

EXPLANATORY STATEMENT

Issued by the authority of the Minister for Agriculture Fisheries and Forestry

Export Control Act 1982

Export Control (Fees) Amendment Orders 2002 (No. 1)

Sub-section 25(1) of the *Export Control Act 1982* (the Act) provides that the Governor-General may make regulations, not inconsistent with the Act, prescribing matters required or permitted by the Act or necessary or convenient to be prescribed for the carrying out or giving effect to this Act.

Paragraph 25(2)(d) of the Act allows regulations to be made for the imposition of fees in connection with the performance of services by authorised officers and the remission of fees so imposed. Paragraph 25(2)(g) of the Act provides that the Governor-General may make regulations empowering the Minister to make orders, not inconsistent with the regulations, with respect to any matter for or in relation to which provision may be made by the regulations.

Regulation 3 of the *Export Control (Orders) Regulations 1982* provides that the Minister may, by instrument in writing, make orders, not inconsistent with regulations made under the Act, with respect to any matter for or in relation to which provision may be made by regulations made under the Act.

The *Export Control (Fees) Orders 2001* provide the legislative basis for the imposition of fees in connection with the performance of services by authorised officers. The *Export Control (Fees) Amendment Orders 2002 (No. 1)* (the Amendment Orders) remove the fee for routine audits that are conducted by Area Technical Managers for establishments that have an approved Meat Safety Quality Assurance (MSQA) program in place. The fees for routine audits at establishments that do not have a MSQA program in place and for non-routine audits at all establishments will remain the same. This fee reduction is part of a broader fee reduction arising from the Government's announcement in August 2001 to reduce export fees by 40%.

The MSQA program is established under Part 32 of the *Export Meat Orders 1985*. It allows for the Australian Quarantine and Inspection Service (AQIS) to enter into arrangements with companies that demonstrate effective in-house quality management, whereby the companies under agreed conditions take over the functions previously performed by the Government. Government involvement is then converted to monitoring the effectiveness of the company's management of this quality function through a continuing audit program. Granting greater responsibility to industry has the aims of instilling a quality culture of meat processing into the meat industry and of encouraging innovation.

The purpose of these amendments is to recognise the efficiencies achieved by establishments that have a MSQA program in place by removing the charge for routine audits at these establishments.

The Amendment Orders will commence on 1 April 2002. This date was agreed with industry bodies. Retrospective commencement will not disadvantage any establishments, as the fees remain the same except for the removal of the fee for routine audits at establishments that have an MSQA program in place.

Details of the Amendment Orders are as follows:

Order 1 provides that the Orders are names the *Export Control (Fees) Amendment Orders 2002 (No. 1)*.

Order 2 provides that the Orders commence on 1 April 2002. The Orders need to commence on 1 April because of the Government's decision to fund 40 % of AQIS' export inspection costs. The initial fee reductions commenced on 1 November 2001 and this reduction further implements the Government's decision. The retrospective commencement date will not disadvantage any person. The fees imposed for all audits at non-MSQA establishments and for non-routine audits at MSQA establishments remain the same.

Order 3 provides that Schedule 1 amends the *Export Control (Fees) Orders 2001*.

Schedule 1

Item 1 inserts in suborder 4(1) a definition of an "MSQA establishment" and a "non-MSQA establishment".

Item 2 amends item 1 of Schedule 1. The effect of this item is to omit the existing hourly rate for services performed by an Area Technical Manager and to insert a revised hourly rate structure. Instead of there being only one application of the rate for services provided by an Area Technical Manager, there are now two applications. The first application is for all services, other than routine audits, performed at an MSQA establishment. The second application is for all services performed at a non-MSQA establishment.

Item 3 amends item 2 of Schedule 1. The effect of this item is to omit the existing daily rate for services performed by an Area Technical Manager and to insert a revised daily rate structure. Instead of there being only one application of the rate for all services provided by an Area Technical Manager, there are now two applications. The first application is for all services, other than routine audits, performed at an MSQA establishment. The second application is for all services performed at a non-MSQA establishment.