



AUSTRALIAN HORTICULTURAL  
EXPORTER'S ASSOCIATION

SUBMISSION TO: THE AUSTRALIAN SENATE

SENATE RURAL AND REGIONAL AFFAIRS AND  
TRANSPORT REFERENCES COMMITTEE

**RE: MANAGEMENT OF REMOVAL OF  
FEE REBATE  
FOR AQIS EXPORT CERTIFICATION FUNCTIONS**

4<sup>TH</sup> SEPTEMBER, 2009

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## INTRODUCTION

The Australian Horticultural Exporters Association (AHEA) is most concerned and has from the outset, been opposed to the removal of the 40% support funding from the Federal Government to the Australian Quarantine Inspection Service Horticultural Exports Program Budget.

The AHEA regards this removal of support as poor policy by the Federal Government during times of the Global Financial Crisis, increasingly difficult phytosanitary security measures by some of our near Asian trading partners, an existing trend of decreasing Horticultural Fruit and Vegetables exports (excluding Nuts as they are not in the AQIS Hort Program), drought affecting returns to producers, Urban population drift from Rural communities and a recent trend of increasing National unemployment.

In addition to the removal of Federal funding support to AQIS being poor economic policy, there is absolutely no chance that even with the optimal use of the Federal reform assistance package to Horticulture, any reforms achievable will decrease the "true/real" cost of AQIS service provision by more than 5-10% of the new cost structures and charging (these new costs being 100% cost recovery for AQIS Fee for Service).

The limitations of any cost recovery improvements, result from the International Plant Protection Convention (IPPC) prescribed requirements to supply phytosanitary markets, coupled with the high costs of substituting existing Government Labour Units for Private Sector labour units.

The highly seasonal supply nature (relatively short harvest/supply and send to market period) of many regional horticultural crops (grapes, mangoes, melons, stone fruit, etc) and vast range of farm sizes, contributes to many entities with an export bias not wishing to engage in "in-house" phytosanitary certification arrangements.

Compounding the issue of Private sector service phytosanitary inspection provision, comes from many of the "premium export destinations" with National Plant Protection Organisations (Japan, China, Taiwan and South Korea) not accepting any form of Quarantine Inspection other than actual Australian Government Inspectors.

Accordingly, the Private sector is significantly crowded out and will not be able to generate economies of scale in terms of service provision as a replacement for AQIS "coal face" inspection services and will struggle for financial viability.

The Federal Government has offered a "reform package" of approximately A\$2.4M to the Horticultural Program of AQIS, available only for this financial year, to instigate reforms to offset the removal of the 40% Federal support package to AQIS.



The improvements in achievable Export Phytosanitary Certification cost delivery reforms (including Private and Public combinations) are only going to be a small percent (estimated by the AHEA to be no more than 5-10%) and such improvements will be thwarted by poor management with AQIS adopting reforms AQIS regard as desirable, and not what Industry suggests as appropriate.

All too often, AQIS have asked for Industry Consultation, consulted with Industry and then undertaken the changes AQIS deem necessary, neglecting Industry's desires.

This is evident in the recent AQIS budget released for the Industry Work Plan compiled by a Task Force of Industry Representatives.

The budget compiled by AQIS, spending over \$4M, allocates funding to where AQIS want to drive the reforms to the AQIS Horticulture Program, which bears little resemblance to the Work Plan submitted by the Ministerial Task Force for Horticulture in terms of desired outcomes. Superficially, the areas addressed seem correct, but in reality the allocation of resources is other than what Industry Representatives detailed in the Work Plan.

In essence, AQIS have proven again that Industry Consultation is an empty chalice, and instead manipulate and distort Industry desires to achieve AQIS desired direction and "hide" short comings in the AQIS Horticulture program.

The very real likelihood/danger resulting from this "reform process" being a cost transfer forced by AQIS, demanding phytosanitary service provision within its manipulated constraints, on the private sector. This process will be pursued to generate the appearance of cost savings within the AQIS Program, when in fact the costs will still exist within the Export Pathway, simply transferred from the Public sector to the Private sector, with no net savings.

It was for these very real concerns the AHEA withdraw its participation on the Ministerial Task Force for Horticulture.

The removal of the 40% support package by the Federal Government for the AQIS Horticultural Program for Exports, combined with highly undesirable economic and climatic conditions and a recalcitrant culture within AQIS, ensure the net result of this cocktail will be an acceleration in the rate for decline of Horticultural Exports from Australia in the coming years. This rate of decline will be particularly pronounced in airfreight shipments to Phytosanitary markets in Asia.

The Government reform package will simply amount to a pretence as the lack of accountability within and above AQIS, will enable these funds to be squandered on activities that will do little to yield the limited improvements in the cost of service provision that could potentially be attained.

## **DETAILED REPONSE TO REQUESTS FOR PARTICULARS**

The Australian Government's management of the removal of the 40% fee rebate for the Australian Quarantine and Inspection Service (AQIS) export certification functions, having regard to:

***(a) the level of industry support for the removal of the 40 % rebate prior to the implementation of comprehensive reform of AQIS's export inspection and certification services;***

The AHEA has been in contact with:

Apples and Pears Australia Ltd

Citrus Australia Ltd

Australian Tablegrape Growers Association

Swan Hill Summer Fruits (Stone Fruit Growers)

Summerfruit Australia Ltd (Stone Fruit Growers)

Australian Cherry Growers

Australian Mango Industry Association

All of these Peak Industry Bodies including the AHEA were against the removal of the 40% rebate Scheme for AQIS

***(b) the adequacy of consultation by the Government in the development of industry work plans;***

The Industry Consultation Process for the development of the Horticultural Ministerial Task Force Proposed Work-Plan was well and constructively managed by Greg Read of AQIS.

Industry appreciated this.

***(c) the capacity of the Government, including AQIS, to implement efficiency proposals;***

This is where the AHEA has significant concerns that the Horticultural Ministerial Task Force Proposed Work-Plan will not be followed as detailed.

Please refer to the Horticultural Ministerial Task Force Proposed Work-Plan attached in the appendices , provided to AQIS by Industry Appendix 1 and compare with the AQIS proposed Work Plans and costings in Appendix ??

It is immediately apparent that the desired Outcomes detailed by Industry in many instances are not addressed by the AQIS proposed costed Work Plans.

A few examples (but not all ) of AQIS's ignoring or Industry requests are detail are addressed below;

Please refer to the Summary Budget of AQIS proposed Work Plans in Appendix 2

A review of the Horticultural Ministerial Task Force Proposed Work-Plan will show that the Industry detailed in the "Macro Review and Evaluation of AQIS Services" the need for a review of the existing AQIS service cost structure (Item 1) this is paramount to any positive cost based review of structural/service delivery Reform – yet is given a small budget sum for external consultants to carry out a very large task – AQIS managed small budget will only permit a shallow review – unacceptable to Industry as the true efficiencies/inefficiencies will not be unveiled with as shallow review .

Horticultural Ministerial Task Force Proposed Work-Plan

Item 2 AQIS make no budget allowance for this item in their recent budget except for some cursory inclusion in Item one .

Horticultural Ministerial Task Force Proposed Work-Plan

Item 3 Approved Arrangements (AA's) where Industry can potentially take on the ability to assess Horticultural Produce for Phytosanitary Certification to some but not all Phytosanitary Markets.

The Summary Budget , AQIS Proposed Work Plans August 2009 shows AA's as the largest single budget allocation in their budget with a budget of \$1.9M.

It is well known within Horticultural Industry circles, AQIS want to drive AA's into general practice of the Export pathway and AQIS become the Auditors of Phytosanitary Certification and not the providers of Phytosanitary Certification – thus transferring the onus of Inspection to the Private Sector and seemingly reducing the cost of Inspections (AQIS charges), when the real costs to the export pathway don't change.

Please refer to Appendix 13 "Approved Arrangements" "Exporter Background , Costing example and Viability



Once again AQIS are not adhering to Industry desires to initially survey Industry if they want AAs as in the Horticultural Ministerial Task Force Proposed Work-Plan.

Driving AAs in the Horticultural Industry, is an Agenda Item of AQIS.

Industry is well aware of the "hidden" and very high costs of AAs and for most enterprises that haven't adopted AAs, that have been available for many years, the value of AAs is not there due to the very high compliance costs of developing and maintaining AAs for Export as shown in the costing example.

Also Japan, South Korea, Taiwan and China will only accept Quarantine Inspections by Australian Government AQIS so AAs are not an option.

Catch 22 Of AAs: small export enterprises need the potential cost savings of AAs, but cannot afford the in-house staffing requirements necessary to run AAs. Large export enterprises can afford to implement AAs, yet often choose not to, as they have the economies of scale of big, or many export shipments, to be able to afford the current AQIS Fees for Service and not find it unworkable in terms of cost per carton.

MTF Proposed Work Plan ; Mojo Units – Mobility Connectivity Of Inspectors In the Field; AQIS are not addressing the roll out of Mojo units, which Industry very much want for efficiency in the field, enabling quick processing of documentation for phytosanitary certification and EXDOC printing of Phytosanitary Certificates .

AQIS appear to be stalling the roll out of these units for their own reasons – not declared to Industry -- and this is not acceptable, as in the Analysis of AQIS Reform Program August 2009, AQIS refer to the Review of Mojo, rather than the Horticultural Ministerial Task Force proposed Work-Plan request for roll out of units for all Field Staff – self serving AQIS Agenda not Industry's.

There is absolutely no possibility that the Horticultural Ministerial Task Force Proposed Work-Plan Review and Evaluations of AQIS and Services necessary to determine improvements and implement efficiencies, can be completed in the time allocated of this financial year – this is a two to three year project to develop real improvements, **IF** AQIS undertake what Industry needs and wants.

In short AQIS are only looking to implement efficiency proposals that suit their mandate and will use the reform funding to suit their needs – worse in some instances the Agenda AQIS is driving is not being ascertained if this is what Industry wants given Industry are paying for the Service – bad policy by AQIS but suits cosmetic reporting by AQIS to the Minister as to service cost delivery reductions but ruins the efficiencies for the Horticultural Export effort from Australia and makes our exports increasingly uncompetitive to phytosanitary markets.



***(d) the adequacy of government funding to implement industry work plans;***

There appear to be adequate funds (\$2.4M) to carry out the Horticultural Ministerial Task Force Proposed Work-Plan (if followed by AQIS) but the time frame is insufficient.

The AHEA was advised specifically during a MFT meeting by Colin Hunter Food Exports BSG Food, that these funds (\$2.4M) were available for this financial year only and what was not used in terms of reform this year would not be able to be carried over into next Financial year, a use it or lose it situation prevails .

So essentially the reform package and process can only last one year, as that is the only period of funding.

This is totally impractical and not good for the Horticultural Industry but this is the decree from The Minister for Agriculture, so we were advised.

***(e) any progress on meeting targets in industry work plans;***

No specific targets met at this time except completing the Horticultural Ministerial Task Force Proposed Work-Plan, this was a substantial task in its own right.

Industry has to voluntarily provide its time and most Industry participants have businesses to run, and this is why Industry has argued for the funding to be spread/made available over a number of years, but to no avail as described above.

This process will not work with a life span of only one year as Reviews and Evaluations take time to be performed.

Industry MTF members (which included some AHEA representatives) had to argue hard and put up a strong case to receive allowance from AQIS to have travel and accommodation cost covered by Reform Funding –see appendix email to Colin Hunter requesting Travel and Accommodation costs for MTF Industry Members.

This is not the process “volunteers” to improve a Government service would/should have to endure, but reflects the ‘nature’ of this review process in so far as Industry may ask for reviews/monetary allocation and BSG/AQIS will ultimately advise if this is acceptable to them.

***(f) the financial or other impact on industry sectors of the failure to meet reform targets;***

The reform targets will not be met in one financial year.

The major impact given the current Fee for Service for AQIS (100% recovery) is the smaller air freight shipments to phytosanitary markets are likely to significantly decrease as the added costs will simply make the items too expensive.

Australian exporters need to remain competitive in the world market, with increasing competition from other global suppliers, that are highly subsidised for exports from their respective Governments.

Exporters are unable to pass these huge increases onto their customers and remain competitive, therefore exports will decrease, which will see an increase in product on the Australian domestic market.

Australian Exporters, who have already been greatly affected by drought, the high Australian dollar, Global recession, increasingly difficult protocol measures, etc have reduced exports significantly.

The Government should be helping to support and stimulate horticultural exports, not increase charges, without any reforms of efficiencies in place, in these difficult climatic conditions.

and

***(g) any other relevant matter.***

The often cloaked recalcitrant attitude of many Middle and Senior AQIS Staff towards adopting Industry desired changes/improvements to service provision exists.

Accordingly many in AQIS are confident with "managing the reform process to AQIS's own end" and this will severely compromise this Review/Evaluation and Implementation of positive change potentially achievable within this "reform phase".

Typically AQIS avoid keeping accurate and definitive records of meetings when AQIS service delivery deficiencies or shortcomings are detailed, reducing the ability for measured improvement, benchmarking or managing Key Performance Indicators.

In the Horticultural Ministerial Task Force Proposed Work Plan, Review/Evaluation of AQIS and Services, AQIS have no formal accountability to follow Industry reform desires.

There doesn't exist a process of appeal within the Biosecurity Services Group for managing this review of AQIS Service delivery to which Industry can call upon, AQIS are aware of this.

This is not a good platform for Improvement.

## ***Appendix 1: Horticulture MTF Guidelines for the Workplan***

Part One; "Macro" Review and Evaluation of AQIS Service Provision

Part Two; "Micro" Improvements to The Horticulture MTF was initiated because is the result of the current Government discontinuing the 40% Financial support package for the AQIS Horticultural Export Program and at the same time offering a budget of A\$2.485M available to be spent as the Industry MTF decided appropriate over one year to achieve Improvements (cost and process) in the AQIS service delivery.

The Work Plan is in two parts.

Part One: Macro Review/Evaluation of AQIS and Services, which is more of a Structural review of the current service delivery method and

Part Two: Functionality Items/Process improvements is more along the lines of micro improvements of the existing process with a view to savings achieved in the export pathway (indirect) as well as improving service for fees. It is important to keep in mind that this review is focused on the here and now (in terms of AQIS legislation, Exdoc and service delivery), it is not a review of maybes as decisions based on supposition will not be readily justified in the future and may well lead to poor outcomes.

The focus of this review/evaluation of the AQIS Horticulture Program is to deliver true net measureable cost savings via good policy. Only good policy should be considered, which contributes to improving export quantities and values across all of Horticultural Exports, not biasing costs to or from one "export sector" nor simply transfer costs from the Public Sector to Private Sector



## Appendix 2: Horticultural Ministerial Taskforce Proposed Workplan

### Part one; Macro Review/Evaluation of AQIS and Services.

#### Refer MTF Horticultural Notes for Guidelines.

REVIEW ITEMS				
ITEM	ISSUE	COMMENTS	ACTION	TARGET DATE
1	<ul style="list-style-type: none"> <li>Strategic Cost &amp; Management Role Review &amp; Efficiencies without sacrificing Service Provision:</li> <li>Are there any areas for cost/benefit savings</li> </ul>	<ul style="list-style-type: none"> <li>External Consultant to undertake detailed review of operating costs and cost contributions of the Horticulture Export Program (including corporate/overhead costs)</li> </ul>	<ul style="list-style-type: none"> <li>AQIS/Industry MTF to determine terms of reference and provide a Brief for external Consultant (including scope for Item 3)</li> <li>Consultant to be appointed</li> <li>Draft completion</li> <li>Report to be delivered to AQIS/Industry MTF to then identify further items for improvement</li> </ul>	<p>1.9.2009</p> <p>15.9.2009</p> <p>15.12.2009</p> <p>21.1.2010</p>
2	<p>AQIS Inspecting Model</p> <p>Should AQIS have larger "pools" of Inspecting Staff by combining Inspection Programs/Programs thus being able to reduce total field staffing numbers</p>	<ul style="list-style-type: none"> <li>Would there be financial gains across the greater AQIS Inspection provision basis if the 'Pool' of Inspecting staff was combined across more Programs? Fewer "pools" of staff in each region meaning greater efficiencies (less down time within pools) – Incorporate Import Staff with Export Staff (combine Grain, Nuts, Hort into one Program) and have Inspectors all multi-skilled.</li> <li>Would this require less Managerial Staff ?</li> </ul>	<ul style="list-style-type: none"> <li>Having AQIS review this at a Macro level and /or</li> <li>Industry request Independent Auditor in conjunction with other Programs forensic review of costs to ascertain benefits</li> </ul>	<ul style="list-style-type: none"> <li>Incorporate with item 1.</li> </ul>

3	<p>Approved Arrangements (AAs) for Export Phytosanitary Certification – are AAs a suitable/viable alternative for Exports/Exporters when compared with new fees for Service AQIS End Point Quarantine Inspections.</p> <p>Will AAs be: part of a cost saving solution, some of the cost saving solution or phantom savings</p>	<p>A factual “Brochure” compiled so Exporters can assess if AAs are desirable for their export process – straight forward facts and figures for Exporter self assessment in one document.</p> <p>1/ Will AAs offer significant net cost savings to Exports/Exporters – many, some, few, none – are the savings sufficient</p> <p>2/ Will AAs simply transfer costs of Phyto Certification Inspection from the Public to the Private Sector</p> <p>3/ Will many, some or few, Exporters embrace AAs ?</p>	<ul style="list-style-type: none"> <li>• AQIS to provide:               <ol style="list-style-type: none"> <li>1/ A list of countries that currently accept Approved Arrangements (AAs), by product or showing all products (if appropriate) and any compliance variations by product (Fruit Fly v non Fruit Fly)</li> <li>2/ Set up procedure for AA to a respective country and necessary documentary pathway/paperwork.</li> <li>3/ Whether any AAs can be run concurrently and if so which countries?</li> <li>4/ Training requirements of AA produce Inspection staff.</li> <li>5/ Audits and procedure necessary before Company Stand alone Inspections are achieved.</li> <li>6/ Costs of raising RFPs and Phyto certs, initially prior to stand alone and then post stand alone.</li> <li>7/ How many successful Company Inspections and phytos raised before Stand Alone status is achieved- enabling phytos to be raised directly off the Exdoc System without AQIS.</li> <li>8/ Procedure resulting from Pest Interception report from Overseas Market – Audit requirements to achieve Stand-</li> </ol> </li> </ul>	<p>ASAP</p> <p>Commence by 1 August 2009</p>
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		alone status again?	
		<p>9/ Estimate of time from Start to Stand-alone Status.</p> <p>10/A cost estimate (annual) for audits by AQIS of:</p> <ul style="list-style-type: none"> <li>• AA documentation;</li> <li>• audit documentation and pathway; and</li> <li>• audit of AQIS-authorized staff carrying out the inspection process (with consideration of importing countries' inspection requirements and sampling rates/quantities).</li> </ul>	
		<ul style="list-style-type: none"> <li>• With the Brochure Complete from Info gathered above;</li> <li>• Industry peak bodies to seek Industry feedback regarding AAs and industry's willingness or reluctance to uptake AAs (and why).</li> <li>• Also any suggestions that Industry may have to make uptake more attractive</li> <li>• Industry to provide feedback to MTF as to results of info gathering and make recommendations</li> </ul>	



4	<p><b>Economic modeling (Sensitivity Analysis) of AQIS cost distributions/necessary charges (In field, In office, RFP and Phyto charges) assuming various ranges of AA uptake by Industry for Phytosanitary Certification .</b></p> <p><b>Consideration as to whether this is good policy for the rest/entire of the Hort Industry or promotes "crowding out" of exports to Phyto Markets and or from smaller packers/exporters and new market access.</b></p>	<p><b>For the Nursery Stock Industry;</b></p> <p>Explore current industry Farm Management Systems (FMS) as vehicles for meeting AA requirements</p> <p>1. Determine how FMS can be integrated into plant health certification without compromising plant health status or import/export regulations.</p>	<p><b>Nursery Industry;</b></p> <p>Industry self-regulation model Farm Management Systems (FMS) to be reviewed to identify gaps and relevance in relation to existing plant health certification requirements and approved arrangements for export of horticultural commodities.</p> <ul style="list-style-type: none"> <li>Recommendations to be developed for amendment to FMS's to meet obligations in maintaining integrity of certification and exporting/importing requirements for business operating under AA.</li> <li>Options for industry FMS to be incorporated into existing AA's framework to be explored.</li> </ul>	<p>???? 2009</p>
			<ul style="list-style-type: none"> <li>Model to be developed by External Consultant and needs to be appointed</li> <li>Terms of reference to possibly include a review of charge systems overseas if this is sensible/appropriate given idiosyncrasies of each export business (eg NZ, USA, Canada)</li> </ul>	<ul style="list-style-type: none"> <li>????</li> </ul>



	Consideration could also be given to the effect of Third Party Providers and the greater AQIS budget at this stage.			
5	WORK PLANS			
	<ul style="list-style-type: none"> <li>Standard Interpretation of Workplans</li> <li>Consistent Workplans developed which are based on the protocol Bilateral               <ul style="list-style-type: none"> <li>Drafting Stage</li> <li>Review Stage</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Development of workplans for Market Access must be done hand in hand with industry to achieve commercially viable outcomes               <ul style="list-style-type: none"> <li>Industry and AQIS to work together to develop, implement and review Program Workplans.</li> <li>AQIS to cease applying a 'worst case scenario' to interpretation.</li> <li>AQIS, Industry and Bilateral Negotiating parties need to discuss the protocol to ensure the Workplans are not misinterpreted.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>AQIS, BA and Industry to communicate with each other to ensure the importing country's requirements are met, whilst still having a Workplan that is commercially viable               <ul style="list-style-type: none"> <li>eg :industry representatives ideally in the room (at least outside for consultation) when protocols being negotiated</li> </ul> </li> </ul>	

PART TWO; FUNCTIONALITY ITEMS/PROCESSES IDENTIFIED OFFERING/SEEKING IMPROVEMENT IN THE EXPORT PROCESS/PATHWAY				
	ISSUE	COMMENTS	ACTION	COMPLETION DATE
6	INFORMATION TECHNOLOGY			
	<ul style="list-style-type: none"> <li>E-Cert</li> </ul>	<ul style="list-style-type: none"> <li>E-Cert and remote Off-Shore printing / electronic transfer of Phytosanitary Certificates</li> </ul>	<ul style="list-style-type: none"> <li>AQIS to advise if it is possible to take a Phyto Cert from the Exdoc System and send electronically to Overseas Countries and have the respective Foreign NPPOs accept.</li> <li>If yes then which Countries</li> <li>Implement this process</li> </ul>	??? 2009
	<ul style="list-style-type: none"> <li>EXDOC</li> </ul>	<ul style="list-style-type: none"> <li>Identifying improvements to EXDOC for short term cost savings</li> </ul>	<ul style="list-style-type: none"> <li>All EXDOC users to be contacted to obtain input/suggestions into possible improvements to EXDOC</li> </ul>	??? 2009
	<ul style="list-style-type: none"> <li>Communication</li> </ul>	<ul style="list-style-type: none"> <li>Creating a e-mail database for EXDOC Users, Accounts Departments and Management</li> </ul>	<ul style="list-style-type: none"> <li>Clients contact information to be collected and entered into newly created contact database (possibly through the ELSA system?)</li> </ul>	??? 2009

<ul style="list-style-type: none"> <li>Bookings Online</li> </ul>	<ul style="list-style-type: none"> <li>An online web-based booking system to be implemented to speed up booking process , AQIS users to be able to see available time slots.</li> </ul>	<ul style="list-style-type: none"> <li>AQIS to advise if this is possible by Region for Horticulture and if workable interfacing with other Ag AQIS users (where common Staff are used).</li> </ul>	ASAP
<ul style="list-style-type: none"> <li>Mobile Connectivity Of Inspectors in the Field</li> </ul>	<ul style="list-style-type: none"> <li>Provision of MOJO technology (mobile connectivity) to all AQIS-accredited field officers (including contractors if they have the authorization to use such devices) to ensure in-the-field authorization of RFP's and issuing of Invoices / Service Advice Notices etc.</li> </ul>	<ul style="list-style-type: none"> <li>Estimates of costs of national roll-out of MOJO and associated potential savings to be provided to AQIS/Industry MTF;</li> <li>Business case for roll-out to be developed and provided to AQIS/Industry MTF for consideration</li> <li>AQIS to advise Industry of Connectivity and use/rollout issues</li> </ul>	Commence immediately
<ul style="list-style-type: none"> <li>PHYTO Database</li> </ul>	<ul style="list-style-type: none"> <li>Needs to be updated on a regular basis; could also be put included into a Reference Database for Industry.</li> </ul>	<ul style="list-style-type: none"> <li>Connectivity with BioSIRT?</li> </ul>	Longer term?



PART TWO; FUNCTIONALITY ITEMS/PROCESSES IDENTIFIED OFFERING/SEEKING IMPROVEMENT IN THE EXPORT PROCESS/PATHWAY				
ITEM	ISSUE	COMMENTS	ACTION	COMPLETION DATE
7	NUT INDUSTRY			
	<ul style="list-style-type: none"> <li>Nut Industry to be consulted on the possibility of being serviced by Horticulture Export Program rather than the Grain Export Program as per current arrangements</li> </ul>	<ul style="list-style-type: none"> <li>AQIS and/or Taskforce to consult with nut PIBs</li> </ul>	<ul style="list-style-type: none"> <li>AQIS/Industry MTF to consider inclusion of Nut Industry within the Horticulture Export Program               <ul style="list-style-type: none"> <li>Including analysis of cost impacts</li> <li>Identification of Nut Industry representative to join consultative forum</li> </ul> </li> </ul>	2009
8	AUDITING			

	<ul style="list-style-type: none"> <li>• AQIS auditing of Approved Arrangements to be conducted biannually</li> </ul>	<ul style="list-style-type: none"> <li>• The current AQIS Audit Policy specifies one formal audit annually in addition to 4-6 surveillance audits</li> <li>• AQIS –approved auditors to be skilled across commodity requirements to facilitate multi-commodity audits for establishments with multiple AAs.</li> <li>• Evaluate the role of Farm Management Systems in AA's (Refer to Item 2)</li> </ul>	<ul style="list-style-type: none"> <li>• AQIS/Industry MTF to seek input/feedback from AQIS and Industry Groups on proposal</li> <li>• Amendment of annual audit policy regimes depicted in AQIS Audit policy for Inspection and export certification of prescribed goods - basic phytosanitary certification - operational procedures statements</li> </ul>	<ul style="list-style-type: none"> <li>• Rolled-out with Reform agenda</li> </ul>
PART TWO; FUNCTIONALITY ITEMS/PROCESSES IDENTIFIED OFFERING/SEEKING IMPROVEMENT IN THE EXPORT PROCESS/PATHWAY				
ITEM	ISSUE	COMMENTS	ACTION	COMPLETION DATE
9	<b>DATABASE OF PRECEDENTS</b>			
	<ul style="list-style-type: none"> <li>• A database of precedents for interpretations and science based data be kept for reference for Industry as well as for new AQIS officers in the field.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Plant Health Australia model – Lois Ransom</b></li> <li>• This will speed up inspections if there is a problem which has previously been encountered and dealt with.</li> <li>• Available to Industry as well, to bring to attention of Officers if they are unaware of it.</li> <li>• This would also include Tissue Cultures for the Nursery Industry.</li> </ul>	<ul style="list-style-type: none"> <li>• AQIS to investigate ideas of how this can be achieved and offered to Industry</li> </ul>	<ul style="list-style-type: none"> <li>• Commence immediately</li> </ul>



**Additional Comments from the MTF:**

**1. MTF INDUSTRY RESOURCES**

- a. Discussions involving the suggestions that the MTF could benefit from representation from Tasmania and Western Australia, and possibly also the vegetable exporters on the MTF.

The following names came up:

- i. Lucy Gregg from Fruit Growers of Tasmania;
- ii. Peter Wauchope at Center West, a vegetable grower from WA;
- iii. Mark Hall, Valley Pack (day to day experience with dealing with AQIS);
- iv. Peter Walker, HECC.

To date Mark Hall and Peter Walker have taken part in MTF teleconferences.

**2. \$2.485 MILLION SET ASIDE BY THE MINISTER FOR AG TO DRIVE IMPROVEMENTS IN AQIS AND PHYTOSANITARY CERTIFICATION**

- a. None of this money has been committed to be spent at this time, although areas for expenditure have been documented in a Work Plan.
- b. The MTF will be seeking an under-taking from the Minister that any funds (balance of the \$2.485 M, whatever the amount) not used in this financial year will be Pro Rata returned to the users/fee payers in the Horticulture Program of the AQIS system in the 2009/2010 financial year by the end of July 2010.  
A rebate at the 30<sup>th</sup> June 2010, whatever remaining monies should be rebated equitably to exporters for the year 2009/2010. Task to be completed by no later than 31 July 2010.
- c. MTF also need an undertaking that fund allocation from this Reform Package be for newly identified reforms and not Core Business previously identified by the Program (eg Beale reforms);
- d. At this time, the MTF intends to spend part or all of the \$2.485m to carryout, reviews, evaluations and improvements directly and indirectly in AQIS Exdoc system, pursuing cost savings directly and indirectly to the phytosanitary certification and export pathway.
- e. Subject to MTF authorisation of a quotation, funds be set aside for the completion of Item One of the Macro Evaluation/Review detailed in this Work Plan.
- f. MTF to sign off on all AQIS expenditure prior to commitment.



### **3. MOVING FORWARD**

- a. The MTF has discussed that it may be beneficial for the MTF Industry Chair and/or Individuals from the MTF to meet with the Chairs/Individuals of the other Ag Ministerial Task Force's within the next month along with an additional initial regular quarterly meeting to identify any across-industry Sector reforms which can be cross-funded, or progressed jointly.
- b. MTF travel costs to be reimbursed to members
- c. MTF Secretariat to be funded by AQIS/HECC fund
- d. Greg Read to continue as MTF chair. If it is necessary for the Taskforce to meet with the Minister it is done on a collective basis. ( Delegation from MTF to attend).

### ***Appendix 3: Analysis of Summary Budget - AQIS proposed Workplans***

ANALYSIS OF AQIS REFORM PROGRAM AUGUST 2009

ITEM	FULL COST	AQIS SUPPORT	EXTERNAL CONSULTANT
COST ANALYSIS	\$ 225,000.00	\$ 75,000.00	\$ 150,000.00
REVIEW OF INDUSTRY PARTNERSHIP ARRANGEMENTS (AA's)	\$1,900,000.00	\$1,100,000.00	\$ 800,000.00
PROCESS MAPPING OF HORT EXPORT PRACTICES	\$ 75,000.00	\$ 55,000.00	\$ 20,000.00
THIRD PARTY INSPECTORS	\$1,000,000.00	\$ 550,000.00	\$ 450,000.00
REVIEW OF AQIS/INDUSTRY STANDARD INTERPRETATION OF WORKPLANS	\$ 40,000.00	\$ 40,000.00	
ELECTRONIC TRANSFER OF PHYTO CERTIFICATES TO IMPORTING COUNTRIES	\$ 80,000.00	\$ 80,000.00	
ELECTRONIC DOCUMENTATION IMPROVEMENTS	\$ 325,000.00	\$ 25,000.00	\$ 300,000.00
COMMUNICATIONS	\$ 125,000.00	\$ 25,000.00	\$ 100,000.00
REVIEW OF MOJO	\$ 25,000.00	\$ 25,000.00	
REVIEW OF PHYTO DATABASE	\$ 125,000.00	\$ 25,000.00	\$ 100,000.00
INTEGRATION OF NUTS WITH HORT PRECEDENTS DATABASE	\$ 55,000.00	\$ 35,000.00	\$ 20,000.00
	\$ 115,000.00	\$ 15,000.00	\$ 100,000.00
TOTAL COSTS	\$ 4,090,000.00	\$ 2,050,000.00	\$ 2,040,000.00

## **Appendix 4: AQIS Cost Analysis**

### **Overview**

An independent review of the operating costs of the AQIS Horticulture Export Program including an assessment of corporate and overhead costs with a view to implementing any subsequent fee amendments (including those stemming from reform initiatives) in 2010-11.

### **Objectives**

1. To ensure the equitable allocation of costs across the Horticulture Export Sector;
2. To implement a fee structure that will support the Horticulture Export Program into 2010-11 and beyond;
3. To implement a fee structure that passes on cost savings resulting from reform initiatives to industry; and
4. To model the cost impact on the program of increased adoption of Approved Arrangements to target levels.

### **Efficiency Gains and Savings**

The development of a revised fee structure may lead to cost savings on overheads and corporate costs.

### **Resources and Costs**

#### **PEOPLE:**

The following people will contribute to the delivery of this project:

- Industry Nominee/s
- AQIS Nominee/s
- External Consultant

#### **BUDGET:**

Estimated costs for completion of this project are \$225,000

- AQIS Admin/Support for project – 0.25 x FTE - \$25,000
  - \$150,000 will be for engagement of an external consultant to undertake the project
  - \$50,000 AQIS resources to support fee amendments
- IT Development costs to be funded through NPP for IT redevelopment



## Key Milestones

Milestone	Date	Responsible Party
Terms of Reference for review determined	10 Aug 2009	Ministerial Taskforce
Tender proposal distributed to providers from panel	24 Aug 2009	AQIS
Tender responses received	7 Sep 2009	AQIS
Tender responses evaluated	14 Sep 2009	Ministerial Taskforce
Contract drafted	21 Sep 2009	AQIS
Consultant engaged	5 Oct 2009	AQIS
Report delivered to Ministerial Taskforce	2 Nov 2009	Consultant
Report considered/endorsed	9 Nov 2009	Ministerial Taskforce
New Fee Package formally endorsed by Taskforce	16 Nov 2009	Ministerial Taskforce
Fee amendment work commences	16 Nov 2009	AQIS
Cost Recovery Impact Statement Prepared	18 Jan 2010	AQIS
Industry Consultation Period	15 Feb 2010	AQIS/Ministerial Taskforce
New Fee Orders Drafted	15 Mar 2010	AQIS
New Fee Package presented to Minister	29 Mar 2010	AQIS
New Fee Package endorsed by Minister	30 Apr 2010	Minister's Office
Fee Orders Tabled in Parliament	30 May 2010 (winter sitting)	Minister's Office
New Fees implemented (if required)	1 Jul 2010	AQIS
Project Completed	1 Jul 2010	

## Performance Measures

Budget performance over 2010-11 will demonstrate whether the development of the revised fee structure has been successful.

## ***Appendix 5: Review of AQIS/Industry Partnership Arrangements***

### **Overview**

A review of the regulatory framework underpinning AQIS/Industry partnership arrangements and the scope of activities to which these arrangements could apply in line with international guidelines. This review will also consider recognition of industry systems and a risk-return based auditing and verification framework and supporting IT systems.

### **Objectives**

1. To develop AQIS/Industry partnership arrangements that meet Australian export legislation and importing country requirements while reducing the operating costs to all stakeholders through:
  - a. Examining suitability of existing partnership arrangements;
  - b. Identify risk areas within the horticulture export process and opportunities for AQIS and industry to align processes to improve efficiency;
  - c. Ensuring regulatory mechanisms and the level of intervention applied by AQIS in the horticulture export process are appropriate; and
  - d. Development of a risk return based approach to audit and verification of partnership arrangements.
2. To provide an independent assessment of the cost-effectiveness of AQIS providing export services versus industry undertaking the same tasks under partnership arrangements;
3. To increase uptake of AQIS/industry partnership arrangements;
4. To expand the scope of activities performed under AQIS/industry partnership arrangements in line with international guidelines; and
5. To develop and implement an audit/verification tracking system to support the risk return based framework.

### **Efficiency Gains and Savings**

Industry will benefit from this reform initiative through:

- Reduced audit frequency where a good compliance history is demonstrated;
- Reduced AQIS intervention in export process;
- Reduced regulation through AQIS activity focusing on high risk areas
- Increased flexibility for business operations through reduced reliance on AQIS service delivery
- Reduced duplication of effort
- Integration of AQIS requirements with business practices which will expand business opportunities

The savings and efficiency gains available to individual businesses will vary on the nature of the business and the lengths to which they are able to adopt AQIS/Industry partnership arrangements.

## Resources and Costs

### PEOPLE:

The following people will contribute to the delivery of this project:

- Industry Nominee/s
- AQIS Nominee/s
- Consultants
- IT Developers
- Legal Services
- AQIS/Industry Working Group

### BUDGET:

Estimated costs for completion of this project are \$1.9 million.

AQIS Admin/Support for project – 2.5 x FTEs - \$300,000

AQIS Technical Input – 1.5 x FTEs - \$250,000

Development and Delivery of AA Uptake Package - \$450K (3xFTEs + Travel)

#### Consultancies

Project Officer - \$150,000

Business Analyst (Cost benefit comparison) - \$100,000

Industry System Equivalence (eg Farm Management Schemes) - \$150,000

#### IT Development

IT Systems Development (audit/verification) - \$250,000

Business Analyst (System requirements – audit outcomes) - \$150,000

***Plus: Processing of new AAs – 3.5 x FTEs – \$350,000 (FFS-Revenue)***



## Key Milestones

Milestone	Date	Responsible Party
Nominate representatives	14 Aug 09	MTF
Establish Working Group	31 Aug 09	MTF
Tender Process for Consultants (copy from other plan)	30 Sep 09	
Research current AQIS/Industry Partnership Arrangements <ul style="list-style-type: none"> <li>– Regulatory approach</li> <li>– Scope of existing arrangements</li> <li>– Limitations of existing arrangements</li> <li>– Industry feedback</li> </ul>	31 Oct 09	Working Group
Identify target areas for expansion of AQIS/Industry Partnership Arrangements <ul style="list-style-type: none"> <li>– Activities</li> <li>– Commodities</li> <li>– Markets</li> </ul>	31 Oct 09	Working Group
Identify areas where efficiencies might be gained <ul style="list-style-type: none"> <li>– Process mapping information (from Item 2a) <ul style="list-style-type: none"> <li>o Overlap in regulation/activities</li> <li>o Duplication in regulation/activities</li> <li>o Alignment of AQIS/Industry practices</li> </ul> </li> <li>– Equivalence of industry systems (eg. FMS)</li> <li>– Equivalence of state/territory systems</li> </ul>	30 Nov 09	Working Group
Identify system requirements for audit/verification tracking system (including risk profiling capability)	30 Nov 09	Business Analyst
Develop new industry partnership framework <ul style="list-style-type: none"> <li>– Risk assessment of each proposed industry/partnership arrangement</li> </ul>	31 Mar 10	Working Group
Develop risk return based audit/verification framework <ul style="list-style-type: none"> <li>– Development of “sliding scale”</li> </ul>	31 Mar 10	Working Group
Cost estimates to be provided on operation of AAs (needs info from Item 1)	30 Apr 10	Business Analyst

Develop amendments to legislation to support revised model <ul style="list-style-type: none"> <li>– Regulatory Impact Statement (if applicable)</li> <li>– Cost Recovery Impact Statement (if applicable)</li> <li>– Drafting of Regs/Orders</li> <li>– Amendments to the <i>Export Control Act 1982</i></li> </ul>	30 Apr 10	Working Group
Develop Transformation Plan <ul style="list-style-type: none"> <li>– Identify any transitional arrangements</li> <li>– Develop HR Strategy</li> <li>– Integration Strategy development</li> <li>– Develop support package for industry uptake of revised partnership arrangements</li> <li>– Align AQIS and industry training/instructions for activities currently undertaken by AQIS</li> <li>– AQIS auditor training to support multi commodity audits to be developed</li> <li>– Business Case for audit/verification IT system</li> </ul>	30 Apr 10	Working Group
Interim development of audit/verification tracking system	30 Jun 10	Working Group/IT Developers
Implement Transformation Plan <ul style="list-style-type: none"> <li>– Delivery of support package for industry uptake of partnership arrangements</li> </ul>	30 Jun 10	Working Group
Project Completed	30 Jun	

## Performance Measures

Report on current arrangements delivered including recommendations to support development of revised model

Development of revised industry partnership model and supporting administrative and regulatory frameworks.

Cost benefit comparison of existing model, AQIS delivery and revised model.

Increased uptake of industry partnership arrangements in 2010-11.

## ***Appendix 6 : Communications***

### **Overview**

Establishment of a client management database

### **Objectives**

1. To establish a database of client contact information to allow targeted distribution of horticulture export information; and
2. To allow clients to manage their own contact information and to opt in/out.

### **Efficiency Gains and Savings**

Efficiency and savings will be gained through:

- Timely distribution of information to support business decisions made by affected industry parties;
- Targeting of information and recipients to prevent email overload;
- Minimising reliance on individuals to facilitate distribution of information; and
- Reduced administration requirements for AQIS.

### **Resources and Costs**

#### **PEOPLE:**

The following people will contribute to the delivery of this project:

- Industry Nominee/s
- AQIS Nominee/s
- Business Analyst
- IT Developers

#### **BUDGET:**

Estimated costs for completion of this project are \$125,000

- AQIS Admin/Support – 0.25 x FTE - \$25,000
- Consultancy
  - Business Analyst - \$100,000



## Key Milestones

Milestone	Date	Responsible Party
Determine scope/objectives of proposed system	31 Aug 09	Ministerial Taskforce
Establish link to broader IT redevelopment proposal	31 Aug 09	AQIS
Tender for Business Analyst (copy from other plan)	10 Oct 09	AQIS
Process/System requirements report delivered	18 Dec 09	Business Analyst
Business case prepared	31 Jan 10	AQIS
Submit business case to IT redevelopment NPP	31 Jan 10	AQIS
Project Completed		

## Performance Measures

Business case delivered

## ***Appendix 78: Electronic Transfer of Phytosanitary Certificates to Importing Countries***

### **Overview**

Development of a strategy to progress uptake by importing countries of electronically transmitted Phytosanitary certification for Australian horticulture exports.

### **Objectives**

1. To provide a report on the current status of acceptance of E-certs by importing countries and the constraints on information that can be provided through this medium;
2. To determine the feasibility of electronic transmission of Phytosanitary Certificates to key markets; and
3. To develop a plan to negotiate electronic transmission of Phytosanitary Certificates in accordance with industry priorities.

### **Efficiency Gains and Savings**

Efficiencies and savings may be gained through:

- Streamlined process for providing Phytosanitary certificates to trading partners;
- Reduced risk of fraudulent activity; and
- Reduction in costs associated with documentation handling.

### **Resources and Costs**

#### **PEOPLE:**

The following people will contribute to the delivery of this project:

- AQIS / EDS representatives
- Industry nominee

#### **BUDGET:**

Estimated costs for completion of this project are \$80,000

- AQIS Admin/Support - 0.2 x FTE - \$20,000
- 3 Negotiation Visits x \$20,000 each - \$60,000

## Key Milestones

Milestone	Date	Responsible Party
Nominate AQIS resources	17 Aug 09	MTF
Gather available information and prepare report for industry – including list of potential target markets	24 Aug 09	AQIS
Information session delivered to industry on E-cert functionality	01 Sep 09	MTF
List of priority markets provided to AQIS	05 Sep 09	MTF
Negotiation strategy developed	12 Sep 09	Working Group
Preparation and circulation of strategy	19 Sep 09	Working Group
MTF to consider report and endorse recommendations	29 Sep 09	MTF
Commence negotiations with target markets	14 Oct 09	Working Group

## Performance Measures

Preparation of report and recommendations



## **Appendix 8: Electronic Documentation Improvements**

### **Overview**

To identify and implement short term improvements to AQIS's electronic documentation systems to meet industry needs whilst maintaining security and compliance with legislation.

### **Objectives**

1. To identify and implement short term improvements to AQIS's electronic documentation system to meet industry needs.

### **Efficiency Gains and Savings**

Efficiency and savings may be gained through integration of commercial and certification requirements, resulting in:

- Reduced AQIS intervention in the certification process;
- Greater flexibility and timeliness for industry, particularly outside normal working hours;
- Increased security of AQIS certification;
- Reduction of errors associated with manual certification;
- Facilitation of E-cert technology;
- Increase ability to respond quickly to changes in importing country requirements; and
- Streamlined administrative processes.

### **Resources and Costs**

#### **PEOPLE:**

The following people will contribute to the delivery of this project:

- AQIS Nominee/s
- Industry Nominee/s
- Software Developer

**BUDGET:**

Estimated costs for completion of this project are \$325,000.

- AQIS Admin/Support - 0.25 x FTE - \$25,000
- Consultancy
  - o Project Officer - \$50,000
- Software Development - \$250,000 plus on-going maintenance costs.

**Key Milestones**

Milestone	Date	Responsible Party
Nominate resource	17 August 2009	AQIS
AQIS to contact users of EXDOC and source their input into possible improvements and cost savings.	20 August 2009	AQIS
AQIS to prepare a list of industry proposals and savings for prioritisation by MTF.	04 September 2009	AQIS
MTF to advise priorities.	18 September 2009	MTF
AQIS to establish an implementation plan and associated costings.	20 October 2009	Working Group
MTF to endorse implementation plan	1 November 2009	MTF
Engage a software development resource (if applicable)	15 November 2009	AQIS
AQIS to monitor progress towards completion of recommendations.	Various	Working Group
AQIS to advise industry as particular recommendations are completed.	30 June 2010	Working Group

**Performance Measures**

Implementation plans and costings for each improvement project.

## ***Appendix 9: Review of Mobile on the Job Connectivity- Mojo***

### **Overview**

Adopt use of mobile connectivity for horticulture exports field officers.

### **Objectives**

1. To enable in-field electronic certification processing by AQIS officers;

### **Efficiency Gains and Savings**

On the spot completion of export certification which will reduce turnaround times for exporters.

Further efficiency gains will result from improvements to the EXDOC system which will allow on the spot amendment to export certification giving exporters greater ability to amend certification to meet freight schedules. This is of particular benefit to air freight consignments of high value horticultural produce.

### **Resources and Costs**

#### **PEOPLE:**

The following people will contribute to the delivery of this project:

- Industry Nominee/s
- AQIS Nominee/s

#### **BUDGET:**

Estimated costs for completion of this project are \$

- AQIS Support – 0.25 x FTE - \$25,000
- MOJO Tablets – 30 x \$ 465 each (one off) + \$279/month per unit operating costs + VPN \$150/2 years



## Key Milestones

Milestone	Date	Responsible Party
Review MOJO pilot for lessons learned	17 Aug 09	AQIS
Develop policy for MOJO usage	31 Aug 09	Working Group
Business Case developed for MOJO rollout	30 Oct 09	Working Group
Endorsement of business case by MTF	18 Dec 09	Ministerial Taskforce
Endorsement of business case by AQIS IT	30 Nov 09	AQIS
Develop a roll out plan	31 Jan 10	Working Group
Complete roll out	30 Jun 10	AQIS
Project Completed	30 Jun 10	

## Performance Measures

Positive industry feedback on timeframes

Increased inspection hours through reduced reliance on AQIS staff contacting office

Increased accuracy in export certification issued

## ***Appendix 10 : Nuts Exports integration into Horticulture Export Program***

### **Overview**

Consideration of the transfer of export inspection and certification of nuts from the Grain and Plant Products Export Program to the Horticulture Export Program.

### **Objectives**

1. To assess the suitability of the export nut industry being integrated into the horticulture export system; and
2. To determine the cost and regulatory impacts on the export nut industry of integration into the horticulture export system.

### **Efficiency Gains and Savings**

Efficiencies and savings may be gained through:

- Broadening the cost recovery base for the Horticulture Export Program;
- Inspection techniques better suited to product; and
- Better alignment with recognised sectoral division of industry.

### **Resources and Costs**

#### **PEOPLE:**

The following people will contribute to the delivery of this project:

- Industry Nominee/s
- AQIS Nominee/s
- Business Analyst

**BUDGET:**

Estimated costs for completion of this project are \$55,000

- AQIS Support – 0.25 x FTE - \$25,000
- Meeting with stakeholders - \$15,000 (includes travel)
- Business Analyst - \$20,000

**Key Milestones**

Milestone	Date	Responsible Party
Identify key stakeholders within nut industry	7 Aug 09	AQIS
Meet with key stakeholders	21 Aug 09	AQIS
Invite nut representative onto the MTF	27 Aug 09	Ministerial Taskforce
Sampling/Inspection approach for nuts developed	30 Sep 09	AQIS
Costing comparison provided to industry	21 Oct 09	Ministerial Taskforce
Nut industry to respond to proposal	21 Nov 09	Nut Industry
Implementation plan developed (if required)	18 Dec 09	AQIS
Implementation plan endorsed by MTF (if required)	31 Jan 10	Ministerial Taskforce
Horticulture Export Program assumes responsibility for export nut certification (if required)	1 July 10	AQIS
Project Completed	15 Dec 09	

**Performance Measures**



## ***Appendix 11: Review of Phyto Database***

### **Overview**

A review of update processes for the PHYTO database to ensure currency of data is maintained and consider linkage to other databases to provide a more detailed guide to importing countries' requirements.

### **Objectives**

1. To improve access to information on importing countries' requirements to industry;
2. To establish a formal process to support industry notification to AQIS of changes to importing countries' requirements;
3. To ensure changes to importing countries' requirements are reflected in the database on receipt of notification;
4. To investigate potential linkages to other databases (eg. BioSirt) that may assist industry to determine importing countries' requirements and whether they can be met; and
5. To investigate automation of client notification through linkage to the proposed client management database.

### **Efficiency Gains and Savings**

Efficiencies and savings may be gained through:

- Automation of notification of changes to importing countries' requirements;
- Availability of current information to support business decisions; and
- Linkage to other databases to provide exporters with a single portal to access importing countries' requirements.

### **Resources and Costs**

#### **PEOPLE:**

The following people will contribute to the delivery of this project:

- Industry Nominee/s
- OCPPO Nominee/s
- AQIS Nominee/s
- Business Analyst
- IT Consultant

## BUDGET:

Estimated costs for delivery of this project are \$125,000

- AQIS Admin/Support for project – 0.25 x FTE - \$25,000
- Consultancies
  - o IT Analyst (Cost benefit comparison) - \$100,000

IT Development funding to be provided through NPP for IT Redevelopment

## Key Milestones

Milestone	Date	Responsible Party
Determine scope/objectives of proposed system	31 Aug 09	Ministerial Taskforce
Establish link to broader IT redevelopment proposal	31 Aug 09	AQIS
Terms of Reference for consultancy determined	31 Aug 09	Ministerial Taskforce
Tender proposal distributed to providers from panel	14 Sep 09	AQIS
Tender responses received	28 Sep 09	AQIS
Tender responses evaluated	14 Oct 09	Ministerial Taskforce
Contract drafted	21 Oct 09	AQIS
Consultant engaged	28 Oct 09	AQIS
Process/System requirements report delivered	18 Dec 09	Business Analyst
Business case prepared	31 Jan 10	AQIS
Submit business case to IT redevelopment proposal	31 Jan 10	AQIS
Project Completed		

## Performance Measures

Increased Industry usage of the system.

Reduced number of inquiries.

## ***Appendix 12: Process mapping of Hort Export Processes***

### **Overview**

A technical specialist will develop a process map of AQIS, Industry and other regulatory bodies' practices in the export horticulture sector to support the suite of reform initiatives.

### **Objectives**

To develop a process map which clearly defines the industry and regulatory processes involved in the export of horticultural products from Australia.

### **Efficiency Gains and Savings**

The information produced through this project will inform other reform initiatives to identify risk areas and opportunities for alignment and integration of AQIS and industry processes.

### **Resources and Costs**

#### **PEOPLE:**

The following people will contribute to the delivery of this project:

- Industry Nominee/s
- AQIS Nominee/s
- Process Mapping Consultant
- AQIS/Industry Working Group



**BUDGET:**

Estimated costs for completion of this project are \$75,000.

- AQIS Admin/Support for project – 0.25 x FTE - \$25,000
- Face to Face Process Mapping Workshop - \$20,000
- Process Mapping Technical Specialist - \$20,000
- AQIS Additional Resources - \$10,000

**Key Milestones**

Milestone	Date	Responsible Party
Key commodities/groups to be process mapped identified	14 Aug 09	Ministerial Taskforce
Terms of reference defined for process mapping	28 Aug 09	Ministerial Taskforce
Working Group identified	28 Aug 09	Ministerial Taskforce
Tender proposal distributed to providers from panel	11 Sep 09	AQIS
Tender responses received	25 Sep 2009	AQIS
Tender responses evaluated	2 Oct 09	Ministerial Taskforce
Contract drafted	9 Oct 09	AQIS
Consultant engaged	23 Oct 09	AQIS
Process Mapping Workshop held	6 Nov 09	Consultant
Process map/s draft delivered	20 Nov 09	Consultant
Review of process map by W/G	4 Dec 09	Working Group
Final draft of process maps delivered to MTF	18 Dec 09	Consultant
Final process map endorsed by MTF	15 Jan 09	Ministerial Taskforce
Process map distributed to project managers to inform other projects	15 Jan 09	AQIS
Project Completed	15 Jan 09	

**Performance Measures**

Process map delivered that provides accurate representation of export process for horticultural products.

## ***Appendix 13: Precedents database***

### **Overview**

Establishment of a secure web-based reference database including precedent decisions to support AQIS officers in the field.

### **Objectives**

1. To allow AQIS officers to address issues previously encountered on inspection in a more consistent and timely manner supported by an enhanced science-based decision making approach; and
2. To provide greater accessibility to scientific and policy information to AQIS and Industry.

### **Efficiency Gains and Savings**

Efficiencies and savings will be gained through:

- Timely decision making
- Shared understanding of policies and outcomes
- Clarity in technical requirements
- Reduced rejections of consignments

### **Resources and Costs**

#### **PEOPLE:**

The following people will contribute to the delivery of this project:

- |                      |                    |
|----------------------|--------------------|
| ➤ Industry Nominee/s | ➤ Business Analyst |
| ➤ AQIS Nominee/s     | ➤ IT Developers    |

**BUDGET:**

Estimated costs for completion of this project are \$115,000

- Business Analyst - \$100,000
- AQIS Admin Support - \$15,000

IT Development costs to be funded through NPP for IT redevelopment

**Key Milestones**

Milestone	Date	Responsible Party
Determine scope/objectives of proposed system	31 Aug 09	Ministerial Taskforce
Determine access permission policy	31 Aug 09	Working Group
Establish link to broader IT redevelopment proposal	31 Aug 09	AQIS
Terms of Reference for consultancy determined	31 Aug 09	Ministerial Taskforce
Tender proposal distributed to providers from panel	14 Sep 09	AQIS
Tender responses received	28 Sep 09	AQIS
Tender responses evaluated	14 Oct 09	Ministerial Taskforce
Contract drafted	21 Oct 09	AQIS
Consultant engaged	28 Oct 09	AQIS
Assess existing precedent/reference information	30 Nov 09	Working Group
Consider integration with PHYTO database	30 Nov 09	Business Analyst
Process/System requirements report delivered	18 Dec 09	Business Analyst
Business case prepared	31 Jan 10	AQIS
Submit business case to IT redevelopment NPP	31 Jan 10	AQIS
Project Completed		

**Performance Measures**

Business case delivered



## ***Appendix 14: Approved Arrangements***

### **a/ Exporter Background, Costing Example and Viability**

Dear All,

I thought that you would be interested in the attachment as they detail the Audit requirements for AAs and these will be the basis going forward.

I asked a number of times for clarification as to the Audit procedure and it took me a bit of digging to get this as I didn't know these papers existed.

Interestingly these AQIS Audit Policy docs don't refer to raising phytos directly off the Exdoc system so to raise a phyto with an AA, the AA Inspector will need to fill in the Product Inspection check sheet and then send to AQIS and ask for an Exporter raised RFP to be approved to Final status with all the necessary charges for In office AQIS time then produce phytos from the RFP .

We have process AAs, and have "progressed" on from bi-monthly to quarterly Audits plus an annual AQIS audit. Process AAs don't have the number of variation and combinations as an Export Phyto Arrangements to different destinations – interestingly there are different AA Audits for Basic Phyto Markets, Phyto Markets with ADs and NZ BQA (FF Host Material) so an exporter will be audited separately over these three AA areas even if AQIS do the Audits with the one physical visit and charge accordingly.

Under the old charges it costs approx A\$650 per Quarterly Audit and Annual Audit \$800-900 therefore approx a total of \$3450 per year for a "process" AA.

Under the new charges this is equivalent to \$1275 and \$1360 - \$1530 respectively and annually with the new charge schedule a total of approx \$6,545.

Initially, an AA with Bi-Monthly Audits plus AQIS Annual Audit charging for any changes or necessary improvements to the AA (AQIS charge for any Audit Preparation time and Post onsite Audit ) an annual fee of between 10,000 – 12,000 would be reasonable to expect ((1275 x 6) + 1445 + (\$1,000 to 3,000 for amendment and corrective action Audit fees)).

These AA costs are in addition to an exporter's new export produce inspection process, costs of; writing and maintaining an AA document, staff time to prepare for AQIS audits and attend, have staff available to carryout physical Inspection, plus training staff to carry out the physical inspection, carry out the physical inspection, send documents to AQIS detailing passing of produce and store all the relevant paperwork, this is in addition to the additional responsibility the owner of the organisation has of compliance if mistakes are made or if overseas countries have pest interception during their inspections and advise AQIS.

Given the detail above I can only wonder how many exporters would realistically find an AA for phyto markets to be of positive net value and worth the extra effort. If there wasn't a significant extra value achieved via this process an incentive doesn't exist.

The delinquent day dreamers will continue to dream that it is possible for 68% of the Hort. Export Industry Phyto's to be raised via this AA path.

Regards,

Alastair

**b/ Operational Procedure Statements, Basic Phyto and Audit policy for  
Approved Arrangements**



**Australian Government**

**Australian Quarantine and Inspection Service**

# **OPERATIONAL PROCEDURES STATEMENTS**

## **AQIS AUDIT POLICY**

**For**

**Inspection and Export Certification of  
Prescribed Goods (Fresh Fruit and Vegetables) –  
Basic Phytosanitary Certification**

**OPS Ref. No: E/5000/AP**



# OPERATIONAL PROCEDURES STATEMENTS

## AQIS AUDIT POLICY

For the **Inspection and Export Certification of Prescribed Goods (Fresh Fruit and Vegetables) – Basic Phytosanitary Certification**

### 1 BACKGROUND

- 1.1 The purpose of the AQIS audit policy is to detail how AQIS will monitor compliance of the Other Party in meeting the outcome, prerequisites and requirements of the Schedule for the *Inspection and Export Certification of Prescribed Goods (Fresh Fruit and Vegetables) Basic Phytosanitary Certification* and associated Process Management System.
- 1.2 Monitoring of the Other Party's compliance with the requirements and prerequisites of the Schedule and Process Management System will be undertaken by AQIS using a combination of formal documentation audits and surveillance audits.
- 1.3 The purpose of this policy is to ensure that the integrity of AQIS phytosanitary certification is maintained by the Other Party effectively implementing the prerequisites and requirements of the Schedule through the Process Management System and employment of AQIS Approved Inspectors to undertake the phytosanitary inspection of prescribed goods.
- 1.4 The AQIS Audit Policy has been built around two levels of audit regime, Table 1 an Initial Audit Regime and an Annual Audit Regime.

### 2 AQIS AUDIT POLICY REGIMES

#### 2.1 Initial Audit Regime

- 2.1.1 The Other Party on having their application for the Schedule approved will be subject to the initial audit regime for the period of the first processing / packing season that the agreement is in place.
- 2.1.2 Under the initial audit regime (Table 1) AQIS Officers will conduct a formal audit at the commencement of the season and surveillance audits on a **bi-monthly basis** (1 per 2 calendar months) during the period that the Other Party is either processing or packing prescribed goods for export.

#### 2.2 Annual Audit Regime

- 2.2.1 The Other Party on completion of the initial audit regime period will be subject to the annual audit regime (Table 1). Under this regime AQIS Officers will conduct a formal audit at the commencement of the season and surveillance audits on a **quarterly basis** (1 per three calendar months) during the period that the Other Party is either processing/packing prescribed goods for export.

## **2.3 Suspension or voluntary withdrawal from the Schedule**

**2.3.1 Where the Other Party elects to either suspend voluntarily or is suspended from the Schedule for one or more seasons, the Other Party on reinstatement of the Schedule will be subject to the initial surveillance audit regime.**

**2.3.2** The initial audit regime will remain in place for the season that reinstatement occurred and the subsequent following season.

**TABLE 1 AUDIT POLICY – FRESH FRUIT AND VEGETABLES,  
LOW RISK STATUS COMMODITIES**

<b>Audit Policy</b>		
	<b>Initial Regime</b>	<b>Annual Regime</b>
<b>Formal Audit</b>	Annual	Annual
<b>Surveillance Audit</b>	Bi-monthly	Quarterly

## **2.4 Formal Audits**

**2.4.1** AQIS Officers in accordance with the AQIS work instructions for auditing will conduct a formal audit at the start of each season to monitor the compliance of the Other Party with the requirements of the Schedule and the Process Management System.

**2.4.2** The formal audit, at AQIS discretion, may be either announced or unannounced in accordance with the applicable audit regime (Table 1)

**2.4.3** The aim of the formal audit is to measure and assess the Other Parties compliance with the Process Management System. The formal audit will include a hygiene inspection and registration of the export establishment and as part of their scope.

**2.4.5 All formal audits will be subject to the applicable AQIS fee for service charge.**

## **2.5 Surveillance Audits**

**2.5.1** The aim of surveillance audits is to verify and assist the Other Party in meeting their obligations under the Schedule and through the Process Management System on a day to day operational basis.

**2.5.2** AQIS reserves the right for an AQIS Officer to make either announced or unannounced surveillance audits on the Other Party in accordance with the applicable audit regime (Table 1)

**NOTE: All surveillance audits will be subject to the applicable AQIS fee for service charge.**



## 2.6 Assessment of Audit Results

### 2.6.1 Critical Non-conformity

- 2.6.1.1 The Other Party will be determined to have failed either a formal or surveillance audit should a critical non-conformity be detected during audit:

A critical non-conformity being defined as:

the deviation or multiple deviations from the documented Process Management System, which are confirmed through the collection of objective evidence that shows discrepancies **RELATING DIRECTLY to either breaches; in legislation and/or importing country requirements and/or the AQIS Schedule requirements and compromises the integrity of inspection and certification process in such a way that immediate corrective action / regulatory investigation is required by AQIS.**

- 2.6.1.2 Where a critical non-conformity is identified the Schedule to the Approved Arrangement will be suspended until the Other Party can demonstrate to AQIS satisfaction that the critical non-conformity has been rectified and suitable procedures / action taken to prevent reoccurrence of the critical non-conformity.

**NOTE: This may necessitate a formal audit of the Other Party prior to reinstatement of the Schedule to confirm that the procedures put in place by the Other Party to rectify / prevent reoccurrence of the critical non-conformity are effective and ensure that the requirements and outcome of the Schedule will be met by the Other Party.**

**Reinstatement audits will be charged at the applicable AQIS fee for service rates.**

## 2.7 Assessment of Formal and Surveillance Audit Results

- 2.7.1 The result of all formal and surveillance audit's conducted under the AQIS Audit Policy will be assessed in accordance with the appropriate trigger limits given in either Table 2A or 2B.
- 2.7.2 Where the audit result is less than the given trigger limits the Other Party will be deemed to have **passed** the audit and if subject to an increased audit regime this regime will reduced to the applicable basic audit regime.
- 2.7.3 Where the audit result equals or exceeds a given trigger limit the Other Party will be deemed to have **failed** the audit and be subject to the appropriate action in accordance with the AQIS Compliance Policy.



**TABLE 2A FORMAL AUDIT RESULT TRIGGER LIMIT AND AUDIT  
RESULT MATRIX**

RESULT MATRIX

TRIGGER LIMITS NUMBER/TYPE OF NON-CONFOMITIES				
Non-conformity type	Number of non-conformities detected per audit			
Critical non-conformity	Suspension of the Schedule			
Major non-conformity	3	2	1	0
Minor non-conformity	0	4	6	9

Formal Audit Result Matrix

Major Non-conformities					
Minor non-conformities		0	1	2	3
	0	Pass	Pass	Pass	Fail
	1	Pass	Pass	Pass	Fail
	2	Pass	Pass	Pass	Fail
	3	Pass	Pass	Pass	Fail
	4	Pass	Pass	Fail	Fail
	5	Pass	Pass	Fail	Fail
	6	Pass	Fail	Fail	Fail
	7	Pass	Fail	Fail	Fail
	8	Pass	Fail	Fail	Fail
	9	Fail	Fail	Fail	Fail

**TABLE 2B SURVEILLANCE AUDIT RESULT TRIGGER LIMITS AND  
AUDIT RESULT MATRIX**

TRIGGER LIMITS NUMBER/TYPE OF NON-CONFOMITIES			
Non-conformity type		Number of non-conformities detected per audit	
Critical non-conformity		Suspension of the Schedule	
Major non-conformity		1	0
Minor non-conformity		0	3
Surveillance Result Matrix			
Major Non-conformities			
Minor non-conformities		0	1
	0	Pass	Fail
	1	Pass	Fail
	2	Pass	Fail
	3	Fail	Fail
	4	Fail	Fail

### **3 OTHER DOCUMENTATION TO BE READ IN CONJUNCTION WITH THIS POLICY**

- 3.1 Documentation as identified in the Table of Schedules to the Approved Arrangement and as applicable for approved Schedules.

***Appendix 15 : Industry MTF Correspondence with Colin Hunter, re: Travel Cost Reimbursement.***

**From:**

**Sent:** Wednesday, 8 July 2009 5:59 PM

**To:** Hunter, Colin – AQISACT

**CC:** MTF Committee

**Subject:** RE: MTF (Horticulture) - meeting 2 July [SEC=UNCLASSIFIED] -- Recovery Of Travel Costs

Dear Colin,

I am writing to formally register my discord with your comments during last weeks meeting regarding the Industry's MTF request for reimbursement for Travel costs to and from MTF meetings.

I believe your comments to "think about and consider" (or words to the effect) this request from Industry Members of the MTF who as I outlined during our meeting (freely) volunteer (their time) to assist with this review process for the improvement of AQIS cost/service delivery and interaction with the Horticultural Export Process most concerning.

My concern regarding your comments above stem from your assertions earlier in the meeting where you clearly outlined that any costs to address Industry requests incurred by AQIS during this review would be recovered from the 2.489M allocated to cover costs by the Minister for Ag. during this review/improvement process.

Is it being hypocritical to take funding from the 2.489M to support your own regimes cost burden during this review, yet not enable this funding to offset some of the cost burden of the Industry Volunteers participation, who are not charging for their time and without their efforts the review process would be of little or no value.

I regard even handedness most important when generating or maintaining good will, otherwise risk concerns of exploitation and associated performance.

In addition to the points above, during our first meeting, Greg Read dismissed HECC and the MTF is operating in its place. The AHEA had members on HECC for many years and AQIS reimbursed their travel and accommodation costs.

The monetary allocations of other Industry Groups (Grain, Beef, Pork etc) of their Ministerial funding package during their respective AQIS review process's have no bearing on the budgetary requests/desires of our MTF, accordingly I look forward to your positive and enthusiastic response avoiding the need to take this request further.

Yours sincerely,

Alastair Scott



**From:**

**Sent:** Wednesday, 8 July 2009 7:01 PM

**To:** Alastair Scott

**Cc:**

**Subject:** RE: MTF (Horticulture) - meeting 2 July -- Recovery Of Travel Costs [SEC=UNCLASSIFIED]

Alistair, thank you for your email. I can assure you that I too regard even-handedness as being most important to good will but as a servant of the government I must also ensure that the expenditure of monies is considered within the framework of various government governance processes. With respect there was therefore a need to consider the applicability of this matter to each of the sectors.

I can assure you, as I did during the meeting, that I was merely asking the Taskforce for the for the benefit of some time to work this issue through and while I did not expressly mention it at the meeting, I did so for the very reason of ensuring that I could find a publicly defensible solution.

I can now confirm that I can agree to expense funds for travel and accommodation for Taskforce members - from the reform fund - in accordance with this Department's Chief Executive Instructions. I plan to table these requirements at our next meeting and in doing so ask the Taskforce to consider in advance its anticipated face-to-face meeting schedule so we can set aside a budget - that will meet the public scrutiny test - for these purposes.

I acknowledge the efforts of all involved in these important matters and look forward to their continuing support to the important reform agenda we have in front of us.

COLIN HUNTER

A/g Executive Manager - Food

Office: (02) 6272 5589

Mobile: (

[www.aqis.gov.au](http://www.aqis.gov.au)

**Appendix 16: Recent example of AQIS record keeping of Industry Meeting Minutes to suit own Agenda**

----- Original Message -----

**From:** [REDACTED]  
**To:** [REDACTED]  
**Cc:** [REDACTED]  
**Sent:** Wednesday, September 09, 2009 11:42 AM  
**Subject:** RE: Proposed meeting for 11.00am tomorrow and postponement [SEC=UNCLASSIFIED]

Dear Rick,

Thank-you for your email reply below received today.

I am disappointed with the position AQIS have adopted regarding the records kept of the AQIS/Industry Meeting held on the 20<sup>th</sup> of July.

There was much discussion at this meeting regarding Exporter issues and how Exporters were managing the deficiencies within the EXDOC system coupled with Quarantine Inspections and a Regional Industry Advice Notice, this I regard as extremely important to be on the AQIS record.

I am concerned for the long term benefit of the Export Industry and the accurate managing of the AQIS Export effort that Senior AQIS staff are condoning the code of conduct Regional AQIS Staff have demonstrated in terms of record keeping adopted, in terms of the Industry meeting held on the 20<sup>th</sup> of July and subsequent corrections asked for by Industry participants to the minutes.

I am dumbfounded that AQIS will, generate, accept and maintain minutes that are not a true and accurate record of discussions and outcomes, even in the face of strong Industry protest.

In my opinion, this conduct undermines any claims that AQIS truly is a committed consultative entity with the Horticultural Export Industry, instead AQIS is seemingly pursuing a record of events that can only be regarded as desired by AQIS for their own agenda, this is definitely not appropriate for the Export Industry.

Yours sincerely,  
Alastair Scott  
**Hannay Douglas Pty Ltd**  
TEL: 61 7 3426 5600  
FAX: 61 7 3426 5699



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**From:**  
**Sent:** Wednesday, 9 September 2009 10:46 AM  
**To:** /  
**Cc:** .  
**Subject:** RE: Proposed meeting for 11.00am tomorrow and postponement [SEC=UNCLASSIFIED]

Dear Alastair

Thank you for notifying me of your position. It is not AQIS's intention to amend the record of the meeting between industry representatives and AQIS on 20 July 2009 prior to our scheduled meeting this morning. As advised previously, AQIS notes your comments provided on 30 July 2009. Importantly, the outcomes of this meeting have either been actioned, or are in the process of being actioned, including addressing your additional comments.

On the basis that you have proposed not to meet this morning if the record of meeting of 20 July 2009 is not amended, I acknowledge your position and will observe your notification accordingly.

I remain willing to meet with you if a future need arises.

Yours sincerely

Rick Hawe  
Regional Manager  
AQIS North East Region  
Department of Agriculture, Fisheries and Forestry  
☎ 07 3246 8600

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**From:**  
**Sent:** Tuesday, 8 September 2009 1:35 PM  
**To:**  
**Cc:** .  
**Subject:** Proposed meeting for 11.00am tomorrow and postponement

Dear Rick,

Thanks for the suggestion for a meeting tomorrow (your PAs telephone call to this extent yesterday) to discuss the issue as detailed in the emails below.

I have given the proposal of this meeting tomorrow much thought and believe it is more important to understand if AQIS are going to amend these minutes or not prior to this suggested meeting. There has been enough discussion regarding this matter.

Accordingly please advise regarding this and I believe we should postpone this meeting until I have this answer.

At this stage until I hear back from you, I will go forward on the basis this meeting is postponed with a new meeting date yet to be set.

Regards  
Alastair Scott  
**Hannay Douglas Pty Ltd**

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**From:**  
**Sent:** Monday, 24 August 2009 7:22 PM

**Subject:** RE: Horticulture Exporters Meeting - Brisbane - 20 July 2009 --- CORRECTIONS NECESSARY -- NOT MADE --THE SHAM OF INDUSTRY CONSULTATION

Dear All,

A little clarification to the wording below. Please refer the body of text.

Regards  
Alastair Scott  
**Hannay Douglas Pty Ltd**  
TEL: 61 7 3426 5600  
FAX: 61 7 3426 5699  
N

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**From:**

**Sent:** Monday, 24 August 2009 12:09 PM

**Subject:** RE: Horticulture Exporters Meeting - Brisbane - 20 July 2009 --- CORRECTIONS NECESSARY -- NOT MADE --THE SHAM OF INDUSTRY CONSULTATION

Dear All,

Regarding the lack of correction for the Minutes of our meeting, instead a self serving document for the benefit of AQIS remains the only formal record and seemingly to hell with what really went on and the background as to Industry wanting this Meeting. The detail is in emails below this one.

I discussed this issue of not correcting the Minutes with Greg Johnston and his point was there wasn't enough time going forward to revisit this issue and that some of the corrections (should read – "corrective actions discussed in the meeting") requested of AQIS were being initiated so this essentially should do. I strongly disagreed that this was correct procedure nor appropriate.

AQIS agreed to keep the minutes, Jeanine Crowther and Ray Elson travelled to BNE for this meeting.

If AQIS cannot be bothered to keep an accurate account of events (or worse a record to suit themselves ) with Industry consultation/meetings as has been shown here, instead write an account that is not factual and neglects to detail Industry concerns, then Industry should remain concerned and sceptical of the intentions of AQIS when further consultation is suggested or requested and certainly record all meetings for the benefit of accuracy and history.

The behaviour of AQIS regarding this process is fast taking us back to the environment of "us and them", this is unfortunate and undesirable as a symbiotic relationship should exist.

It would seem from having pursued this issue for some time that there is no process for addressing this issue within AQIS, accordingly the Service Charter AQIS detail in their website is not worth the energy required to project it onto our screens.

As "Stakeholders" as AQIS refer to us we actually have no ability to bring accountability to a process we pay 100% fee for service – not a good position to be in if we are to improve exports

Regards  
Alastair Scott  
**Hannay Douglas Pty Ltd**  
TEL: 61 7 3426 5600  
FAX: 61 7 3426 5699

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**From:**  
**Sent:** Monday, 3 August 2009 2:24 PM

**Subject:** RE: Horticulture Exporters Meeting - Brisbane - 20 July 2009 --- CORRECTIONS NECESSARY  
[SEC=UNCLASSIFIED]

Dear Greg,

In essence you are saying below that you (AQIS) are orchestrating and condoning a record of events and outcomes that are not accurate and not wishing to amend and have an accurate AQIS record of this meeting even when such shortcomings are pointed out to you?



I am appalled with your reply as this is a self serving approach for AQIS and not acknowledging the deficiencies nor the Industry concerns that were raised nor some of the outcomes agreed.

How can AQIS deficiencies be improved if Industry concerns are not accurately recorded for future reference.

There is little point of Industry participants making the effort to turn up to meetings and contribute if you (AQIS) are going to keep/make Fairytales of the meeting discussions – for whom do you provide service, yourselves or the Horticultural Industry that pays your bills??

Please correct this record as I believe your actions here to be a breach of the AQIS Service Charter.

Regards  
Alastair Scott  
**Hannay Douglas Pty Ltd**  
TEL: 61 7 3426 5600  
FAX: 61 7 3426 5699

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**From:**  
**Sent:** Monday, 3 August 2009 12:31 PM

**Subject:** RE: Horticulture Exporters Meeting - Brisbane - 20 July 2009 --- CORRECTIONS NECESSARY  
[SEC=UNCLASSIFIED]

Alastair

I note your comments and it is unfortunate that they were received after the final record of the meeting was circulated. You will recall that when I circulated the draft record of the meeting on Wednesday 22 ?? that I invited anyone who wished to make any comments or changes to have these back to me by Friday 24 July 2009. I was conscious that this was only a period of a few days but a number of industry reps had asked for the meeting outcomes to be circulated as quickly as possible so there was some pressure

from some industry parties to get on with it. Nevertheless, I decided to wait another 3 days before distributing the final record of the meeting just in case there were any latecomers with comments. When no further comments were received by Wednesday, I made the decision to circulate the final record of the meeting while the content was still reasonably fresh in the participant's minds

I have reviewed your comments below and discussed further with the Program in Canberra and I believe the issues you have raised/were discussed at the meeting are now 'works in progress'. As far as I can tell you have copied in just about everyone that Glen included in his mail-out so all concerned are now aware of your position. On this basis, I intend to focus the limited resources at my disposal to working with the Program to try and address the issues that were identified at this meeting.

Regards  
Greg Johnston

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**From:**  
**Sent:** Thursday, 30 July 2009 7:34 PM

**Subject:** RE: Horticulture Exporters Meeting - Brisbane - 20 July 2009 [SEC=UNCLASSIFIED] ---  
CORRECTIONS NECESSARY

Dear Glen,

I apologise for the delay with this reply, this is a busy time of year for all of us.

I cannot and will not accept that this is a final and accurate record of the meeting.

The summary/"minutes" you present don't represent accurately the background for the meeting being necessary in the first place (for the benefit of the record) nor some important Industry comments during the meeting nor what were the outcomes.

There was discord before the meeting between AQIS and the Export Industry as a result of the Regional IAN 2009/01 being sent out without prior consultation, to record a heavily biased and in parts non factual account of the meeting is to my mind a nasty continuation of this sort of form.

Please review my comments in red below and revert to Industry as soon as possible.

Regards

Alastair Scott

**Hannay Douglas Pty Ltd**

TEL: 61 7 3426 5600

FAX: 61 7 3426 5699

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**From:**

**Sent:** Wednesday, 29 July 2009 11:46 AM

**Subject:** Horticulture Exporters Meeting - Brisbane - 20 July 2009 [SEC=UNCLASSIFIED]

Dear All

A draft copy of the outcomes of the meeting that was held on Monday 20 July 2009 was circulated for comment last week. A number of comments were received and these have been incorporated below. On this basis, the text below may be considered as the definitive record of this meeting.

Attendees:

Industry:



Alastair Scott - Hannay Douglas, Douglas Smith - Hannay Douglas, Doug Hammonds - CSI  
Daniel Green - CSI, Phred Meyers - Harrowsmiths, Kristine Spencer - Harrowsmiths,  
Alistair Brown - Harrowsmiths, Tony Walsh - La Manna Exports

**AQIS:**

Greg Johnston, Bill Harper, Glen Stewart, Tony Charlton, Carlos Solorzano, Matt Chalk, Jeanine Crowther (National Program Manager - Canberra) and Ray Elson (Assistant Program Manager - Canberra)

The meeting commenced at approximately 1.00 pm and was chaired by Greg Johnston.

The meeting opened with a brief summary of the history surrounding this matter and the fact that the content of this particular IAN largely reflected earlier IAN's issued in 2006 and 2008. However, it was noted that full implementation of all the aspects of the IAN were causing some industry representatives some concern. These concerns were discussed and the outcomes are summarised below

Thank you for attending the meeting that was held on Monday 20 July 2009 to discuss a number of issues relating to Regional Industry Advice Notice (IAN) No. 2009/01. This IAN was circulated on 8 July 2009, which prompted a number of clients to contact AQIS seeking a meeting to discuss the content of the IAN

Industry noted that the regional IAN 2009/01 sent out by AQIS was done so with no prior consultation with Industry causing discord. Industry felt and suggested this could have been averted if the discussions with Exporters had been commenced prior to the circulation of this IAN.

Industry detailed how the restrictions within the Exdoc system meant that on occasions most particularly weekends and out of normal work hours it was much "easier" to use a "paper EX28" rather than the Exdoc system and indeed this has been the modus operandi of many exporters. In addition, the difficulty of interfacing paper EX28s with the electronic system some Industry members suggested sole use of the Paper system was a consideration going forward but not desirable.

**Issue:** To satisfy legislative requirements, AQIS must have a valid 'Notice of Intention to Export' (NOI) at the time of inspection ( NOTE: a NOI is not mandatory at the time the booking for an inspection is made). A-NOI can be in the manual EX28 form or electronic RFP form but in this context, most discussion centred on the need for an RFP at the time of inspection. Industry highlighted particular difficulties with amending the RFP if it was in INITIAL or FINAL status.

**Outcome:** It was agreed that, at the time of inspection, an RFP OR EX28 must be presented to the attending AQIS officer but this RFP may be in ORDER status (INITIAL or FINAL is preferred). However, an RFP in ORDER status must be moved into the status of FINAL on completion of the inspection. Delays associated with progressing the RFP from ORDER to INITIAL or FINAL at the completion of the inspection, will incur a fee for service.

**Issue:** AQIS policy does not allow an EX28 i.e. manual NOI to be used to generate an RFP i.e. electronic and vice versa This "policy" is a function of the dislocation between the Exdoc system and the paper filing and recording system of AQIS, accordingly is unsatisfactory (I am concerned when I see "policy" used to disguise deficiencies or the lack of problem solving for the client) and this can be fixed as suggested at the meeting.

**Outcome:** AQIS acknowledged that the current policy does present some issues and Jeanine Crowther agreed to review this policy

Industry suggested there was no reason why the stock from an EX28 could not be entered into an RFP and be essentially at a final stage – Carlos Solorzano suggested this wasn't covered financially for the paperwork generated and Industry suggested it was as there was a charge for the generation of the RFP – I thought this was the go forward and AQIS were simply going to sort out the back room paperwork and how this was to be handled . Otherwise the double inspection of stock from an EX28 still remains to get into Exdoc status, Please confirm corrective action .

On further thought (not suggested at this meeting) this is really no different from raising an RFP under an AA type arrangement the way Industry have suggested moving the stock from a paper RFP to the Electronic system.

Please have AQIS confirm this is the process and that this can start immediately.

**Issue:** Industry reported that EXDOC does not allow them to make certain amendments, particularly between Airfreight & Seafreight. Instead, they must seek amendments through the EXDOC Helpdesk and each time they do this they incur a fee.

**Outcome:** AQIS advised that there are some changes scheduled to occur with EXDOC in November 2009 that will address this issue but in the meantime, Jeanine Crowther agreed that the EXDOC Administrator will insert container numbers and seals (only) and no separate charge will apply.

Need to come back to you on this tomorrow

**Issue:** Industry expressed concerns over the fee applied to manage 'Idle RFP's'

**Outcome:** AQIS acknowledged this point and Jeanine Crowther agreed to look into this issue and report back to industry

It would seem reasonable that as there is no way to address the Idle RFPs within the Exdoc system that the corrections/removal of Idle RFPs is at no charge when such requests come from the Exdoc centre . Please confirm.

**Issue:** Industry expressed concern over multiple charges for multiple RFP corrections and sought charging on a 'time' only basis.

**Outcome:** AQIS confirmed that charges are levied on a time basis for this activity i.e. fees will not be allocated on an RFP basis or task basis – for the avoidance of doubt no matter the number

of tasks to be performed if they are asked at the one time they will be carried out on one continuous time/fee for service basis and the exporters can be given time sheet charge details if asked for (as Invoiced).

The meeting concluded at approximately 2.00 pm.

Regards

Glen Stewart, Regional Program Manager – Plant. AQIS North East Region