



Quarantine Charge Increases

The Tasmanian Freight Logistics Council is concerned that Tasmanian exporters are facing increases quarantine costs due to pending legislative changes that will increase by at least 40 per cent Federal Government charges for inspections and work by the Australian Quarantine Inspection Service (AQIS) from 30 June 2009. The Federal Government will require that AQIS implement a full cost recovery on all its export programs from 1 July 2009 onwards.

AQIS has advised that the new cost recovery model will be required to recover its expenses (approximately \$7.4 million in 2009-10), repay the deficit of \$800,000 from 2007-08 and provide for a 10% buffer fund in an Income Equalisation Reserve over three years. (With declining exports, AQIS does not currently recover the required 60 per cent of funds to run the organisation – hence the \$800,000 deficit in 2007-08.)

The planned changes in fees are complex but industry consensus is that charges to exporters will jump by a minimum of 40 per cent and by significantly more for exports to selected countries.

Given the current global financial crisis, the timing of the proposed fee increase could not be worse. The Tasmanian Freight Logistics Council is concerned that our exporters are already struggling as the world economy shrinks with the proposed fee increases likely to lead to a further decline in the volume of exports and putting thousands of jobs at risk.

The Tasmanian Freight Logistics Council would like to hear from Tasmanian exporters what, if any, impact the proposed fee increases will have on their businesses, any concerns that they have in regard to the new charges and any other comments on the services provided by AQIS.

Please contact the Council's CEO, Rob McGuire, on (03) 6236 3663 or email on rob.mcguire@tcci.com.au for further information or with your comments on this matter.

Rob McGuire
Chief Executive Officer
Tasmanian Freight Logistics Council

24 May 2009