

Quarantine and Biosecurity Review Secretariat  
Department of Agriculture, Fisheries and Forestry.  
GPO Box 858,  
CANBERRA. ACT. 2601.



**Australian Horticultural  
Exporters' Association**

621 Burwood Highway,  
Knoxfield, Victoria 3180

Telephone 61-03 92109380  
Facsimile 61- 03 92109381

**Email: [ahea@ahea.com.au](mailto:ahea@ahea.com.au)**  
**Website: [www.ahea.com.au](http://www.ahea.com.au)**

28<sup>th</sup> April 2008.

Dear Sir/Madam,

**Quarantine and Biosecurity Review Submission**

The Australian Horticultural Exporters Association (AHEA) would like to make the following submission under the Terms of Reference in relation to the Quarantine and Biosecurity Review currently being undertaken.

**1. Overall view of Quarantine /Bio security for exporters**

Exporters find the Quarantine and Biosecurity processes and systems very bureaucratic, cumbersome, lacking transparency and not industry friendly. The processes are slow to achieve useful commercial gains and exporters are very frustrated with the overall processes. The cost in time and man hours and financial resources to fully participate in Market Access processes is prohibitively high. Regularly exporters find it impossible to resource the necessary activities to provide consultation to Bio security, at short notice to fit in with its lack of forward planning, and preparedness to meet market access deadlines.

**2. Development of commercial export protocols**

Exporters are concerned that regularly Biosecurity Australia has accepted and adopted protocols for the export of produce to another country that are commercially unviable. It is essential that before any new protocols are signed-off by BA that there has been full and frank discussion with exporters and growers on the protocols who actually do the exporting. In discussions with Bio security it is abundantly clear that scientists working on protocols often do not have any commercial understanding of what they are working on as they have never been to a packing shed, or an orchard nor to a wholesale fresh fruit and vegetable market either in Australia or in a foreign country.

In addition it is important for Biosecurity to seek the views of a broad spectrum of industry stakeholders in order to get a balanced view of what industry requires in order to have a commercially viable workable export protocol.

### **3. Effectiveness of export inspection and certification**

The AHEA believes the effectiveness of export inspection and certification varies with the delivery of service across Australia, the AHEA would like to see AQIS export inspection operations more transparent and accountable, and be bench-marked against, for example New Zealand, Chile and South African counterparts.

### **4. Para 20 Free of serious plant pests and diseases**

The statement that Australia is relatively free of serious plant pests and diseases that exist in other countries, which puts Australia in a favorable export position is an exaggeration, as Australia has its own exotic pests such as in particular Queensland fruit fly, that restrict the movement of Australian produce not only within Australia but also into almost all phytosanitary export markets.

### **5. Para 28 Compliance with SPS rules and obligations**

The statement that Australia's compliance with SPS rules and obligations allows us to expect similar compliance with trading partners, providing exporters with significant benefits to access overseas markets, does not explain why Australia currently has significant technical market access issues for horticulture with Taiwan for stonefruit and cherries, and various issues with citrus and mangoes to China, Korea for citrus, tablegrapes and mangoes, Japan for tablegrapes and stonefruits, as well as the USA for most fruit except for citrus.

#### **6. Para 37 3<sup>rd</sup> party bodies delivering services**

Makes reference to 3<sup>rd</sup> party bodies delivering services under Government supervision, which is not seen in horticulture, and has been opposed by AQIS when the issue is raised. The AHEA would like to see Government consider privatizing export inspection and certification functions, to make delivery of such services of a commercial standard with export inspections commercially available during Christmas and New Year and other public holidays at commercial rates so that exporters can be open for business again 365 days a year. Currently exporters have great difficulty booking export inspections during Christmas and Boxing Day holidays and the day after Boxing Day is a public service holiday, so charges for inspections prevent exporters from shipping viably between Christmas and New Year, while all Asian markets are open for business. Similarly, exporters have to look a week in advance to ensure AQIS inspections are available over the Easter break, or alternatively produce is inspected by AQIS days ahead of export, which is not ideal for perishable products.

#### **7. Para 59 Questions. Roles of the Commonwealth and states**

Are roles of the Commonwealth and the States understood and operating effectively. AHEA comments that for example on trace back problems there has been ongoing confusion about the issue of maximum residue levels found on fresh produce exported to Japan, where AQIS don't take a role either in tracebacks or in initial inspections as it is seen as a State responsibility.

#### **8. Para 64 Political pressures**

There is concern about political pressure with stonefruit and cherries relating to considerations precluded in SPS agreements. In Taiwan, as an example, currently there are political trade pressures preventing Australia re-entering the market until duck eggs are permitted entry.

Also other trade issues impact on horticultures terms of market access, for example the current Free trade Agreement with Thailand is flawed as negotiated by DFAT, as it severely disadvantages Australian horticultural exporters with higher import tariffs compared to New Zealand who have zero tariffs on for example cherries, persimmons and kiwifruit.

### **9. Para 66 Questions Dealing with both exports and imports**

Should the same regulatory agency deal with both exports and imports.

Negotiation of satisfactory market access for horticultural exports is intrinsically linked with reciprocal imports, and needs to be dealt with in a trade based manner, as well as on a scientific basis. AQIS in the past has attempted to interpret import protocols in a heavy handed way, and foreign trading partners have in turn expected rigorous export inspections, which unnecessarily increases the costs of doing business, and reduces the volumes of exports.

Sometimes inspection regimes for imports are imposed on exports because Australia wants to be seen as even handed. The problem is there is no importer/exporter involvement in developing workplans for imports, so export is often disadvantaged.

### **10. Para 67 Questions Conflict from AQIS's joint responsibilities**

AHEA believes there is conflict from AQIS's joint responsibilities of facilitation and regulation. AQIS having joint responsibilities of facilitation and regulation makes AQIS the judge and the policeman regarding quarantine matters. AQIS maintains that it in fact is working for the importing country when it comes to export inspection and certification. However it is also the regulator who interprets the importers quarantine protocol, and with its own budgetary constraints must at all times be proactive towards generating chargeable work. Exporters liken it to 'Dracula being in charge of the blood bank.'

### **11. Para 69 AQIS is required to recover 60% of export inspection program costs.**

Costs recovered from exporters is based on the efficiency or other wise of AQIS and its interpretation of foreign protocols. This introduces a conflict of interest because AQIS is forced to chase its budgets and may be tempted to introduce more rigorous inspections to generate more income. Eg: there can be as much as 100% variation in inspection costs, depending on the inspector, the market, the product and the day. A lack of bench marking hides inefficiencies and accountability.

### **12. Para 77 Questions Arrangements to recover costs.**

Privatization would improve efficiencies and provide commercial levels of service so that Australia is open for business 365 days a year. It is currently impossible to guarantee inspections and exports over the Christmas and New Year period in particular, because the day after Boxing Day is a public service holiday, and inspection charges are double time for any inspector who works on a gazette holiday. Exporters simply can't pass the costs onto importers, so can't afford to export during those times.

AQIS charges become an impediment to, and actually prevent exports because the costs cannot be recovered from the market place.

### **13. Can export certification arrangements be improved.**

The imposition of ExDoc's by AQIS on Industry has been a commercial disaster, very costly and today is technically a dinosaur that is DOS based which pre dates windows, and has severe short comings, which until March 2008, had been under resourced with only one nationwide trouble shooter for 5 years.

ExDoc's has been imposed on industry through the dissemination of misinformation by AQIS to Industry about the demands from foreign countries to move to Ex Docs certification in lieu of manual certification. Such is the situation and contention that Taiwan insisted on electronic certification, however Industry has been advised by Taiwan that AQIS asked for acceptance of it, to promote the use of ExDoc's.

### **14. Para 80 Industry Consultative Committees.**

Industry Consultative Committees arrangements for quarantine export inspection activities are not considered effective as AQIS largely ignores industry advise and makes its own decisions. For example, the removal of entomological services to exporters for insect identification during inspections was without consultation to HECC or Industry. However, by participation in consultative committees AQIS can tell the Minister that they have consulted with Industry.

To the extent that Biosecurity participate in the Horticultural market Access Committee, administered by Horticulture Australia Ltd, exporters are encouraged that Biosecurity is exposed to, and can gauge, the wider views of the horticultural industry.

Yours sincerely,

Maxwell Summers  
Chief Executive Officer  
Australian Horticultural Exporters Association