

Notice to Pacific Oyster Growers ASI Service Fee Increase

Dear Pacific Oyster Growers,

One of the things we promised was to deliver a cost-effective Pacific Oyster breeding program. We intend to keep that promise.

However, as a business, we aren't immune to the times we are living in right now.

We've been able to shoulder a service fee increase since it 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.

Effective July 1, 2023, the fee charged to all Pacific Oyster hatcheries will increase to \$4.45 per thousand spat (or \$0.05 per dozen) for all spat produced. This covers the cost of ASI operations in Tasmania and South Australia.

All hatcheries have signed an agreement with ASI to pay this fee and to pass the cost on to oyster growers. The fee is based on all Pacific Oyster spat sold by hatcheries, and hatcheries also pay the fee on spat they transfer from their breeding operations to grow-out.

The decision to increase our service fee was not taken lightly, and we understand that it may come as an inconvenience to you.

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.

Economists working with ASI and individual growers have estimated that the \$0.05 per dozen investment translates to \$0.30 per dozen return based on our rate of genetic gain per year.

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.

Thank you for your understanding, and please do not hesitate to contact the Chairman, Len Stephens on 0418 454 726, if you have any questions or concerns.

Turn the page to see the list of breeding services provided by ASI.

For a comprehensive understanding of the breeding program's workings, the modelling of the new service fee, and the resulting benefits, please refer to the detailed paper available at the following location: <u>ASI service fee options paper</u>



