

AUSTRALIAN COUNCIL of WOOL EXPORTERS & PROCESSORS INC



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Senator the Hon Bill Heffernan
Chairman
Senate Rural Affairs and Transport Committee
Parliament House
Canberra ACT 2600

By E-mail: trish.carling@aph.gov.au

Dear Senator Heffernan,

AQIS Health Certificate Charges and the Wool Industry

Thank you for the opportunity to meet with yourselves again. It is very much appreciated by wool exporters. Please find following a brief resume of events and issues on this matter from a wool industry perspective since 2008.

Background

- * ACWEP works closely with AQIS on numerous issues and greatly appreciates the support which it receives.
- * Members of the Australian Council of Wool Exporters & Processors (ACWEP) use less Health Certification services than many other industries such as the food industries. Nevertheless, exporters concerns for fairness in charging apply equally to them, as they do to exporters in other industries.
- * ACWEP has consistently raised concerns about both the level of the various revisions to the charges for Australian Health Certificates since the release of the Beale Review of biosecurity services in 2008; and the manner in which they were derived.
- * Charges for electronically and manually requested Health Certificates for the wool industry since 2008 have been as follows:

	Electronic	Manual
2008	\$16	\$31
2009 <i>first proposal</i>	\$99	\$450
2009 <i>second proposal</i>	\$64	\$100
December 2009 <i>includes 40% rebate</i>	\$33	\$45.60
July 2010 <i>40% rebate removed</i>	\$55	\$76

- * In each case ACWEP was assured that the Model used to apportion costs and to set Fees for the provision of Health Certificate services was correct.

With respect, this could not be so, given the nature of the various changes to the Fees.

ACWEP still believes this to be the case. As advised to AQIS, ACWEP has a point of comparison with the Australian Wool Testing Authority's Fees for the provision of Certification services for the Yield and Diameter of wool offered for sale. This involves physical sampling, a series of chemical and physical tests, computation and certification processes.

The 2011/12 Fee for an average size lot of wool is \$42.24 (ex GST).

ACWEP understands that AQIS incurs a number of other costs in providing its Health Certification services. Members concerns are how the various costs are apportioned.

Key Issues

There are two key issues for wool exporters:

- * The 40% rebate was lifted before the AQIS review was complete.
 - Exporters greatly appreciated the presence of the 40% Government rebate from 1 December 2009 to 30 June 2011.
 - Our understanding was that the rebate was introduced to allow AQIS appropriate time to finalise their discussions with industry groups and to finalise their charging Model(s).

My advice from AQIS staff is that the latter will not be finalised until later this year.

Given that the AQIS review is not yet complete, it would be appropriate to reinstate the rebate immediately and to retain it until the review is complete.

- * Their ongoing concern that the AQIS charging Model, as it applies to wool, is wrong.

Yours sincerely,

Peter Morgan
Executive Director

cc Michael Avery President Australian Council of Wool Exporters & Processors