



NATIONAL SEAFOOD INDUSTRY ALLIANCE INCORPORATED

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2016 FEDERAL ELECTION POLICY PRIORITIES

MEMBERS OF NATIONAL SEAFOOD INDUSTRY ALLIANCE INCORPORATED



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2016 FEDERAL ELECTION POLICY PRIORITIES

Australian fisheries are among the best managed in the world and Australia is one of the world's leaders in fisheries management science. The Australian fishing industry (wild-catch, aquaculture and pearling industries) is proud of its credentials in meeting the highest standards of environmental responsibility, management and sustainability. The National Seafood Industry Alliance (NSIA) was established in 2009 to provide representation of our industries at the Federal level on the following key priorities:

- Sustainability
- Resource access (including the Commonwealth Government's marine planning processes and the impact of climate change and policy on industry)
- Research, development and extension
- Promoting industry
- Federal cost imposts

NSIA is asking Federal political parties to make commitments that in government they will:

- Develop a dedicated seafood industry policy;
- Secure resource access and clearly defined access rights;
- Take action to restore public faith in fisheries management;
- Actively assist in the development of the wild-catch and aquaculture sectors so they remain sustainable, productive and profitable;
- Improve the legislative and policy environment to encourage development of aquaculture;
- Reduce the regulatory complexity and cost imposts;
- Review of the fisheries adjustment assistance package, as part of the Commonwealth marine reserves review;
- Support for, and recognition of a National peak body which provides a liaison function between the Government agencies and the Industry;
- Continue to provide suitable funding for and maintain the location of the Fisheries Research & Development Corporation;
- Remove the current loophole in Country of Origin labelling by extending country of origin laws for seafood to the food service sector;
- Maintain the fuel levy rebate;
- Improve Commonwealth funding support for programs and organisations that provide natural resource management and extension services for sustainable fishing and aquaculture practices;
- Actively assist in providing improved social and economic data about the seafood industry throughout the supply chain to determine the true economic value of the seafood industry;
- Provide a flexible approach to industrial relations in the wild-catch and aquaculture industries; and
- Actively, in conjunction with the industry, further develop the Trans – Pacific Partnership export trade agreement.

BACKGROUND

The Australian seafood industry is a major primary industry and a significant employer, particularly in regional Australia. In the 2012–13 financial year, Australia's total fisheries and aquaculture GVP was \$2.4 billion (with wild-catch fisheries at \$1.4 billion, and aquaculture at \$1 billion), and industry produced more than 150,000 and 80,000 tonnes of wild-catch and aquaculture seafood respectively, for domestic and export markets

Current issues and challenges facing the Australian seafood industry that must be addressed include under-utilisation of wild-catch resources and under-development of aquaculture opportunities, leading in turn to future food security challenges for Australia. (In 2012–13 imports accounted for 66 per cent of Australia's total apparent seafood consumption¹).

Participants in the Australian seafood industry are facing the same challenges as other small to medium-sized businesses in primary industry and manufacturing. In particular, they have been impacted by the Australian dollar, and the prohibitively high cost of production. This can no longer be absorbed and export markets are becoming less viable as international buyers are sourcing cheaper substitutes. Australian exporters are losing both margin and market share. Increased competition on the domestic market from relatively cheaper imports is also eroding market share at home.

Notwithstanding Australia's world recognised, scientifically proven advances in fisheries resource and environmental management, regulatory burden and costs constrain the operations of wild-catch and development of aquaculture, placing Australian seafood producers at a distinct disadvantage globally. A risk-averse culture of regulation and compliance dominates Government at all levels, rather than development and growth with regards to the seafood industry, quite contrary to what is spoken by Governments.

The industry operates in a hostile physical environment, with both its harvesting operations and infrastructure (often sited at the interface of land and ocean) vulnerable to natural disasters such as floods and cyclones (and, in the case of land-based aquaculture, even bushfires). Such an environment attracts hardy and resilient individuals but their hardiness and resilience have been tested in recent years.

SOLUTIONS

Development of a dedicated seafood policy.

NSIA seeks a dedicated seafood industry policy, based on production and supply of Australian seafood, with the aim of a prosperous seafood industry meeting the needs and aspirations of seafood consumers. Security of access and securing stronger access rights for business investment is paramount for the seafood industry. Currently an ad hoc nature of Government policy and management decisions about the seafood industry occurs throughout the country, highlighting an immediate need for clear, unambiguous policy for the commercial seafood industry.

Seafood production must be recognised as valuable in its own right and deserving of its own set of development-oriented policies rather than a derivative of policy objectives in adjacent areas (such as environmentalism, port development and terrestrial farming).

¹ ABARES, Australian fisheries and aquaculture statistics 2013
http://data.daff.gov.au/data/warehouse/9aam/afstad9aamd003/2013/AustFishAquacStats_2013_v1.2.0.pdf

Given that Australian fisheries are well managed and application of existing protocols will ensure sustainability of future fisheries development, NSIA wants Federal parties to create a policy based on development and expansion of the seafood industry.

This seafood policy also must address the important question of how Australia's future seafood requirements will be met. The fundamental question is: "Where will Australia's fish for the future come from?" It is essential for Australia's future wellbeing and food security that this question be answered.

Secure resource access, both in terms of access to areas and access to seafood species.

Security of resource access (access both to areas and species) is of fundamental importance to the NSIA. Federal political parties should seek to strengthen the access rights through the development of resource sharing frameworks. With secure and defined access rights, decision making frameworks and an explicit commitment from Government to our industry the seafood industry will continue to play its vital role in supporting Australia's coastal and regional communities. The industry will be encouraged to make rational investment decisions avoiding overcapitalisation and ensuring the maximum benefits in the utilisation of the resource. The industry will also have the incentives to work cooperatively in ensuring the long term sustainability of the resource.

NSIA believes the only way to prevent situations occurring which negatively impact the industry's resource access in future is to elevate the importance of fisheries legislation – relative to competing demands from environmental and recreational fishing and other interests – to ensure the needs of the seafood industry and seafood consumers in relation to resource access are met.

Factors impinging on access to seafood include displacement of fishing operations by port development, recreational fishing havens, offshore oil and gas exploration and production, and marine reserves.

If the current decision and policy environment continues, the industry will lose further access to fishing grounds, increased uncertainty, loss of business investment and planning which will have a detrimental impact on Australia's seafood production capacity and as a result, serious implications to food security.

Restoration of public faith in fisheries management, particularly by supporting initiatives that promote the science underpinning Australia's sustainable seafood production.

NSIA is seeking undertakings from political parties that, in government, they will take direct action to restore public faith in the quality of fisheries management in Australia. That, in government, they will actively defend and promote the sustainability of Australian fisheries.

In particular, NSIA is seeking support for initiatives that promote the science underpinning the sustainable seafood production in Australia. The NSIA supports the current robust science and contemporary world's best management structure in Australian fisheries and aquaculture, but acknowledge the scepticism that some take when the regulators and beneficiaries promote the industry as being so.

We recognise a market failure in communicating to the Australian community. Standards for Australian fisheries, based on relevant FAO guidelines would assist in promoting and demonstrating the sustainability of the industry. Further, the use of independent or 'third party' certification systems to support seafood sustainability is popular with industry,

governments and consumers, both domestically and internationally. NSIA suggests government has a clear role in relation to providing support and resources to industry to directly assist, resource and facilitate Australian seafood producers through market measures such as a FAO compliant 'Australian Standard' and third party certification for sustainability.

Community concerns over the environmental impacts and sustainability of seafood production in Australia are likely to have been heightened by negative campaigns and Government decisions that fuel these negative perceptions (i.e. by Government taking action based on perceptions rather than science results in the popular acceptance that perception is fact.)

An Australian Standard for the sustainable management of fisheries and aquaculture must be developed in order to gain recognition for Australia's global sustainability. The development of an Australian Standard may then be used by States and Territories to measure against a third party certification, with the potential to enhance both industry and management reputation for sustainable fishing practices. Third party certification can be then sought by those commercial entities that wish to be accredited.

NSIA is seeking continued support that, in government, political parties will ensure industry can promote its sustainability through recognised market measures through the already developed active campaign (Communications Strategy) that assists to promote the high standards of fisheries management in Australia. Political parties should continue answering criticism of fisheries management, rather than allowing unjustified criticism to stand uncorrected.

Improved social and economic data about the seafood industry and its broader value to the Australian economy is needed.

There is currently an acknowledged lack of comprehensive and adequate data on Australia's seafood industry, including value generated in sales throughout the supply chain and potential income impacts and the number of jobs the Australian seafood industry supports.

The NSIA is seeking an undertaking that, in government, Federal parties will commit funding to ensure there is comprehensive data on the value of the National seafood industry that focuses on the social aspects of fisheries management, economic value of the seafood industry throughout the supply chain, change management, community perceptions, RD&E adoption and industry communities' ability to adapt.

Actively develop the wild-catch and aquaculture sectors, including new fisheries, new products from existing fisheries and increased utilisation of existing products.

The NSIA believes that developmental opportunities exist within both National and State jurisdictional waters, but acknowledge that Federal policies only directly control the Commonwealth Fishing jurisdiction, through the Australian Fisheries Management Authority.

While the majority of the world's major commercial fishing opportunities have been developed, new fisheries continue to emerge both in Australia and internationally. Evidence for fisheries prospectivity can come from a range of sources, including previous commercial exploration, fishery-independent surveys, previous foreign fishing activity and comparisons of similar seabed features holding commercially valuable fish stocks elsewhere.

Prospectivity in the fishing sector can apply in a range of circumstances, such as: the potential to harvest the same species, using the same rights in new fishing grounds; the

potential to develop new species (particularly with the emergence of new markets and/or higher prices); and the potential to harvest existing species using new techniques in new areas.

Federal political parties must commit to looking at opportunities within the Australian seafood industry to expand fisheries and-or markets through broader adoption of exploratory and developmental fishing frameworks. Australian Fisheries holds the potential for considerable further growth, and NSIA believes Commonwealth and State Governments should work together to facilitate its growth.

For further information: MRAG, an independent fisheries consulting company, prepared a report “Fisheries ‘prospectivity’ and implications for MPA planning” for the South West industry stakeholders group in July 2011; see link below:

<http://sffapublic.powercreations.com.au/images/sffa---eaquu.pdf>

Improve the legislative and policy environment to encourage development of aquaculture.

While aquaculture in southern waters has increased in value (thanks largely to increased production of salmonids in Tasmania), it speaks volumes for the state of the aquaculture industry in tropical waters that no new prawn farm has been approved or built in Australia in the past 15 years.

Major obstacles to the development of Australian aquaculture are red and green tape, and convoluted legislation emanating from overlapping agencies which often have conflicting aims. The current legislation in most States does not define clear pathways, parameters and actionable timeframes for sustainable aquaculture growth. While safeguarding the marine environment is vitally important, aquaculture proposals should not be blocked by environmental criteria that are simply unreasonable.

Harmonisation of aquaculture policy and regulatory requirements across States and Territories is needed, as a precursor to an improved legislative and policy environment that encourages aquaculture development.

Aquaculture holds the potential for considerable further growth, and NSIA believes Commonwealth and State Governments should work together to facilitate growth of Australian aquaculture.

NSIA welcomes the current revision of the National Aquaculture Strategy, and looks forward to Government’s commitment to its implementation and basis for a subsequent aquaculture policy.

Reducing red tape

There are many federal regulatory imposts on industry, including the costs of resource management, environmental conservation, taxation, industrial relations, workforce requirements, maritime safety, export controls, food safety standards and food labelling. These have direct and indirect impacts on industry’s competitiveness, efficiency and profitability.

As part of the development of a dedicated fisheries and aquaculture policy, overlapping legislation and regulations applied to the seafood industry by government agencies should be examined. Wherever feasible, government requirements and associated costs should be streamlined to improve industry efficiency. This is particularly important at times when the high Australian dollar makes competing overseas products comparatively cheaper, both on export and domestic markets. NSIA seeks a commitment to acting on the findings of the

productivity commission to ensure a reduction in regulatory burden and costs imposed across the Australian seafood industry.

Streamlining National Standards for Commercial Vessels

NSIA purports that AMSA's streamlined National Standard for Commercial Vessels should ensure that there are negligible increased costs to vessel operators, and generally supports pragmatic 'grandfathering' arrangements, to provide that unrealistic new standards will not be forced onto existing vessels.

A review of the fisheries adjustment assistance package, as part of the Commonwealth marine reserve review.

The NSIA has welcomed the review of the Commonwealth marine reserves management plans, however are seeking commitment that the fisheries adjustment assistance package, for compensatory funding for the seafood and related industries is adequate.

NSIA is calling on all political parties to consider the scope and elements of the current adjustment package to ensure fair and equitable assistance to those impacted by the marine reserves network. An industry-commissioned study by Ernst and Young² clearly shows the impacts on the fishing industry, upstream and downstream businesses, and regional communities reliant on the industry, have not been adequately assessed. Under current arrangements, these individuals, businesses and communities will not be compensated.

Federal Policies to develop regional Australia.

Regional Australia has great potential for further development within both wild-catch fisheries and aquaculture. The wild-catch sector has experienced rapid growth since 2005 and this growth continues today. Further development of the seafood industry in regional areas is primarily dependent on investment in infrastructure, reduction of red tape, developing a workforce and maintenance of the fuel-tax rebate.

The NSIA is seeking a commitment from Federal parties that opportunities are provided to the regional Australian seafood industry to expand seafood production and-or markets through broader adoption of exploratory and developmental frameworks. This can be achieved through progressing Free Trade Agreements with provisions for seafood under the Trans-Pacific Partnership agreement, assistance with programs and organisations that are assisting the seafood industry to promote seafood trade, and upgrading facilities to facilitate a gateway into new and existing markets, such as Asia.

Substantial investment is needed in regional Australia to increase efficiencies including the transport of product to market and undertaking maintenance of vessels. NSIA is calling all parties to prioritise investment in upgrading port facilities in regional Australia to facilitate more efficient access for unloading and re-supply of fishing operations.

² Ernst & Young, 2012, Review of ABARES' Social and Economic Assessment of the Proposed Commonwealth Marine Reserves Network <http://sffapublic.powercreations.com.au/images/sffa---eexeireici.pdf>

Biosecurity

Australia remains relatively free of exotic aquatic pests and diseases, a key advantage for Australian seafood producers, but this status is increasingly challenged by the globalisation of trade. Recent examples include exotic mussels found on vessels operating in the energy industry in north-west waters, and repeated findings of exotic pathogens found on imported ornamental fish.

NSIA seeks commitment from Federal parties that departmental resources and funding for addressing pre-border biosecurity risk and post-border response are maintained at appropriate levels to protect Australian aquaculture and fisheries.

Support for, and recognition of a national peak body for the seafood industry.

NSIA brings together representatives from the peak State and Territory seafood councils, the Commonwealth Fisheries Association, and the National Aquaculture Council – representatives of the key stakeholders in Australian fisheries and aquaculture. As such NSIA provides a valuable conduit for communication and liaison between Government and the Industry.

NSIA notes the statement made by the House of Representatives Standing Committee during its inquiry into the role of science for fisheries and aquaculture, that *“The Committee recommends that commercial fishing organisations in Australia form a national peak body. This process could be initially assisted by the Department of Agriculture, Fisheries and Forestry through facilitating contact and coordination.”*

Government funding has been committed to supporting a project to establish a National seafood industry peak body. The establishment of a National peak body must also be supported by industry and have a sustainable long-term funding model.

NSIA seeks an undertaking that your party, in government, would continue to support and commit funds to a national seafood industry peak body, which will have the ability to provide a communication and liaison service between Government agencies and the industry.

Continued Government support for the Fisheries Research & Development Corporation (FRDC).

NSIA continues to strongly support the role of FRDC. FRDC has delivered strong results to its commercial, recreational and indigenous stakeholders, and NSIA seeks a clear commitment that FRDC remains as a separate entity; with continued Commonwealth support for the public good aspect of work undertaken by the FRDC; and continued support for the current model used to provide funds to the FRDC, including maintenance of the current arrangements for control and management of funds by FRDC.

NSIA had previously voiced strong opposition to the relocation of the entire FRDC office away from Canberra, because many of the consequences would be deleterious for the fishing and aquaculture industry it serves. The regionally distributed model that has resulted in a central hub in Canberra and an office in Adelaide is a supported compromise, on the basis that this can best meet the expectations of stakeholders, including the Minister, as well as delivering on FRDC’s future directions and the board’s responsibility for prudent governance, in keeping with its objectives as established by the PIRD Act. NSIA is strongly supportive of this outcome, as a pragmatic compromise.

Removal of the current loophole in Country of Origin labelling by extending country of origin laws for seafood to the food service sector.

NSIA has a clear policy for the mandatory labelling of seafood to ensure that consumers are able to make informed choices about their seafood. The current absence of effective labelling requirements for seafood at food service level compromises consumer choice and undermines the Australian industry.

Specifically, NSIA seeks a commitment to remove the current loophole in Country of Origin Labelling by extending country of origin laws to seafood in the food service sector.

Maintenance of the fuel levy rebate.

Maintenance of the fuel levy rebate is vitally important to profitability and continued viability in the Australian seafood industry, particularly the wild-catch sector.

This rebate was never a subsidy but, rather, simple recognition of the fact that a tax intended primarily to fund provision of road infrastructure should not be levied on a non-road user like the fishing fleet.

Improve Commonwealth funding support for programs and organisations that provide natural resource management and extension services for sustainable fishing and aquaculture practices.

The NSIA seeks improved funding for programs and organisations that are assisting the seafood industry continuously improve the sustainability of its fishing and aquaculture practices. Funding should be commensurate with the GVP and geographical scope of the seafood industry, compared to other food and fibre producers engaged in natural resource management processes. In particular, the NSIA supports funding for marine NRM's that can ensure appropriate support is delivered nationwide.

Economic growth and employment to enhance productivity and competitiveness.

An available and appropriately skilled workforce is vital to underpinning a viable and economically sustainable fishing industry. There are recognised significant labour and skills shortages in the fishing industry – especially in regional Australia – that impact industry productivity and output. For the fishing industry, overseas workers are a key component of the workforce. The retention of the Temporary Work (Skilled) (SC 457), Working Holiday (SC 417), and Work and Holiday (SC 462) visas; and extension of the guest worker schemes to include the professional fishing industry are vital to providing an adequate workforce for our seafood-producing industries.

Employment costs should be subsidised for employment in regional areas, and standards must be developed regarding pay that encourage stable employment. NSIA is supportive of increasing the length of time in which holidaying backpackers can work in remote/regional areas around Australia, and for the seasonal workers program to be expanded to include more countries.

NSIA seeks a commitment to find ways to increase the inclusiveness and opportunities for indigenous Australians to be part of the growth and development opportunities.

Action to further develop the export trade with Asia.

The vast majority of Australia's seafood exports have traditionally been destined for selected Asian markets. However increasingly difficult trading conditions have caused considerable export market disruption. Strengthening and expanding the legitimate trade platform is a priority of Australian seafood exporters.

Progressing Free Trade Agreements, such as the Trans-Pacific Partnership must be a priority. These agreements recognise the importance of equitable access for products exported from, and imported to, Australia.

The Australian seafood industry needs access to better market intelligence, enhanced business relationship networks, and active participation in trade negotiations. The NSIA seeks continued funding for programs and organisations that are assisting the seafood industry to promote seafood trade.

CONCLUSION

In the last decade, the focus of both wild-catch fishery and aquaculture sectors has been firmly fixed on sustainability. With the sustainability of seafood production now well established it is time to turn to developing the Australian seafood industry. NSIA is seeking a partnership between government and industry that focuses strongly on seafood industry growth and profitability, access to resources, encouragement of aquaculture and a reduction of costs.