



NATIONAL SEAFOOD INDUSTRY ALLIANCE

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2013 FEDERAL ELECTION POLICY STATEMENT

MEMBERS OF NATIONAL SEAFOOD INDUSTRY ALLIANCE



Commonwealth
Fisheries
Association

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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 (wildcatch, 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 develop the wild-harvest and aquaculture sectors;
- Improve the legislative and policy environment to encourage development of aquaculture;
- Reduce the regulatory complexity and cost imposts;
- Review the Commonwealth marine reserves management plans and the fisheries adjustment assistance package;
- Amend the Primary Industries and Energy Research and Development Act to allow collection of levies for marketing and promotion of seafood;
- Fund those activities of a national seafood industry peak body which provide a liaison function between Government agencies and the Industry;
- Maintain funding for the Fisheries Research & Development Corporation at no less than the present level;
- 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;
- Maintain Commonwealth funding support for programs and organisations that provide development of and extension services for sustainable fishing practices;
- Provide improved economic data about the commercial fishing industry;
- Provide a flexible approach to industrial relations in the wild-harvest and aquaculture industries;
- Actively, in conjunction with the industry, further develop the export trade with Asia.

BACKGROUND

The Australian seafood industry is a major primary industry and a significant employer, particularly in regional Australia. In 2010-11, the firsthand value of fisheries production was \$2.26 billion (wild-harvest \$1.31 billion and aquaculture \$0.948 billion), with a total harvest of 234,000 tonnes. The value of exports totalled \$1.2 billion and imports \$1.5 billion.

Current issues and challenges facing the Australian seafood industry that must be addressed include under-development of both wild harvest resources and aquaculture, leading in turn to serious future food security challenges for Australia. (Already, more than 70% of total seafood consumed by Australians is imported.)

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 high Australian dollar, and the prohibitively high cost of production. This can no longer be absorbed and export markets are becoming no longer viable. International buyers are sourcing cheaper substitutes. Therefore Australian suppliers are losing those markets, or holding them at reduced margins. Increased competition on the domestic market from relatively cheaper imports is 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 harvest and development of aquaculture, placing Australian seafood producers at a distinct disadvantage globally. A culture of regulation and compliance dominates Government at all levels rather than development and growth with regards to the seafood industry 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).

It 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.

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).

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.

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 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, offshore oil and gas exploration and marine reserves.

Restoration of public faith in fisheries management, particularly by supporting initiatives that promote the science underpinning the demonstrable sustainability of seafood production in Australia

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 demonstrable sustainability of seafood production in Australia.

We recognise a market failure in communicating to the Australian community. The development of a standard for Australian fisheries, based on relevant FAO guidelines would be an additional tool to assist in promoting and demonstrating the sustainability of the industry. Further, the use of independent or 'third party' certification systems (and eco-labelling) to support seafood sustainability is popular with industry, governments and consumers in many jurisdictions and countries. 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 eco-certification.

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 verification that the perception is fact.)

NSIA is seeking undertakings that, in government, political parties will commit funding to ensure industry can promote its sustainability through recognised market measures and conduct an active campaign to promote the high standards of fisheries management

in Australia. In particular, political parties should commit to answering criticism of fisheries management, rather than allowing unjustified criticism to stand uncorrected.

Improved social and economic data about the commercial fishing 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 fifth largest food producing primary industry – including value generated in sales and income impacts and number of jobs it supports.

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

While it may be considered that all major fisheries in Australia have been discovered, that should not prevent active exploration of new opportunities, either in exploring for new fisheries or exploring new markets for existing fisheries. What is referred to in the mining industry as “prospectivity” can also be applied to the seafood industry.

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.

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.

Federal political parties should commit to the Australian seafood industry to look for opportunities to expand fisheries and-or markets through broader adoption of exploratory and developmental fishing frameworks.

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 13 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 notes that the House of Representatives Inquiry into the Role of Science for the Future of Fisheries and Aquaculture recommended that a dedicated and detailed national aquaculture plan be developed to guide the future of the sector and help it reach its full potential.

The development of a national plan should be preceded by a strategic assessment by government of ways to support the wild-harvest and aquaculture sectors in meeting the challenge of future food security and the growing seafood trade imbalance.

Regulatory complexity and cost imposts are a major issue for the seafood industry.

There are many federal regulatory imposts on industry, including the costs of fisheries management, environmental conservation, taxation, industrial relations, workforce requirements, maritime safety, export controls 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 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 a time when the high Australian dollar is making competing overseas products comparatively cheaper, both on export and domestic markets. NSIA seeks a review of the current regulatory requirements to reduce burden and cost imposts.

A review of the Commonwealth marine reserve management plans and the fisheries adjustment assistance package.

NSIA is seeking a review of the management plans and the fisheries adjustment assistance package, in view of the fact that the quantum and scope of currently proposed compensatory funding for the seafood and related industries is inadequate.

A significant increase in the value of the fisheries adjustment assistance package (or compensation) is required. The funding promised currently is \$100 million, which will be inadequate to compensate businesses negatively impacted by fishing bans and other restrictions associated with the marine reserves.

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 Young 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.

Amendments to the Primary Industries and Energy Research and Development (PIERD) Act to allow collection of levies for marketing and promotion of seafood.

NSIA is seeking undertakings from political parties that they will work in government to expedite passage through Parliament of amendments to the Primary Industries and Energy Research and Development (PIERD) Act that will allow levies to be collected and expended for seafood marketing and promotion.

NSIA understands that this initiative enjoys the in-principle support of both the current Government and the Opposition, and looks forward to this important initiative moving swiftly through the parliamentary process.

Funding to facilitate establishment 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 - the key stakeholders in Australian fisheries. 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.”*

NSIA seeks an undertaking that your party, in government, would provide funds to a national seafood industry peak body to provide a communication and liaison function between Government agencies and the Industry.

Maintenance of funding for the Fisheries Research & Development Corporation (FRDC) at no less than the present level and maintenance of the current arrangements for control and management of funds by 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; 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.

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 developed 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 cooked seafood 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 for seafood to 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 seafood industry, particularly the wild-harvest 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.

Maintenance of Commonwealth funding support for programs and organisations that provide development of and extension services for sustainable fishing practices.

The NSIA seeks continued funding for programs and organisations that are assisting the seafood industry continuously improve the sustainability of its fishing practices. In particular, the NSIA supports continued funding for Ocean Watch Australia and the SeaNet program.

A flexible approach to industrial relations in the wild-harvest and aquaculture industries to enhance productivity and competitiveness, and recognition of the necessity for 457 visa employees to be engaged in some sectors of the seafood industry.

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 will always be required in the make-up of the workforce. Availability of overseas crew to fill the crew complement also means Australians also retain their employment. The retention of the 457 visa and extension of the guest worker schemes to the professional fishing industry are vital to our seafood-producing industries.

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 in Japan, Hong Kong, and China. 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 must be a priority with trading partners including Japan, China and Korea. 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 into the Asian region.

CONCLUSION

In the last decade, the focus of fisheries management 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 profitability, access to resources, encouragement of aquaculture and a reduction of costs.