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The Hon. Tony Burke MP

Minister for Agriculture, Fisheries and Forestry



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16 DEC 2009

Mr Gary Burrridge
Chairman
Australian Meat Industry Council
PO Box 1208
CROWS NEST NSW 1585

Dear Mr Burrridge *Gary*

Thank you for your letter of 14 October 2009 about the meat ministerial taskforce (MTF) export certification reform agenda.

The Australian Government is funding the Export Certification Reform Package (ECRP), worth \$127.4 million, to 30 June 2011. It will provide regulatory and supply chain reform as well as transition funding for the meat, live animal, horticulture, grain, fish and dairy export industries.

The ECRP contains the following elements that will support the development and implementation of initiatives outlined in your letter and the Meat Ministerial Taskforce proposal of 24 August 2009:

- \$85.3 million for fee rebates to assist exporters to transition to the new fees and charges. This funding will be used to provide a 40 per cent offset of the full cost impact on export industries to 30 June 2011. This initiative will also address the revenue shortfall accruing to the Industry Liability Accounts to 30 November 2009 as a consequence of the Senate's disallowance.
- \$16.1 million for reform of the regulatory and export supply chain. This is consistent with previous industry plans that were provided to the Senate inquiry on this matter.
- \$26 million for redundancies. The government has doubled the previous funding allocation to this item. This funding now has the potential to substantially reform and strengthen meat inspection delivery in Australia for the first time since the early 1990s. It will ensure sustained market access through the development of a high-performance meat inspection and certification model at the forefront of international expectations.

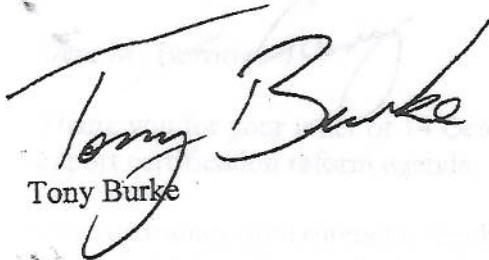
Successfully implementing these reforms will reduce annual regulatory costs to export industries in the order of \$30 million per year from 1 July 2011. It will also provide the opportunity to remove substantial costs from the export supply chain for industry and the Australian Quarantine and Inspection Service (AQIS). There is also potential to improve international market access across all commodities through intensive market access negotiations over the next 18 months.

The revised Export Fees Orders commenced on 1 December 2009 and the regulations will commence on 15 December 2009. The orders have been amended to more equitably distribute registration costs and non-prescribed goods certificate costs. This will substantially reduce the cost of registration charges to small meat processors and will be more equitably based on the presence of AQIS staff rather than plant tonnage throughput. I understand from AQIS this was discussed and accepted at a meeting of the Meat MTF held in Sydney on 2 December 2009.

As you are aware, Ernst and Young has been engaged through the Meat MTF to review AQIS fee structures and overhead allocations. This work will recommence, and will reconsider the new fees and charges, with the report to be finalised with the MTF.

Thank you again for your letter. I look forward to your continued support and involvement as the reform agenda progresses.

Yours sincerely



Tony Burke

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