

Kangaroo Industries Association of Australia (inc)

a Natural Industry, a Natural Product

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Submission to Senate Rural and Regional Affairs and Transport Committee:

Re AQIS fee re-structure:

The Kangaroo Industry, when not burdened by market access restrictions,

- employs some 4000 full time positions nationally,
- generates in excess of \$200M/year in export income.
- delivers a significant public good by way of the only control mechanism on kangaroo populations outside of drought. This public good is received by the agricultural sector, the motoring public (kangaroo collisions are the single largest cause of vehicle accidents nationally) and all of society by way of the environmental benefits of minimizing overgrazing.

However the kangaroo industry is currently suffering through the biggest downturn in its history. As a direct result of loss of access to the Russian market, and failure to secure Chinese market access;

- the take of kangaroo last year was the lowest in over 25 years and
- less than half of that when industry had Russian market access.
- 75% of industry processing capacity is mothballed
- the industry has shed 2000 jobs.

The recent AQIS fee re-structure has delivered a highly inequitable outcome to this important industry *at the very time when it can least afford it.*

Overall compliance burden: Over the past 18 months the kangaroo industry has accepted, at AQIS behest, a range of new compliance measures designed to assist gaining market access to China and Russia. These have added some 15-20% to overall operating cost. The only reason for implementing these was to assist the Federal government in gaining Chinese or Russian market access, it must be noted that as yet neither have been secured.

The AQIS fee restructure has added a further 60% to the annual AQIS bill for kangaroo producers. This on top of the additional compliance measures discussed above.

Thus in the past 2 years the kangaroo industry has had to absorb a massive increase in government fees and compliance costs. An immensely higher cost impost than other sector of the red meat industry.

Transition arrangement: The transitional funding delivered as part of the new fee structure allows for a 50% discount on FSMA positions. This amounts to \$5874/mth for each operator.

That is unless you're a kangaroo processor.

The FSMA role in kangaroo premises is now carried out in house by AAO's. The only AQIS staff member in the premise is an OPV, under the new arrangements these only attract a 25% rebate.

Thus a small beef processing premise with one FSMO receives a 50% subsidy on that position (\$5874/mth), whilst an equivalent sized kangaroo premise receives only a 25% subsidy on its OPV equating to (\$2937/month)!!!! Hardly an equitable outcome.

The new AQIS fee structure has significant levels of inequity for the kangaroo industry.

Given that this industry is currently struggling with the biggest downturn in its history, and given it delivers significant and multiple levels of public good, there is a good case to be made that rather than be burdened with inequitable AQIS arrangements, the kangaroo industry should actually be supported through this massive downturn.

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