/or goods, audits and/or declarations regarding the animal health status of the source animals.

On the basis of an application, coupled with confirmation that importing country requirements have been met, the department will issue a government certificate for the export of these goods where required by an importing country.

### 3 LABELLING

#### 3.1 Domestic food labelling requirements

Food labelling aids consumers in their decision-making through the provision of consistent and accurate information about food products. It provides assurances that the product is what it says it is and is safe to consume. Food labelling also includes sufficient traceability information to ensure that, if the product is deemed to be unsafe, it may be recalled rapidly.

Primary responsibility for domestic food labelling policy and law rests with the Australian Government Department of Health, FSANZ and state and territory food regulatory agencies. The Australia New Zealand Food Standards Code (the Food Standards Code) applies to all food offered for sale in Australia, whether produced domestically or imported. The Food Standards Code sets out labelling requirements, including as they relate to food identification; weights and measures; mandatory warning and advisory statements and declarations; ingredients; date marking of packaged food; directions for use and storage; health and related claims; nutrition information requirements; and country of origin requirements. All labels must be legible, prominent, distinct from the background and in English.

Food safety is the overarching principle for guiding decisions about food labelling requirements in Australia. The Food Standards Code prohibits the sale of unsafe food and all Australian food, regardless of its method of production, must meet Australian food safety requirements as set out in the Food Standards Code. Labelling food as halal, kosher, organic or similar is not mandated as the process or preparation of this food in no way changes the safety of the product.

Fair trading laws in Australia require that labels do not misinform through false, misleading or deceptive representations. In Australia, this legislation includes the Australian Consumer Law contained in the *Competition and Consumer Act 2010*, enforced by the ACCC and state and territory offices of fair trading.

The 2011 Review of Food Labelling Law and Policy<sup>10</sup> made several recommendations relating to consumer value concerns, such as halal labelling. In particular, the review recommended that FSANZ consider adopting, by reference in the Code, values-based definitions and/or standards relating to specific food production methods and processes, if requested by industry, to achieve consistency of definitions. In response to this review, Australian, state and territory ministers responsible for food regulation agreed that a market-driven, self-regulatory approach to consumer value concerns, such as halal labelling, is likely to be more responsive to consumer needs than a regulatory response.

#### 3.2 Export food labelling requirements

Orders under the Export Control Act require that labels on food and food products of animal origin include a trade description providing sufficient information to the importing country to ensure all claims about the product are true and correct and to allow rapid traceability if required. The trade description applied to products must include:

- a description of the product, i.e. species and type of animal (e.g. mutton, sheep or lamb)

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<sup>10</sup> Blewett, N, Goddard, N, Pettigrew, S, Reynolds, C, Yeatman, H, 2011, Labelling Logic: Review of Food Labelling Law and Policy, Commonwealth of Australia, Canberra

- the net weight of the product
- the country of origin of the product
- the registration number of the establishments where the product was last prepared
- the name and address of the occupier of the establishment or the exporter or consignee of the product
- the date or dates of packaging
- for products containing more than one ingredient, a list of ingredients in descending order of weight
- the identity of the batch
- directions for the storage or use of the product (e.g. meat and meat products must include a statement indicating whether they should be kept chilled or frozen).

Canned products not permanently marked with a complete trade description at the time of filling must have the letters 'EX' followed by the registration number of the establishment embossed or permanently marked on the can. The date or dates on which the cans was closed and a description of the contents of the can must also be included.

The AGAHP requires that the Australian Government official halal stamp be applied to all halal meat, carcase tags and/or carton labels before product can be removed from the registered establishment at which the animal was slaughtered or the meat was packaged to be eligible for export.

A trade description must also be applied to prescribed goods under the Export Control (Plant and Plant Products) Order 2011. Trade descriptions for these products must:

- contain sufficient information to enable the goods to be readily identified
- contain sufficient information to enable the importing country authority to clear the goods
- correctly describe the goods
- not be ambiguous or unclear
- satisfy any particular requirements under the Order relating to the application of trade descriptions
- satisfy any requirements of the importing country.

Importing countries may require additional information to be included on a label or have different requirements for how labels are presented. These requirements are clearly outlined in the Manual of Importing Country Requirements (MICO – see section 5) and must be complied with for a product to be eligible for export. For example, Malaysia requires that halal certified meat and meat products include one halal mark (or logo) from the Australian Government and one halal mark from the Approved Islamic Organisation on product labels; while Mexico requires that two labels be placed on all cartons of meat and meat products: one in English and one in Spanish.

Additional information may also be applied by an exporter to a label as long as it is not inconsistent with the trade description. For example, for meat and meat products this could include the cut of the meat; production type, such as grain-fed; or raising claims such as 'wagyu', hormone free or other descriptors. The department does not regulate what additional information may be included on a label apart from specifying that the information applied to food and food products must be accurate.

#### 4 EXPORT CERTIFICATION FEES AND CHARGES – COST RECOVERY ARRANGEMENTS

This section provides information about the costs of food-related certification issued by the department. It is Australian Government policy to charge recipients of specific services the full costs of providing those activities. Food exporters create a need for the department's services and it is reasonable that they pay for these activities. The fees and charges applied recover the direct and indirect costs associated with management and delivery of those services. In line with government policy, charging arrangements are developed in accordance with the Australian Government Cost Recovery Guidelines and in consultation with the industries to which they apply. This process ensures that costs are allocated across affected industry sectors as fairly and equitably as possible.

The Export Control Act provides the power to impose fees in relation to export services, with specific amounts set out in the Export Control (Fees) Orders 2001. Direct fees for the issuing of certificates are listed in table 3.

**Table 3 Fees associated with issuing an export certificate as at 30 June 2015**

<b>Certificate Type</b>	<b>Electronic</b>	<b>Manual</b>	<b>Replacement</b>
Health certificate – meat and meat products	\$49	\$100	\$500
Health certificate – dairy and dairy products	\$21	\$100	\$500
Health certificate – fish and dish products	\$33	\$100	\$500
Health certificate – eggs and egg products	\$33	\$100	\$500
Phytosanitary certificate	\$16	\$100	\$500
Halal certificate	\$49	\$100	\$500
Certificate – other (where inspection of an establishment is required)	\$112	\$133	-
Certificate – other (where inspection is not required)	\$55	\$76	-

Data source: Export Control (Fees) Orders 2001

In addition to the cost of certificates, the department undertakes inspection and audit activities, as well as providing veterinary oversight (where relevant) with respect to the export of food products from Australia under the Export Control (Fees) Orders 2001, and has legislative authority to collect levies under the:

- *Export Inspection (Establishment Registration Charges) Act 1985*
- *Export Inspection (Service Charge) Act 1985*
- *Export Inspection (Quantity Charge) Act 1985*
- *Export Inspection and Meat Charges Collection Act 1985*

Fees and charges have been specifically developed for each commodity sector, and reflect the specific requirements, processes and costs. Separate fees have been developed for the export of non-prescribed goods (NPG) from Australia which recognise the specific activities and costs associated with providing export certification services to this sector. Total revenue under cost recovery arrangements for each commodity program in the 2013–14 financial year is provided in table 4. This is the most recent full financial year for which data is available.

**Table 4 Revenue collected under export program cost recovery arrangements for the 2013–14 financial year<sup>11</sup>**

Activity Stream	Charge Category	Revenue (\$)						
		Meat	Fish & Egg	Dairy	Organic	Hort	Grain	NPG
Program Management and Administration	Registration	3 918 200	1 195 765	1 246 169	45 000	1 737 980	715 150	-
	Throughput	11 762 984	-	-	-	-	3 097 180	-
Inspection and Audit	Inspection (non-Vet)	23 130 979	-	-	-	-	12 329 007	-
	Inspection (Vet)	21 832 884	-	-	-	-	-	-
	Audit (Vet)	1 672 704	-	-	-	-	-	-
	Audit (non-Vet)	1 254 690	476 787	65 715	-	-	-	3 560
Documentation and Certification	Doc/Cert	9 484 145	1 557 622	851 155	-	1 306 976	2 481 412	2 390 912
Total		73 056 587	3 230 174	2 163 039	45 000	5 596 757	18 622 749	2 394 472

Data source: Department of Agriculture

The department does not charge organisations to apply for or maintain approval as an Approved Islamic Organisation. Government fees associated with issuing halal certification are listed in Table 3.

Organic certifying organisations are charged an application fee of \$7 100 to become an approved organisation. Approved organisations are then invoiced an annual fee of \$7 500 by the department. Under these programs, costs to the producer for inspection and certification fees and any associated levies are charged by the approved organisations and are not regulated by the department.

The department does not have the legislative power to monitor nor manage commercial certification arrangements. The department is therefore not privy to the fees paid to Islamic or organic certifiers, nor how the certifiers subsequently use the monies received by them.

<sup>11</sup> Revenue collected under cost-recovery arrangements for the organic, horticulture, grain and non-prescribed goods programs includes both food and non-food products

## 5 INFORMATION / COMMUNICATION

In line with Australian Government information policy, the department recognises that information is a national resource and is managed for public purposes. Information about the department's role in regulating and issuing export certification is provided as follows:

- All legislation pertaining to the export of food is available on the Australian Government ComLaw website and the department provides direct links to this legislation from its website here: [www.agriculture.gov.au/biosecurity/legislation/export](http://www.agriculture.gov.au/biosecurity/legislation/export).
- Information about exporting specific commodities (and non-prescribed goods) can be found on the following departmental websites:
  - Meat and meat products: [www.agriculture.gov.au/export/food/meat](http://www.agriculture.gov.au/export/food/meat)
  - Dairy and dairy products: [www.agriculture.gov.au/export/food/dairy](http://www.agriculture.gov.au/export/food/dairy)
  - Fish and fish products: [www.agriculture.gov.au/export/food/fish](http://www.agriculture.gov.au/export/food/fish)
  - Egg and egg products: [www.agriculture.gov.au/export/food/eggs](http://www.agriculture.gov.au/export/food/eggs)
  - Plant and plant products (including horticulture):  
[www.agriculture.gov.au/export/food/plants-grains-hort](http://www.agriculture.gov.au/export/food/plants-grains-hort)
  - Non-prescribed goods [www.agriculture.gov.au/export/non-prescribed\\_goods](http://www.agriculture.gov.au/export/non-prescribed_goods).
- Information about market access requirements are included in the Manual of Importing Country Requirements (MICO) which may be accessed here: [micor.agriculture.gov.au](http://micor.agriculture.gov.au). For some commodities, access to this database is controlled by the department to ensure the integrity of Australia's trade arrangements. Individuals or organisations with a legitimate reason to access MICO may apply for access, with applications assessed by the department and approved where appropriate.
- All fees and charges issued by the department in relation to food exports are provided in detail in the relevant legislation [e.g. Export Control (Fees) Orders 2001]. The department also provides further information about fees and charges, including links to commodity-specific regulatory impact statements here: [www.agriculture.gov.au/export/food/fees-charges](http://www.agriculture.gov.au/export/food/fees-charges).
- Information about the Australian Government Authorised Halal Program can be found here: [www.agriculture.gov.au/export/food/meat/elmer-3/notices/2009/mn09-08](http://www.agriculture.gov.au/export/food/meat/elmer-3/notices/2009/mn09-08). A list of all Authorised Islamic Organisations and the markets for which they are able to certify for is provided here: [www.agriculture.gov.au/export/food/meat/elmer-3/list-islamic-halal-certification](http://www.agriculture.gov.au/export/food/meat/elmer-3/list-islamic-halal-certification).
- Information about the department's Export Organic Program, including links to the National Standard and Australian Government administrative arrangements can be found here: [www.agriculture.gov.au/export/food/organic-bio-dynamic](http://www.agriculture.gov.au/export/food/organic-bio-dynamic).