



Department of Agriculture, Fisheries and Forestry
**Measures to prevent the importation of illegal,
unreported, and unregulated seafood.**

About Us

The Food and Beverage Importers Association (FBIA) represents and promotes the interests of food importers with governments, authorities, and key industry stakeholders. The association works to minimise the impact of regulations while achieving the government's public policy objectives.

The FBIA is an industry association supporting Australian importers of food and beverages in retail ready packs, food service and product as an ingredient for further processing. Members come from across the supply chain including freight and logistics, expanding our coverage.

Members range from large multi-national companies to small specialist importers. Member imports include a wide range of commodities such as vegetables; fruits; nuts; dairy; seafood; confectionery; and oils. Products are imported in a range of formats, including frozen; fresh; roasted; prepared; processed; and retorted. The value of food imports is approximately \$37B and is part of a sector that is worth approximately \$130B, making our members a significant contributor to the Australian economy.

In recent years importers have been presented with several challenges including supply chain, shipping, access to containers and pallets, managing ingredient supply and availability, and more inspection delays and demurrage. Many importers found themselves unable to pass these costs on significantly impacting their business.

FBIA importer members are in a growing sector with the growth of imported food predicted to increase year on year. Imported food accounts for a large share of the gourmet grocery market and international foods, catering to Australia's large number of ethnic communities.

The FBIA is represented on a range of industry related committees to ensure our members are fully aware of legislation, regulations and compliance that affects their businesses. FBIA representation ensures governments and other authorities can access credible industry feedback which supports the ongoing development of instruments which govern the importation of food and trade more generally.

Further information on activities and management of the FBIA go to the Association's website: www.fbiam.org.au.

Introduction

This response is made on behalf of the members of the Food and Beverage Importers Association (Australia) (FBIA).

The FBIA welcomes the opportunity to provide comments in response to the Measures to prevent the importation of illegal, unreported, and unregulated seafood.

We thank you for your consideration of the comments, issues and views raised in this response.

Comments

The FBIA would like to commend the department for its detailed and thorough review of the complex issue of IUU seafood and how best to manage this risk within globally traded seafood supply chains.

The FBIA recognises the key supposition of the discussion paper that,

Given the prevalence of global IUU fishing and the broad variety of seafood that Australia imports, it is reasonable to assume that some products derived from IUU fishing could be making their way into the country.

The FBIA recognises that the discussion paper has highlighted two different major approaches that are being engaged globally to address the issue of IUU fishing.

The 2 categories:

- 1) *the United Nations Convention on the Law of the Sea (UNCLOS) approach regulates the utilisation and conservation of marine fishery resources through the actions of flag states, coastal states, and port states.*
- 2) *the market-based approach involves actions taken by market states that trade in fishery products, (this includes Catch Documentation Schemes (CDS) and Trade Restrictive Enforcement Measures (TREMs)).*

The FBIA notes that the paper has correctly recognised the existing work done by industry, often working with relevant third parties, to minimise the risk of IUU fish entering the Australian market.

It is important to acknowledge existing self-regulatory practices implemented by industry (including importers, wholesalers, and retailers) and other third parties. For example, independent eco-certification and chain of custody programs, such as those implemented by the Marine Stewardship Council, set sustainability standards and maintain a chain of custody for certified products. Such programs foster consumer trust in certified seafood and encourage consumers to demand that the seafood they purchase can be traced to legitimate operations (Longo et al. 2021). Additionally, major retailers, such as Coles and Woolworths, have competitive market incentives to mitigate the risk of selling products associated with IUU fishing practices, and have a history of collaboration with nongovernment organisations (NGOs) and fisheries management authorities to conduct their own risk assessments (Coles 2023; WWF 2023b).

The FBIA agrees with the above statement and can confirm that these types of approaches are undertaken by all responsible seafood importers, not just the major retail chains that the paper highlights.

Industry action on this issue, which is intrinsically linked with Modern Slavery, uses a holistic array of tools and approaches that includes a mix of risk assessments, factory/supplier first party and/or third-party audits, certified products and suppliers, signed product specifications and supplier attestations that specify that suppliers do not use illegal/IUU raw material when making products or engage illegal worker welfare practices in producing products.

The discussion paper indicates in great detail that Australia's response to the category 1) approach, the international collaborative 'Rules Based' approach, is very strong. FBIA members are fully supportive of the Australian government's approach to strengthen the global response to IUU, through these relevant international mechanisms.

The discussion paper highlights the shortcomings and difficulties of adopting the category 2) Market Based approach. In the paper the limitations that have been found with respect to existing Market Based Catch Documentation Scheme (CDS) approaches are clearly highlighted.

Evaluations of the EU and US CDS have revealed concerns regarding the effectiveness of unilateral approaches.

A 2021 review conducted by NOAA found that 'as currently implemented, SIMP does not prevent or stop IUU fish and fish products from entering US commerce.' The review highlighted that a key challenge for SIMP in identifying IUU products lies in the sheer volume of imports and the necessity for detailed knowledge of the fisheries laws in the exporting countries.

Research commissioned by the EU Commission found that, in the 4 years following the implementation of the EU CCS, no significant impact on seafood trade was detected, suggesting similar levels of IUU fishing products continued to enter the EU market.

The FBIA would contend that DAFF have appropriately highlighted the problems of pursuing CDS. If large global importers such as the EU and the US cannot make this approach work, what chance is there for Australia to do so, given that Australia only imports around 200,000 tonnes (0.4%) of global seafood, out of around 50,000,000 tonnes that is internationally traded annually.

Regarding the Market Based - Trade Restrictive Enforcement Measures (TREM's) approach, the paper advises and identifies the risks associated with this pathway.

Unilateral trade measures may lead noncooperating countries to shift their trade to other markets or, there may be detrimental impacts on broader two-way trade relationships.

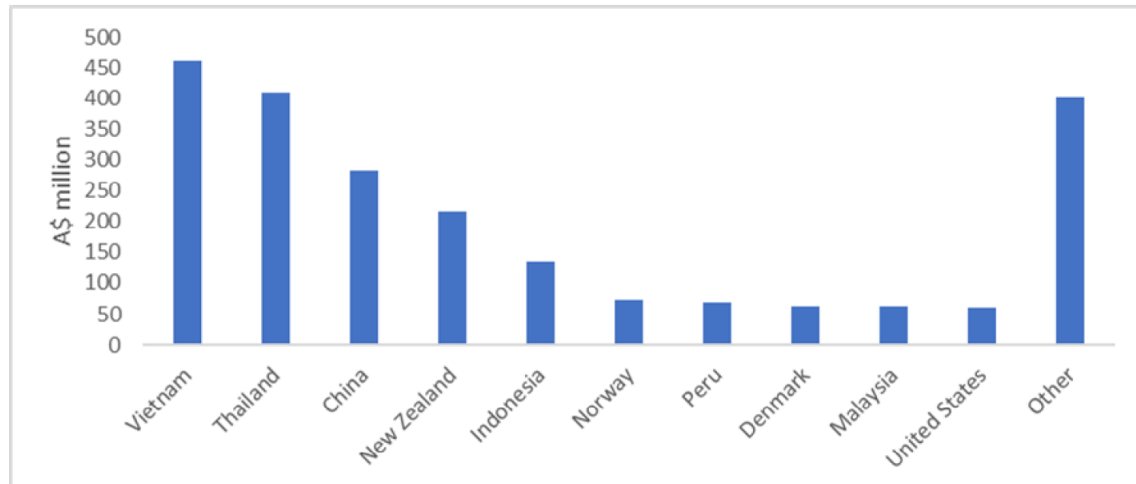
Additionally, Australia has recently experienced the kind of retaliatory action that can occur to international trade relationships when it unilaterally calls out the actions of another country. The FBIA suggests this would not be a sensible pathway for Australian consideration in relation to the IUU matter.

The FBIA would like to provide some observations regarding the import data (Figure 1). Observations in relation to the importing dynamics and the risks / or not of IUU fish being involved. One problem worth noting with the current ABS/ABARES statistics on seafood imports/exports is there is no distinction made between wild and farmed (aquacultured) products, which in some way makes an

assessment of IUU risk difficult, as farmed product cannot be easily segregated in the data from wild catch.

Discussion Paper Figure 1:

Figure 1 Seafood imports, by country, Australia, July 2021 to June 2022



Source: ABS 2022

And this observation:

Of concern, 7 of the top 10 largest countries by seafood import value to Australia performed worse than the global average in terms of vulnerability, prevalence, and response to IUU fishing (Macfadyen & Hosch 2021).

Of the 10 countries listed, 4 are OECD nations that are recognised as having strong fisheries management frameworks. Namely, New Zealand, Norway, Denmark, and the United States. Also worth noting, Norway and Denmark are mostly supplying processed farmed Atlantic Salmon products to Australia.

Regarding the other countries listed above the FBIA's key observations, with regard to IUU risk would be:

- Viet Nam mostly exports aquacultured products such as Basa and farmed Prawns.
- Thailand mostly exports branded canned tuna caught globally, but mostly in the Western Pacific. This has been the major product category under scrutiny by E-NGO's for the last 15 years and is now the largest user of third party sustainability certifications across the seafood category. It is also linked in with some of the strongest RFMO processes globally, and as branded products, the brand owners /retailers have the biggest reputation to lose, if not operating at a global best practice level. Thailand also supplies farmed prawns.
- China is the global hub for seafood processing, and they source seafood products/raw materials globally to achieve this. Many of these raw materials come from eco-certified fisheries such as the Alaska Pollock and Pacific Cod fisheries. China also supplies farmed prawns. China has a fleet of high seas vessels that are capable of operating globally, this therefore does pose potential IUU risks. This is where supplier's risk assessment and audit processes come into play.

- Indonesia is made up of 17,000 islands spread over 5000 kilometres. They are the world's second largest catcher of wild fish at around 7,000,000 tonnes per annum and they have over 1 million fishers. They clearly are a nation that will be benefiting from Australia's support and input on fisheries management expertise via the category 1) international collaborative 'Rules Based' approach. As outlined in the discussion report, category 2) Market Based controls can be problematic in this context. *(Such schemes can impose significant compliance costs on industry and prove expensive to administer and enforce. Additionally, they may disproportionately impact small-scale fishers and small island developing states, exacerbating existing challenges faced by these groups).* Indonesia also has a prawn farming sector.
- Peru is a large exporter of fish meal globally and through their partnership with E-NGO's like Marin-Trust are looking to ensure that the products that they make have a robust, fit for purpose, eco-certification process in place.
- Malaysia is mainly a secondary processing hub for fish products particularly those originally from New Zealand.

The FBIA hopes this information helps to demonstrate how many of these key imported seafood product lines coming into Australia are from low-risk IUU categories, such as farmed product or product that comes with certain eco-certifications, that are evidenced by robust recognised third-party audit programs and in some cases, strong observer programs. As mentioned earlier, where this is not the case FBIA members have a series of tools/approaches that they take to minimise the risk that any IUU raw material can get into their product streams.

After evaluating the discussion paper, and with specific reference to all the aspects highlighted above, the FBIA's preference would be to support policy Option 1. Option 1 is effectively the status quo for any current responsible seafood importer, who already looks to address these matters in their purchasing strategy.

Option 1

1) Continue with the status quo.

a) adherence to multilateral traceability schemes and trade agreements, and industry or third party led traceability/risk assessment frameworks.

b) continue collaborating closely with regional partners on combating IUU fishing through non-market related approaches.

The FBIA would be keen to have further dialogue with the Department regarding Option 4.

Option 4

4) Introduce codes of conduct that require industry to manage compliance and enforcement, and to verify the legality of seafood products they import/sell.

The FBIA assumes that the department would be looking to build on the existing industry risk minimisation practices that are being undertaken by responsible importers under Option 1a) and formalise these processes into a code of conduct applicable to all importers.

The FBIA appreciates the opportunity to provide comment to the Department and would be available for further consultation, if required.

Thank you for your consideration of the FBIA's comments. The FBIA welcomes further opportunities to contribute.

Yours sincerely



Carolyn Macgill
FBIA Executive Officer
6 June 2023