



29 July 2011

Ms Jeanette Radcliffe
Committee Secretary
Senate Rural Affairs and Transport Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Ms Radcliffe

RE: Inquiry into Biosecurity and Quarantine Arrangements - Management of removal of fee rebate for AQIS export certification functions

The Cattle Council of Australia (CCA) is the peak producer organisation representing Australia's beef cattle producers. The objective of the Council is to represent and promote the interests of Australian beef cattle producers through wide and regular consultation with, and policy advice to, key industry organisations, relevant Federal Government Departments and other bodies regarding issues of national and international importance.

I am writing to provide CCA comments to the above mentioned inquiry. CCA has had limited involvement in the management of removal of the fee rebate, as discussions between industry and AQIS regarding export certification functions have been managed by the Australian Meat Industry Council (AMIC) as the relevant Peak Industry Council for export processors.

Cattle Council first became involved in 2009, when it became apparent that a decision to remove the Government contribution to export certification would result in increased fees that would be passed back to the producers due to the highly competitive nature of the export processing sector.

Cattle Council was pleased with the commitment from then Minister Tony Burke MP in November 2009 to commit \$127.4million to regulatory and supply chain reform and transitional funding for export certification. The intention of this commitment was to deliver efficiencies in the export certification process that would reduce certification costs and lessen the impact on industry as AQIS moved to full cost recovery.

However, we understand from AMIC that rather than deliver savings through greater efficiency, the reforms have simply shifted costs and additional responsibilities to industry and added an additional layer of inspection to the food safety inspection system.

It is Cattle Council's view that the Government contribution to export certification fees should be maintained until the efficiencies and productivity gains of the reform process has been delivered. Cattle Council also supports an independent review of the legitimate contribution of Government to the cost of export certification.

The Australian beef industry is highly exposed to the export market and exporters are under intense pressure in our key markets of Japan, Korea and the United States particularly given the appreciation of the Australian dollar over the US.

Beef cattle producer experience is that increased costs applied to the processing sector will be passed back down the supply chain from processor to the producer as they cannot be passed on to international markets. We understand from AMIC that the increased charges equate to \$6 per head that will likely be reflected in prices paid for livestock.

Please feel free to contact me if you require further information.

Yours sincerely

David Inall
Chief Executive Officer