



**Australian Government**  
**Wheat Exports Australia**

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# Wheat Export Accreditation Scheme

**NACMA - Corporate Governance Workshop**

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**28 July 2008 - Melbourne**

# Key Changes

- New legislation and wheat export arrangements commenced on 1 July 2008 with:
  - Wheat Exports Australia (WEA) established as the regulator
  - Exports in bags and containers completely deregulated
  - the Non-bulk Wheat Quality Assurance Scheme has ceased
  - Exporters must now be accredited to export wheat in bulk
  - WEA administers the new Bulk Wheat Export Accreditation Scheme

# Wheat Exports Australia – Who we are, What we do

- A skills based, six Member Board appointed by the Minister and supported by a Secretariat with 16 full-time staff
- Funded by:
  - Australian Government (up to AUD 5m in 2008-09)
  - Wheat Export Charge (AUD 0.22 per tonne)
  - exporter application fees
- Board has a good mix of skills essential for assessing applications for accreditation from exporters including:

|                   |                 |
|-------------------|-----------------|
| Finance           | Risk Management |
| Port Operations   | Exporting       |
| Production        | Bulk Handling   |
| Business Strategy | Banking         |

# What's in, what's not

- There will no longer be a National Pool operated by AWBI
  - A range of products, such as pools, cash, forward contracts, will be offered by commercial providers
- Anyone can buy wheat, but only accredited exporters can ship wheat in bulk
- WEA will publish details of accredited exporters and any conditions imposed on our website [www.wea.gov.au](http://www.wea.gov.au)
  - Accreditation is not a guarantee of payment
- Growers must continue to use sound judgment (risk management) when choosing where and how they sell their wheat
- WEA will produce an annual report on the Bulk Scheme including details of exporter compliance

# WEA role and functions – What we do

- Accredite exporters
- Maintain an online register of accredited exporters and any conditions
- Monitor compliance with the Scheme
- Produce an annual report on the Bulk Scheme
- Require information from accredited exporters
- Direct external audits if required, and
- to conduct investigations at the direction of the Minister

# Bulk Scheme Overview

*Purpose:* To ensure wheat is exported only by accredited exporters - by establishing and administering an accreditation system for bulk wheat exporters to attest that an exporter is a fit and proper company to export bulk wheat from Australia

- The Bulk Scheme does not:
  - Indemnify exporters
  - Provide any guarantee the exporter will remain financially viable

# Exporter Assessment

- Must be a company or co-operative and be a trading corporation
- WEA must be satisfied the company/co-operative is fit and proper in relation to (ie, Good Corporate Governance):
  - Financial resources
  - Risk management
  - Business record
  - Trust and candour
  - Experience and ability of executive officers
  - Certain breaches of law
  - Contraventions of designated sanitary and phytosanitary measures
  - Contraventions of UN sanctions
  - Cannot be externally administered
- Must pass the port access test (if applicable)

Corporate governance requirements are identified in the application form available on WEA website

Corporate governance aspects that may be taken into consideration include:

- Systems
- Ethical decision making
- Financial resources – exporters must have sufficient working capital to support their export proposal
- Risk management arrangements and policies– compliant with AS/NZS 4360:2004

# Corporate Governance

- Corporate governance practices evolve in the light of the changing circumstances of a company and thus must be tailored to meet those circumstances.
- There is no single model of good corporate governance
- There are a number of core principles of good corporate governance that the WEA seeks clarification on in the application form
- The principles cannot in themselves, prevent corporate failure or poor corporate decision-making

# Corporate Governance – Core principles

- the roles of the board and senior executives – business record, policies.
- balance of skills, experience and independence on the board appropriate to the nature and extent of company operations – risk management policies, separation of duties, independent directors.
- integrity among those who can influence a company’s strategy and financial performance (ethical & responsible decision making)– police checks, business record, trust and candour, payment of levies, EPR.

# Corporate Governance – Core principles

- a company's financial and nonfinancial position requires processes that safeguard, both internally and externally, the integrity of company reporting – financial & auditors reports, credit facilities, risk register, systems for payment, export proposal.
- provide a timely and balanced picture of all material matters – continuous disclosure of notifiable matters to the WEA.
- business decision has an element of uncertainty and carries a risk that can be managed through effective risk oversight, management and internal control – risk management policies, risk register, controls and policies.

# Port Terminal Access Test

## Prior to 1 October 2009:

The exporter must publish on their website:

- Policies and procedures
- Shipping stem
- access terms and conditions
- State or Territory access regime

## Post 1 October 2009:

The exporter must also:

- Have an access undertaking in place with the Australian Competition & Consumer Commission (ACCC) or have
- a State or Territory access regime in place

# Accreditation – What it means for exporters

- Exporter names and any conditions imposed by WEA will be published on <[www.wea.gov.au](http://www.wea.gov.au)>
- Accredited exporters must comply with conditions of accreditation including:
  - Annual Export Report
  - Annual Compliance Report
  - Report on notifiable matters
  - Comply with any WEA requirement for information
  - Comply with any WEA direction for an external audit
  - Advise WEA of any new executive officer

# Accreditation – What it means for exporters

- Exporters can apply to vary an accreditation
- Exporters can apply to surrender an accreditation
- Accreditation is not transferable
- A decision may be reconsidered by the WEA
- WEA can impose conditions of accreditation
- WEA can determine the length of accreditation
- WEA can suspend or cancel an accreditation
- Penalties exist for exporter non-compliance

Any questions?

