



31 August 2009

Committee Secretary
Senate Standing Committee on Rural and Regional Affairs and Transport
PO Box 6100
Parliament House
CANBERRA ACT 2600
E-Mail: rrat.sen@aph.gov.au

Dear Sir / Madam

SUBJECT: SUBMISSION REGARDING REMOVAL OF REBATE FOR AQIS EXPORT CERTIFICATION FUNCTIONS

From the outset Global Fruit Exchange Exports Pty Ltd wishes to advise the Senate Committee that they are strongly against the removal of the 40% Government contribution to the provision of the AQIS Horticulture Export Program. However, we do applaud the current Government's stance in providing funding to the improvement in efficiencies of the current AQIS services, something of which has been neglected by previous Governments.

We saw the 40% contribution provided by Government as an investment in our Industry especially during the difficulties the Horticulture business has endured through the years of severe drought, high exchange rates and ever increasing competition from our other Southern Hemispheric competitors. Our Competitors enjoy a lower cost of production and living and any assistance we can receive, especially from the Government, to remain competitive is warmly welcomed.

We believe that the current AQIS Service provisions are less than acceptable, and through my contributions to the Horticulture Exporters Consultative Committee (HECC) and the Ministerial Task Force, I have provided examples of where the program can be improved. The offer from Minister Burke of \$2.485,000 will only scratch the surface in identifying and rectifying the identifiable improvements noted thus far. Over the next few years we hope to receive a firm commitment from the Government to further invest in and support the initiatives of Industry to rectify the current problems with the AQIS program.

It is fair to say that at present the AQIS service provision versus the increased price being charged to Exporters for this service, is not value for money and unfortunately seeing as though this is a monopolistic service provision we have no alternative but to pay these costs.

With the removal of the 40% Government Contribution and the additional increase to our fees for AQIS charges inspection costs have increased in some cases by 90%. To remain competitive overseas we cannot raise our costs and therefore the increase cost comes off not only ours but also our supplier's bottom line; making an already low profit per shipment even lower. The future of the Australian export horticulture will suffer significantly unless efficiencies can be achieved in the very near future to offset the incredible increase to AQIS fees.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Stephen Smith', written over a light blue horizontal line.

Stephen Smith
Administration Manager (Exports)