Inquiry into supporting Australia's exports and attracting investment Submission 4



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Submission to the Joint Standing Committee on Trade and Investment Growth

Specialty Feeds is a manufacturer of feed for laboratory animals, mostly rats and mice, used in medical research facilities throughout Australia and overseas. Our products don't really fit in the traditional stockfeed category, since the animals eating them are not going to be human food, but they also doesn't really fit in the petfood category. There is very rarely a specific category for laboratory animal feed in any documentation or legislation, but it tends to be classified as either stockfeed or petfood depending on the destination country. The HS code we use is 2309.90.00.

For many countries we are able to export the product without a phytosanitary certificate, so it is non-prescribed goods, and we don't need to be export registered. However, for some countries a phytosanitary certificate is required, and currently in those cases the product needs to be inspected at a registered premise. Getting product inspected at a third party premises is complicated and costly, and it would be simpler if we were a registered premise ourselves.

However, we can't justify the cost of \$3000 per year for a small volume of shipments. We hope to be able to increase our export sales, for example we currently have a potential customer in India, but India is one of the countries which requires a phytosanitary certificate, and including the cost of export registration to the cost of our product helps to make us less competitive. An annual registration for this one customer would add around 5% to the cost of the product. The local product we are competing against is probably cheaper than ours, we hope that they will see our product as better quality and be prepared to pay a little more for it, but there will be a limit to the premium we are able to command.









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In the past we used to be registered purely for the inspection of shipments, and that registration was free of charge. In 2009 an annual fee was introduced of \$400, which seems to have increased at quite a bit more than the rate of inflation since then. It would be helpful to us if that type of registration was reinstated for a more modest cost, since most of our shipments don't require to be inspected, and neither does our production facility. The inspection is only required to issue phytosanitary certificates for a few specific shipments.

For small businesses such as ours an annual fee of \$3,000 is a barrier to entering the export market, particularly since the registration is required before the exporting can begin. A lower cost registration as mentioned above would be helpful, or alternatively perhaps other accreditations such as FeedSafe or HACCP could be taken into account in the registration process in order to reduce the cost. The Australian Trusted Trader scheme has been introduced to provide support and recognition to businesses wanting to export, and is run at no cost to the business, this is in contrast to the registration of export establishments, the cost of which is a significant factor for a small business.

I would be happy to discuss this submission further if required.



Warren Potts Managing Director







