13 March 2002

Dr John Salerian Associate Commissioner Productivity Commission Level 28, 35 Collins Street MELBOURNE VIC 3000

Dear Dr Salerian

Thank you for your letter of 8 March 2002 inviting AQIS to comment on the Position Paper for the Public Inquiry into the Citrus Growing and Processing Industry. 1 wish to take this opportunity to comment on Draft Recommendation 7.5 of the Position Paper which relates to AQIS export inspection charges.

I can confirm the Commission's views that following the changes introduced by AQIS in June 2001 to better align the charging structure for the Horticulture Program with 'user pays' principles, the new charging structure is consistent with the principles identified in the Commission's draft report on cost recovery arrangements of Commonwealth regulatory, administrative and information agencies. In order to update the information you have received from the citrus industry, I would also like to add that as from 1 November 2001 AQIS is no longer required to recover 100% of its export costs. The Government's 'Stronger Regions' policy of August 2001 reduced AQIS's overall charges to industry by 40%. These reduced fees and charges took effect from 1 November 2001.

Thank you once again for the opportunity to comment on this document.

Yours sincerely\_

MERYL STANTON Executive Director