

# Submission to the Agricultural Export Legislation Review

## Introduction

This submission to the Agricultural Export Regulation Review is provided by the Seafood Trade Advisory Group (STAG) is a joint initiative of the Abalone Council Australia and Southern Rocklobster Ltd. The STAG has consulted with 100 seafood exporters to develop the submission. As part of this consultation we asked what the key challenges they expected to face over the next 5 to 20 years and how the export legislation supports or hinders the resolution of these.

The STAG members support the proposed streamlining in the legislation but remains concerned about the overlap and duplication in services and advice provided to exporters in international markets. It is this on the ground advice that most impacts on whether a business can effectively capture export opportunities.

The major issues reported by STAG exporters are:

1. Duplication of services (and costs) – multiple audits by governments and customers all looking at the same food safety issues and management arrangements
2. Difficulty in getting authorisations and certificates out of normal business hours resulting in lost trade opportunities – there is a need for flexibility in the system and technological advances provide the opportunities for this
3. The multitude of Government agencies involved in exports is confusing and expensive for SME's to navigate, avail of or derive benefit from.
4. Developing value added seafood products often include other ingredients – there can be confusion (and additional costs) associated with getting multiple commodity based authorisations and certifications

Recognising that cost recovery is outside the scope of this review the STAG members also remain concerned about the transparency of those costs and the contestability of export services.

## Australian Seafood Exports

Collectively the Abalone and Rock Lobster industries represent more than 85% of Australia's seafood export. These industries are both export focused providing important employment and economic growth opportunities in rural and regional Australia.

Australia's seafood exports are currently valued at \$1.3bn with the majority of that coming from exports to Asia. The export value of Australia's seafood industries are summarised in Table 1 with the value of the top export destinations detailed in Table 2.

Table 1: Australian seafood exports by value \$'000 (Source: ABARES)

	2012-13	2013-14	2014-15
<b>Rock Lobster</b>	\$447,263	\$590,293	\$691,232
<b>Abalone</b>	\$185,996	\$170,043	\$173,753
<b>Prawns</b>	\$51,797	\$100,976	\$94,166
<b>Tuna</b>	\$162,636	\$135,539	\$150,993
<b>Salmon</b>	\$25,402	\$17,396	\$48,142
<b>Total top 5</b>	\$873,094	\$1,014,247	\$1,158,286
<b>Total Exports (Edible)</b>	\$1,002,341	\$1,138,348	\$1,292,656

Table 2: Top 5 export destinations by value for Australian seafood \$'000 (Source: ABARES)

	2012/13	2013/14	2014/15
<b>China</b>	45 193	36 588	48 685
<b>Hong Kong</b>	317 017	208 934	192 347
<b>Japan</b>	236 010	192 114	192 062
<b>Singapore</b>	30 998	34 203	34 981
<b>Vietnam</b>	293 217	565 646	715 600
<b>Total top 5</b>	922 435	1037 485	1183 674
<b>Total edible exports</b>	1 002 341	1 138 348	1 292 656
<b>% top 5</b>	92%	91%	92%

### Premium positioning under pinned by food safety record

Both the Abalone and Rock Lobster sectors enjoy premium food status in Asian markets, in fact it could be argued that they have led this positioning for all Australian food exports in China. Australia's exemplary food safety record is a key part of this positioning and many industry brands use this as part of their provenance stories in their marketing efforts. For this reason, the STAG believes that it is critical to maintain this reputation at all costs and any changes to export regulations must not put this reputation at risk.

## The Seafood Trade Advisory Group

The core function of the STAG is to provide a unified voice to government about the Abalone and Rock Lobster industry priorities for trade and market access. To achieve this goal a small secretariat is maintained with funding by ACA, SRL and the FRDC. The secretariat has responsibility for

1. Undertaking consultation with seafood exporters and industry associations to determine and agree on trade and market access priorities
2. Developing and implementing the Seafood Trade and Market Access Agenda and Action Plan.

3. Maintaining government relation and providing seafood input to Australia's trade and market access policy and negotiations
4. Communicating with stakeholders (industry, government and communities) about seafood industry trade and market access priorities.
5. Providing a market intelligence service to seafood exporters
6. Developing and maintaining relationships with key organisations (industry, research and government) in key markets

## Partner Organisations

### **Southern Rocklobster Ltd**

Southern Rocklobster Limited (SRL) is a company limited by guarantee serving as a commercial fishing industry body working to further the interests of Australian Southern Rock Lobster Industry. SRL's membership is comprised of the South Australian Rock Lobster Advisory Council Inc (SARLAC), Tasmanian Rock Lobster Fishermen's Association (TRLFA) and the Victorian Rock Lobster Association (VRLA). SRL's primary function is to facilitate a process / forum which provides guidance on the expenditure of Research and Development (R&D) levy funds independently collected from industry by State Government agencies and leveraged via the Fisheries Research and Development Corporation (FRDC), as well as other sources of funding. SRL guides all R&D expenditure for this valuable fishery sector. SRL's charter is also broadening with the organisation now playing a key representative role for the industry nationally. SRL is also responsible for the ongoing development and management of the industry's Clean Green Program.

### **Abalone Council Australia Ltd**

The Abalone Council Australia Ltd (ACA) is a peak industry body representing the wild-harvest abalone industry from the five producing states of Tasmania, Victoria, South Australia, Western Australia and New South Wales. Collectively these state-managed fisheries will produce 4500 tonnes of wild harvest product this year, valued at approximately \$180 million at the beach.

One of the primary functions of the ACA is to oversee and manage national Research and Development investment in abalone related research. As such, it has developed a 10-year Strategic Plan that focuses on encouraging investment in the key areas, including trade and market development. The ACA works closely with Abalone exporters through their Australian Wild Abalone market development program

## Trade and Market Access Priorities

The STAG has developed a Seafood Trade Agenda and Action plan 2016-2018 that details the top five priority trade and market access issues. These priorities include monitoring the implementation of the FTA's to ensure that other trade barriers are implemented and to minimise trade delays and disruptions. A copy of the Seafood Trade Agenda and Action Plan 2016-2018 is attached (Attachment A)

# Comments on the exposure draft of Australia's Export Legislation

The STAG welcomes the initiative to streamline Australia's export regulatory system as a key factor in supporting the seafood industry capitalise on the opportunities from the FTAs. Given the value of our exports, our trade and market access priorities and the need to protect our premium positioning in key export markets the STAG would like to make the following comments:

## Ensure that decision making is based on a science based risk framework

Streamlining export legislation must be within a risk management framework that is tailored and commensurate to the risk but that does not put our food safety reputation at risk. All legislation and food standards should be outcome focused enabling maximum flexibility for achieving those outcomes. This in turn supports innovative technology and processes to be adopted faster.

## Importing country requirements are paramount

The requirements of the importing country should take precedence over any other requirement - if it is not requirement by the importing country then the exporter does not have to do it and the converse should apply. This should be made explicit in the legislation and regulations.

## Need for Service provision responsiveness and flexibility

Australian seafood exporters report significant cost imposts, trade delays and loss of business opportunities associated with obtaining out of hours authorisations and certifications. Technological advances now support maximum flexibility and accessibility for such authorisations. This needs to be applied to the issuing of export authorisations, permits and certificates enabling cost effective transactions outside normal business hours and for "one off" shipments.

Increasing the flexibility in services is critical to support individual businesses responding effectively to supply chain and market needs as well as enabling them to fully capitalise on the trade opportunities being opened through the FTAs

## Cost recovered services should be subject to market contestability

Compliance audits should be open to market competition – third party audits should be fully supported and encouraged as should mutual recognition of other audits/accreditations (where an importing country permits it). Cost recovery mechanisms for export services should also be open and transparent – with all cost recovered services able to be provided by suitably qualified organisations. Exporters should have the opportunity to choose their service provider.

## Open and transparent consultation and communication with industry

The Consultative Committee process used by the Department to consult with and communicate with industry must have an open and transparent appointment process a clearly defined role – they do not take the place of industry associations and peak representative bodies.

Nathan Maxwell McGinn  
Chair

Wayne Haggard  
Deputy Chair