



AUSTRALIAN RENDERERS' ASSOCIATION INC

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

Dear Ms Radcliffe

Management of removal of fee rebate for AQIS export certification functions

In response to your letter of 25 August addressed to the Association's National President I am pleased to present the following submission addressing those issues in your letter which are relevant to the industry covered by the Australian Renderers Association.

Following receipt of advice from AQIS early this year as to the intention of the Australian Government's proposal to very significantly increase AQIS fees and charges as they related to the Australian rendering industry, the Association submitted the following letter to the Hon. Tony Burke, MP, Minister for Agriculture, Fisheries and Forestry. The letter was dated 16 March, 2009.

QUOTE The Australian Renderers Association, which represents the rendering industry (meat/bone meal and tallow) in Australia and whose members account for around 90% of the domestic products to markets around the world, has recently received details of proposed increases in AQIS fees and charges which for non-prescribed goods (meat/bone meal and tallow etc fall into this category) will mean that costs of obtaining health certification will increase by extraordinary levels. The increases are of the order of 519% for electronic certification and 1352% for manual certification.

The ARA wishes to record its very strong objection to the level of the proposed increases involved and to point out that, if introduced at the rates proposed, there will be a very severe impact on the ability of the industry to service domestic and overseas markets as well as on employment within the industry. It is hoped that your Government will move to ensure that the level of the proposed increases is substantially reduced. UNQUOTE

Following on from submission of the above letter to the Minister, discussions were held with senior AQIS officers resulting in the Australian rendering industry being advised that the level of proposed increases had been reassessed within the Department with a result that the cost of an electronic health certificate was to be reduced to \$64- per certificate and the cost for a manual health certificate was to be reduced to \$100- per certificate – still representing increases of 100% and 300+% respectively. Part of the AQIS proposals was an acceptance that for markets where electronic health certificates were not possible or feasible, the electronic health certificate charge would apply – with AQIS endeavouring to facilitate an expansion of the acceptance of electronic health certificates in some of the more ‘difficult’ markets.

It is stressed at this stage that the Australian rendering industry has never in any way supported the removal of the 40% rebate by the Government and further stresses its contention that such should not be introduced prior to the implementation of comprehensive reforms of and to AQIS’s export inspection and certification services. After satisfactory development and introduction of such reforms, it is contended and accepted that some movement in the cost of manual health certificates would be appropriate – say to \$62- being a 100% increase on the current cost thereof – however that the benefits from the reforms should allow the cost of electronic health certificates to remain unchanged at \$31- per certificate. Such an increase in the cost of manual certification would provide sufficient disincentive to encourage the use of electronic certification.

The Australian rendering industry is, in the main, part and parcel of the Australian meat industry with virtually its only cost relationship with AQIS being in the area of the charges relating to the supply of health certification – electronic and manual as referred to above. The major part of the AQIS export certification functions accordingly relate to the Department’s activities at the abattoir and boning room levels within which the ARA has no responsibility – matters relating to the capacity of the government to implement and fund industry work plans, targeting of such industry work plans and general financial arrangements in relation thereto are matters on which the Australian Renderers Association has no capacity to comment.

In conclusion the Association wishes to stress the vital role played by the Australian rendering industry in converting abattoir and boning room ‘waste’ materials into products which play a very important role as protein sources in areas such as animal feeds etc. and as a source of employment across the country – particularly in regional areas.

Yours sincerely

Craig Palmer
National President