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A Note to all Tasmanian Oyster Growers,

You would have recently received an email from OT regarding ASI’s intention to increase its Service Fee.

I wanted to ensure that you were informed about the upcoming changes and how these fees were structured.

What you received in your inbox was the latest draft of the paper that we are consulting on as well as our recommendation letter.

These recommendations have come from numerous stakeholders who were interviewed in SA and TAS. We value the input of our industry members and want to ensure that we make informed decisions about our service fee increase.

Our shareholders, SAOGA and OT, will be consulting with industry members before the service fee increase is finalised. We understand that this is a sensitive issue for many, and we want to ensure that we are taking everyone's input into account before making a final decision.

We understand that an increase in fees can be challenging for some of our growers, and we want to assure you that we are doing everything we can to minimize any impact by running a break-even business model to serve both TAS and SA industry needs.

We’ve been able to shoulder cost increases since the service fee was introduced in 2014 through government grants to shield growers as much as possible.  The funding grants held by ASI have unfortunately come to an end and can no longer subsidise the ASI breeding program to keep the service fee low.

This change is necessary to continue providing high-quality services to continue to future-proof the Australian Pacific Oyster industry and ensure the sustainability of our operations.

However, it’s also important to reflect on the achievements and changes we’ve made in the past eight months:

* Allocated 15 elite performing YC2021 families to hatcheries
* Successful YC2022 TAS spawning (70-80 target families, 81 spawned)
* Successful YC2022 SA spawning (30-40 target families, 41 spawned)
* Increased operational efficiencies in our structure and processes
* Actively pursuing efficiencies in our field work and data collection methods
* Actively pursuing capturing more data on stock uniformity/consistency
* Increased our focus on good commercial traits (meat condition, shell shape and growth) as well as POMS resistance
* SA grower feedback on our YC2020 and YC2021 lines
* TAS hatchery feedback on our YC2021 lines
* Five SA survival + Performance trials deployed to four sites to increase gains in survival and commercial traits)
* Three POMS trials deployed to Pitt Water to increase spat resistance
* Employed Hatchery Manager, Mark Gluis, 30+ year industry expert for ASI line quality control
* Reorienting the breeding program to be customer focused including any further research programs pursued
* Progressing well with our Genomics pilot project
* Increasing communications with growers – e.g., grower bay meetings in the Eyre Peninsula over two weeks, two SAOGA seminars, one OT conference and an Industry Technical Reference Group (ITRG) meeting. Further communication with Tasmanian growers is planned for the coming weeks. The ASI Newsletter has not been published while we have been restructuring the company, but an issue will be produced soon.
* Increased communication with hatcheries – face-to-face meetings on how ASI is progressing and what improvements can be made

Our work can only continue with your support, and we want to remind you that our business is based on trust and that we are owned by you. We will continue to provide high-quality oysters with the support of the Service Fee.

If you have any questions or concerns regarding the Service Fee Options Paper, please do not hesitate to reach out to us. We appreciate your continued support and look forward to working with you.

Regards,

**Lewa Pertl**

**General Manager**

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