

Kangaroo Industries Association of Australia (inc)

a Natural Industry, a Natural Product

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Submission to Senate Inquiry re AQIS fees

The Kangaroo Industry has recently engaged with AQIS in discussions over the proposed changes to fees. These discussions focused on several specific points, most importantly of which was the 'cattle equivalence' ratio used by AQIS for kangaroo. These discussions are ongoing. **However within these discussions the industry has also stressed its current inability to absorb further AQIS fee increases.**

The kangaroo industry is currently fighting for its very survival. This has been made abundantly clear to Minister Ludwig recently via a series of faxes requesting an urgent meeting over the past 4 weeks, all of which have gone unanswered.

The kangaroo industry lost market access to Russia during 2009. Russia was at the time its largest single market and the corner stone for industry expansion. As a result of this loss

- the industry has shed 2000 jobs,
- 70% of industry production capacity is mothballed
- the take of kangaroos in 2010 was half that when industry had access to Russia and the lowest in over 25 years.

This situation not only impacts on the kangaroo industry, but also on the broad agricultural sector. The Queensland farmer organization Agforce, only last week put out a press release stressing their concern about an uncontrolled kangaroo population.

In an attempt to help regain the Russian market, and in consultation with AQIS, the industry has over the past 18 months introduced a range of additional quality compliance measures including additional carcass inspections, product testing and remote cold chain verification.

These have added up to 15% to overall operational costs.

The industry and AQIS have also been for some years attempting to secure access to alternate large volume markets including China, The Ukraine and The Philippines.

However the Federal government

- has yet to re-gain Russian market access,
- nor to secure access to China,
- nor the Ukraine,
- nor the Philippines.

And now they want to charge us 40% more in fees! 'For what????', my members scream.

Certainly not for resolving the market failure which has lead to the current industry collapse and which threatens to all but shut it down, that much is clear.

This much is also clear, without access to Russia the industry can not absorb further fee increases on top of those it has already incurred, at AQIS instigation, in an attempt to secure export market access.

The broad food industry has submitted to AQIS that they believe the AQIS budget should include a component of government funding to cover 'public good' delivery. The kangaroo industry delivers considerable additional public good above that of the food industry broadly.

The kangaroo harvest is the only tool available for controlling the kangaroo proportion of Total Grazing Pressure within the rangelands. Too high a TGP can quickly lead to overgrazing and biodiversity loss. It is for this very reason that the ACT and Victoria have to undertake kangaroo culls at considerable government cost, as neither have commercial kangaroo industries. It is also for this reason that farmer bodies such as Agforce, are critically concerned about the current low levels of kangaroo harvest.

AQIS may well argue that this public good delivery is the concern of the Department of Environment not DAFF. The industry would respond by saying:

'We don't care who bloody covers it, if you want a kangaroo industry someone needs to. Asking the industry in its current market situation, to cover an addition 40% in AQIS fees will likely be the last nail in its coffin.'

John Kelly
Executive Officer