

22 February 2023

## Letter to ASI Shareholders

SAOGA / SAORC  
Oysters Tasmania

Dear Shareholder,

### Update on the ASI Service Fee Increase

Since you were advised of the need to increase the ASI Service Fee last year, we have been examining a range of options by which our services can be provided at a reasonable cost. Staff changes, a busy breeding season and holidays during December – January delayed the process and we still do not have all the information required. However, there has been progress, which we like to share with you.

Our findings are included in papers attached to this letter:

- i. Draft Report on ASI Breeding Options
- ii. Draft Costings Table for Breeding Options
- iii. Appendix 1 – ASI Fundamentals FAQs
- iv. Appendix 2 – SA Breeding FAQs

Initially, six options were examined. We have now settled on two of these, Options One and Four. Further consideration of those options must await information on SARDI costings and the approval of a new interstate oyster translocation protocol.

*One or two breeding hubs* – We have conducted an intensive examination of the technical and financial aspects of maintaining two breeding hubs at IMAS in Tasmania and SARDI in South Australia. Our conclusion is that two hubs should be retained. The reasons for this are explained in the attached technical paper. The exact cost of breeding at SARDI has not been finalised, but now that Mark Gluis is employed by ASI, we anticipate we can come to a suitable arrangement. This is Option One in the attached chart.

*Translocation of Broodstock between TAS and SA* – As a fallback, should we be unable to breed in SA, we have applied to the Tasmanian Chief Veterinary Officer for approval to move SA broodstock to IMAS where they could be mated, and the progeny returned to SA. This is Option Four in the attached chart.

We currently have approval to move small numbers of oysters from Tasmania for breeding in SA. Through that avenue we have imported one batch of highly POMS resistant oysters and have crossed them the best SA oysters. If an SA breeding hub is retained, we will continue these importations so that POMS resistance in SA oysters grows to ninety percent or better. Interbreeding of oysters in both states is essential to maintain sufficient genetic diversity of the ASI oyster families.

*Costings* – As shown on the attached chart, the Service Fee required to implement Option One is approximately \$4.45 per thousand spat and for Option Four, is \$4.16. The Service Fee for each option is based on annual spat sales of 225 million and the need for ASI to maintain a minimum financial reserve of \$200k. The fee will be adjusted each year after reviewing our budget and considering the annual CPI increases. The amounts shown on the attached charts are estimates and will be confirmed as soon as possible.

### Further Information

Please contact Ms Lewa Pertl (0419 800 052) or me if you would like any more details about any of the above subjects.

Yours sincerely,



Dr Len Stephens  
Chairman