



A U S T R A L I A N  
*Ostrich*  
A S S O C I A T I O N  
Inc No A0020498T

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**Re : Inquiry into the removal of rebate for AQIS export certification functions**

3<sup>rd</sup> Sept 2009

Committee Secretary  
Senate Standing Committee on Rural and Regional Affairs and Transport  
PO Box 6100  
Parliament House  
Canberra ACT 2600  
Australia

The Senate Review Committee

I have tried to get a bearing on the impacts of the new AQIS fee structure and repackaging of AQIS costs with a significant degree of difficulty. This has been due to our industry not being included adequately in the consultation process and I believe being misled regarding the impacts of the removal of the rebate and more importantly restructure of AQIS charges. Ostrich is a game meat along with emu, camel, venison and kangaroo. All of these Game industries appear to have had either no or very limited consultation in this process. They all also have in common low volumes of stock compared with beef and lamb when it comes to processing, are export dependant, and have no representation on the Australian Meat Industry Council that I am aware of. I have some significant concerns with the new costs which I initially understood were designed firstly to remove the 40% rebate on AQIS costs but secondly improve AQIS efficiency and not adversely impact industry.

Please consider the following points

- 1/ There has been limited or no consultation with the game meat sector in this process, in particular the Australian Ostrich industry.
- 2/ The Australian ostrich industry is 99% export dependant of meat (red game meat), skins, and genetics. Our industry cannot avoid the use of AQIS.
- 3/ Prior to the implementation of the 40% rebate our industry lost its processing plants in Queensland and Western Australia and hence all our growers in Qld and WA lost their livelihoods and business's.

4/ The Australian Ostrich industry and the Australian Emu industry only have one export works left “The Game Meats Company of Australia Pty Ltd” at Myrtleford which processes Emu, Deer, Ostrich and Goat.

5/ Specialist skills and modifications are required to process ostrich and emu which large beef and sheep plants are not willing to implement. Due to the size of each industry they rely on multispecies plants.

6/ These costs have increased the game meats AQIS bill by over 129% not the expected 40% which has translated to approximately a 14 % rise in our processing costs (\$16 per bird). Processing costs in Australia are over double other ostrich producing countries such as South Africa. Our industry cannot sustain these additional costs.

7/ This increase is likely to shut the Australian Ostrich industry down completely just as it was about to rebuild after the impacts of drought and a strong dollar (most ostrich product is traded in US dollars).

8/ These reforms favor large plants and cripple new and emerging export industries such as emu and ostrich.

9/ We do not support the reversal of the 40% rebate as many of our international competitors do not pay any government inspection services, sampling costs, and pre export testing services at all.

10/ There appear to be extra new costs being imposed , such a plant registration.

11/ Our industry has not been involved or been able to view any industry work plans and suspects that there is no work plan for the Game Meats Industry or consideration for the Australian Ostrich Industry.

12/ There are numerous New and Emerging export industries and Small to medium scale export plants, exporters and shipment sizes. These reforms if implemented will crush these sectors as they significantly favor large scale operations. For example new export markets often have manual certificates which have increased to ridiculous levels and smaller shipment sizes. These inflated costs become TRADE BARRIERS for exporters and produce significant penalties to exporters that wish to expand or diversify their markets.

13/ Our industry is also involved in live exports and has had no communication regarding the impact of the reforms on it. In addition has had several occasions where simple clarification of export declarations have taken 6-9mths LOSING significant export orders for our members.

The Australian Ostrich Industry has over the past 3-5 years been severely impacted by drought and the strong Australian dollar. Prior to the 40% rebate the industry lost its processing plants in Qld and WA. Regrettably the implementation of these costs is likely to cause the Australian Ostrich and Emu industries to shut down. They had the ability to become significant export industries for Australia.

AQIS is 100% a government organization that is supposed to assist Australian Agriculture comply with export requirements and access export markets. These extreme cost increases have now become Australian export trade barriers. In addition to my points above my concerns are;

They will put a great number of exporters out of business or push compliance costs to producers.

They will reduce the initiative and innovation of developing new export markets.

They are fixed overhead costs to exporters so penalize small consignments and export sectors.

They do not appear to improve any efficiency.

They have increased our industries export compliance costs beyond reason.

Yours Sincerely

Michael Hastings  
President  
Australian Ostrich Association