



4 September 2009

Committee Secretary
Senate Standing Committee on Rural Affairs and Transport
Via e-mail

Senate Submission – AQIS export certification functions

GrainCorp is the major receiver, storer, and handler of cereals, oilseeds, and coarse grains grown in Queensland, NSW, and Victoria, receiving up to 9.5 million tonnes per year across a network of 284 sites. GrainCorp also operates seven bulk grain export terminals and elevates an average of 4.5 million tonnes of grain for export each year. Further information about GrainCorp can be found at www.graincorp.com.au

Background

One of the major recommendations of the 2008 Beale inquiry into Australia's biosecurity systems that relates to GrainCorp's export elevation operations was removal of the 40% Commonwealth rebate on fees and charges levied by AQIS for the provision of export inspection services.

This recommendation was one of a number of major initiatives aimed at improving Australia's biosecurity arrangements. GrainCorp notes that the Government supported the recommendation to remove the rebate.

Industry Support for Reform

A significant part of the Beale recommendations dealt with consultation mechanisms between AQIS and industry, in particular the Industry Consultative Committees (ICC) which cover relevant export commodity sectors.

GrainCorp is a member of the AQIS Grains Industry Consultative Committee (AGICC). GrainCorp believes that the AGICC has worked well as a vehicle for consultation between grain exporters and AQIS over many years.

All members of the AGICC support the removal of the 40% rebate. We understand that most other ICC's have given support for removal of the rebate.

Grains industry representatives believe removal of the rebate will allow for funding and development of reforms to AQIS operations and that this will bring about net benefits to the Australian grains industry. Members of the AGICC also believe the reforms proposed by Beale will lead to a net improvement in biosecurity arrangements in general.

AQIS – Industry Task Forces

The grains industry has formed a number of Ministerial Task Force(s) to assist with the implementation of the AQIS reform agenda in the following areas -

- legislative review and update,
- operational/inspection arrangements,
- improved market access,
- improved service delivery including systems,

GrainCorp Operations Limited ABN 52 003 875 401
Level 26, 175 Liverpool St., Sydney NSW 2000
PO Box A268 Sydney South NSW 1235
T: 02 9325 9100 F: 02 9325 9180 www.graincorp.com.au



- training/competency and communications.

AQIS and industry representatives have developed work plans specific to the abovementioned areas of reform, including a financial analysis of reform impacts.

GrainCorp believes the plans developed jointly between AQIS and industry representatives serve both Government and industry requirements for reform, and that the capacity exists to allow for their full implementation over time.

Summary

GrainCorp supports the reform agenda, as we believe it will bring about greater supply chain efficiencies and ultimately greater returns to industry.

While there is support for the reform agenda, GrainCorp notes the tight timelines that currently apply and the requirement that funding for reform has to be spent by 30 June 2010.

GrainCorp cautions that this timeline may be overly optimistic. It would be regrettable if the AQIS reform agenda were to ultimately be hindered by a desire to 'spend money' in a manner that would comply with an arbitrary budget date, rather than in a manner that is most appropriate for the pace of reform.

To that end, GrainCorp recommends that budget deadlines for expenditure of funding reform monies be extended by a year to 30 June 2011.

This will allow for a better-considered approach to the reform process, rather than seeking to compress the program within a 9-month period. GrainCorp wishes to clarify that this is not a request for *additional* reform funding, but a request for an extension of time in which the monies allocated can be spent.



Phillip Clamp

Quality Assurance Manager