

Agricultural Competitiveness White Paper Submission - IP585
National Seafood Industry Alliance
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NATIONAL SEAFOOD INDUSTRY ALLIANCE

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Agricultural Competitiveness Taskforce
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NSIA Submission: Agricultural Competitiveness White Paper

The National Seafood Industry Alliance (NSIA) is the body representing the interests of state and commonwealth licenced wild capture fishers and marine farmers. The members of NSIA are the Commonwealth Fisheries Association, the National Aquaculture Council, the Northern Territory Seafood Industry Council, the Queensland Seafood Industry Council, Seafood Industry Victoria, the Tasmanian Seafood Industry Council, the Western Australian Fishing Industry Council and Wildcatch South Australia.

NSIA welcomes the call for submissions in response to the release of the issues paper in relation to the competitiveness of our agricultural industries . We note that the terms of reference for the white paper state that the paper will not consider industry competitiveness issues associated with the fisheries and forestry sectors. However, when reviewing the key issues identified in the issues paper it was immediately apparent that many of the issues are the same as competitiveness issues for the seafood industry, and we therefore believe there is some value in highlighting the key issues for the Taskforces consideration.

Ensuring Food Security in Australia and globally

In global terms Australia does not produce a significant volume of seafood (2011-2012 237,540 tonnes valued at \$2.3 billion ABARES) with the majority of product being sold in high end domestic and export markets. However, the rapid expansion experienced by the salmonoid industry, 171% by volume between 2001-2002 and 2011-2012 does provide an indication of the latent capacity for particularly the aquaculture industry to increase production and provide alternative sources of protein. Importantly, as the salmonoid industry has expanded the increase in product has largely been absorbed by the domestic market.

Improving farm gate returns



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Again with the exception of the salmonoid industry production volumes for most sectors have been relatively static or declined over the last decade. Therefore to increase farm gate returns the focus must clearly be in maximising the return from each unit of production. To improve returns, for both domestic and exported seafood products, we need to our product is the best and meet all national and international benchmarks in relation to quality.

Particularly in relation to exports, where Asia is our key market the establishment of free trade agreements which include seafood is essential. The inclusion of seafood products in the recently signed free trade agreement with Japan which has traditionally been a key export market for Australian seafood is welcomed by NSIA.

Enhancing access to finance

Access to finance is ultimately reliant for seafood producers as with most other sectors of the economy is ultimately dependant on the producer being able to demonstrate that they have a sound business case. Attracting private business capital for investment into wild capture fishery and marine farming operations faces the additional challenge of being at least partly or wholly reliant on access to a public resource, either water or fish stocks. As the “rights” assigned to wild capture fishers and marine farmers are access rights rather than property rights many lending institutions have been reluctant to lend against an access right. This is particularly the case for marine farmers.

Increased investment will be boosted by a reduction in/streaming of regulatory frameworks, including planning requirements. However, there must be a balance between ensuring that community expectations are met whilst reducing regulatory barriers. These barriers serve to de-incentivise investment.

Enhancing agricultures (the seafood industry’s) contribution to regional communities

Seafood industry operations, both harvesting/farming and processing are predominately located in regional locations and make a significant contribution to the economies of many coastal towns. One of the key issues for the seafood industry over the last decade has been attracting and retaining suitably qualified and experienced employees when faced with attractive salaries offered in the mining industry. The qualities that make a good employee in the seafood industry are those that other employers in regional/rural industries are also seeking.

Improving the competitiveness of inputs to the seafood supply chain

Addressing workforce planning issues, including the provision of the right training in the right locations, and assisting industry to develop clear career pathways will assist in contributing to a growth in jobs.

Promotion of career pathways in the seafood industry will require greater collaboration between individual enterprises, seafood industry representative organisations and the government. There is a



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need for career pathways advisors within the education systems to be provided with more information in relation to range of career opportunities available within the seafood industry.

In relation to RD&E for the seafood industry the majority of the Federal government's contribution is either directly through the Fisheries Research and Development Corporation (FRDC), more indirectly through block grants to universities or through other initiatives such as Caring for our Country. The recent Productivity Commission review of RDC's was supportive of the performance of the FRDC and recommended it remain as a stand-alone RDC. Industry is supportive of this finding. However, we believe that the views and priorities of industry in relation to RD&E would be given more weight if there was greater industry knowledge amongst the membership of the FRDC Board.

The infrastructure required to support the seafood industry production systems is mainly in what can be referred to as non-commercial marine infrastructure. Wharfs and jetties where recovery of the costs of redeveloping / building these facilities is either not achievable or would require an extended repayment time frame. We would submit that industry should contribute to some but not all of the costs.

Reducing ineffective regulations within the seafood industry

It is a very simple concept but whenever a new piece of legislation / regulation is introduced there is an additional compliance burden borne by a class of people somewhere in the production / supply chain that imposes additional costs.

The harmonisation process across a number of areas by the previous federal government while making sense from a policy, and indeed a common-sense perspective often have not provided the optimal outcome for stakeholders because of poor execution in the implementation phase. Examples where this has occurred include the rollout of the new national system for domestic commercial vessel safety; national food safety regulation specifically the streamlining of regulatory audits under the Food Safety and Export (administered by Australian Quarantine Inspection Service AQIS);

The duplication of regulations across the different levels of government, federal state and local continues to impose a burden on industry. For example, harmonising regulations and implementing more effective outcomes across agencies (streamlining the *Environment Protection and Biodiversity Conservation Act 1999* and federal / state fisheries management legislation to allow the management agency to conduct the accreditation process).

The third key area where we need to see rationalisation to reduce the regulatory burden on industry is relation to the need for a framework that allows for the mutual recognition of commercial regulatory audits to reduce costs and inefficiencies of multiple audits for quality assurance programs.



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Opportunities for enhancing seafood exports and new market access

For the seafood industry we need better engagement and penetration of markets outside China to spread the risk. The signing of FTAs that include the seafood industry, for example such as the recently signed agreement with Japan should enhance seafood exports. The danger for our industry is being “trapped” into one export market.

Ongoing government support and engagement with initiatives such as the seafood market access forum will assist government in keeping abreast of market access priorities for the seafood industry

NSIA is committed to working with the Federal government to improve the competitiveness of our industry. We look forward to making a further contribution to the review process.

Yours sincerely,

Grahame Turk
Chair NSIA