

GREG DARWELL – BIOSECURITY & QUARANTINE ARRANGEMENTS – 29 NOV 2011

With respect to Senator Milne's exchange with Mr Read I make the following comments which are provided in addition to my earlier email with specifics of certain shipment and the cost effect these new charges have on us.

Electronic Health certificates are accepted in Japan, China and Canada and close to being accepted in the US. Of these 3 markets we only export to China – the other 30 plus countries we go to do not accept electronic Health certificates. These 3 markets and the USA are dominated by the large processor exporters, with ourselves, and others like us, concentrating mainly on other markets, hence it will result in another benefit to the large processors/exporters at the expense of the small and medium ones. In the case of Singapore we can now have Health Certificates print at our freight forwarder rather than an AQIS office but we still get charged \$49.00 each for these. The AQIS cost for a Halal Certificate is now \$100.00 (up from \$31.00) – there is no such thing as an electronic Halal certificate nor to the best of my knowledge any plans to develop one.

In the case of China our importers continue to request that we email them a hard copy of the Health Certificate prior to shipment (hence we have to pay for one to be printed) and in the case of 2 recent shipment the details were not uploaded onto the China AQSIQ site resulting in a delay in clearance – this we understand had something to do with the AQIS/ China AQSIQ interface.

Mr Read stated that the certificate charges recover about \$ 5 million of running the system. With this being the case if electronic Health certificates are rolled out to additional markets surely AQIS will not be making these free but will continue to charge for these which debases his claim that a move to electronic Health certificate will help reduce our costs.

With respect to Mr Read's comment that he does not believe a \$49.00 Health Certificate will cause inhibition to airfreight exports. It is not the \$49.00 per se, it is the cumulative effect of multiples of \$49.00 for each Health Certificate and \$100 for each Halal certificate for an airfreight which as per earlier documentation provided is substantial when there are 4 or more Health and Halal Certificates per airfreight shipment.

With respect to overseas countries, I have spoken with an export company in the USA similar to ours in what they do who have advised that the plants provide them with Health Certificates with their orders (at no cost) which to the best of their knowledge are provided by USDA at no additional cost to the plant. In addition to this they advised that there is no USDA cost associated with Halal Certificates. Why are we pursuing 100% cost recovery when the nations we compete against in overseas markets are not ?

RECOMMENDATION – That Meat Health Certificates and Halal Certificates for quantities under 1400kg be invoiced at the old level prior to the start of these increases at \$12.00 for Meat Health Certificates and \$31.00 for Halal Certificates.

An alternate recommendation if split pricing on Health and Halal Certificates on weight will not work from an AQIS systems point of view is that ALL Health and Halal certificates be invoiced

on a cent per kg basis across all certificates regardless of quantity (airfreight or seafreight) such that it raises the same revenue as the current proposed model.

RECOMMENDATION – That an exporter is charged for 1 Health certificate per RFP (request for permit) regardless of the number of Health certificates that print.

I would be more than happy to speak to any of the Senators should they wish to discuss any of the above. My contact numbers are below.

Kind Regards

Greg Darwell

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