

## **December 2016 update on OPI and the establishment of a working group to input to improvements in Australian trade arrangements**

The Australian Offshore Pre-shipment Inspection (OPI) programme has been in place for over 20 years. OPI is a scheme which facilitates trade to Australia of specified commodities by providing Australian Quarantine Inspectors to perform phytosanitary inspections of product in New Zealand. This removes the need for inspection of product on arrival at the Australian border.

Commodities exported under the OPI arrangement include: apples, avocados, blueberries, capsicums, kiwifruit, citrus, persimmons, strawberries, tomatoes, nectarines, peaches, cherries, plums and apricots. Exporters have commented that the programme works well, improves flexibility and saves them money and time.

In 2014 the Department of Agriculture and Water Resources (DAWR) in Australia determined that it wished to remove OPI as an option for imports. In early 2016 it reiterated that it will run down the scheme over the next four years. Despite MPI officials and Australian Importers arguing for the schemes retention in January 2017 DAWR confirmed that it is determined to proceed.

DAWR is not under any obligation to provide such a scheme. In fact the OPI system is viewed by Australia as facilitating trade in goods exported from New Zealand by using Australian inspectors to manage biosecurity risk before the goods arrive in Australia. DAWR consider the continuation of assistance to New Zealand as untenable. They have however indicated that on the strength of their relationship with MPI they would be keen to work with New Zealand to develop a replacement risk-based approach designed specifically to facilitate trans-Tasman trade in both directions. In essence DAWR wishes to establish a system to facilitate entry by rewarding produce pathways with a history of good compliance with decreased inspection rates and faster movement across the border.

A PMAC/ MPI working group has been established to input to improvements in Australian trade arrangements and work to optimise future trading conditions. At its first meeting in December the working group discussed the situation and the need to find a positive way forward. The meeting identified Industries concerns and provided MPI with a range of information it will use in its discussions with DAWR.

The meeting agreed that it will work on the development of the proposed scheme with MPI and following MPI's next meeting with DAWR in January work will be undertaken on the proposed approach and its operational implications for a couple of commodities. Once this initial work has been completed MPI will meet with representatives from all commodities using OPI to socialise the details and identify ways to optimise the scheme.