



Australian Government  
Department of Agriculture,  
Fisheries and Forestry

# Measures to prevent the importation of illegal, unreported and unregulated seafood: draft report



© Commonwealth of Australia 2023

### **Ownership of intellectual property rights**

Unless otherwise noted, copyright (and any other intellectual property rights) in this publication is owned by the Commonwealth of Australia (referred to as the Commonwealth).

### **Creative Commons licence**

All material in this publication is licensed under a [Creative Commons Attribution 4.0 International Licence](https://creativecommons.org/licenses/by/4.0/) except content supplied by third parties, logos and the Commonwealth Coat of Arms.

### **Cataloguing data**

This publication (and any material sourced from it) should be attributed as: DAFF 2023, *Measures to prevent the importation of illegal, unreported and unregulated seafood: draft report*, Department of Agriculture, Fisheries and Forestry, Canberra, December 2023, CC BY 4.0.

This publication is available at [agriculture.gov.au/publications](https://agriculture.gov.au/publications).

Department of Agriculture, Fisheries and Forestry  
GPO Box 858 Canberra ACT 2601  
Telephone 1800 900 090  
Web [agriculture.gov.au](https://agriculture.gov.au)

### **Disclaimer**

The Australian Government acting through the Department of Agriculture, Fisheries and Forestry has exercised due care and skill in preparing and compiling the information and data in this publication. Notwithstanding, the Department of Agriculture, Fisheries and Forestry, its employees and advisers disclaim all liability, including liability for negligence and for any loss, damage, injury, expense or cost incurred by any person as a result of accessing, using or relying on any of the information or data in this publication to the maximum extent permitted by law.

### **Acknowledgements**

The authors acknowledge and thank the following stakeholders for their contributions to this report: Alistair Graham, Australian Marine Conservation Society (AMCS), Asia-Pacific Development, Diplomacy & Defence Dialogue (AP4D), Deakin University, EU IUU fishing Coalition, Food and Beverage Importers Association (FBIA), Fair Catch Alliance (FCA), Fisheries Research and Development Corporation (FRDC), Gilles Hosch, GS1 Australia, Institute of Food Technologists (IFT), Japan Fisheries Agency (JFA), McKell Institute, Minderoo Foundation, Marine Stewardship Council (MSC), Directorate- General for Maritime Affairs and Fisheries – European Commission (DG MARE), MRAG Asia Pacific, National Fisheries Institute (NFI), National Oceanic and Atmospheric Administration (NOAA), Queensland University, Seafood Industry Australia (SIA), TRAFFIC, Uniting Church of Australia, University of Technology Sydney, Western Australian Fishing Industry Council (WAFIC), World Wildlife Fund (WWF), along with various other contributors including those within government.

### **Acknowledgement of Country**

We acknowledge the Traditional Custodians of Australia and their continuing connection to land and sea, waters, environment and community. We pay our respects to the Traditional Custodians of the lands we live and work on, their culture, and their Elders past and present.

### **Credits**

Cover photograph: © Max Gillespie

# Contents

<b>Introduction</b>	<b>1</b>
<b>1 Scope</b>	<b>2</b>
<b>2 Assessing the problem</b>	<b>5</b>
Snapshot of Australia's seafood imports	6
Initial review of IUU fishing risk in Australia's seafood imports	8
<b>3 Actions to address IUU fishing</b>	<b>14</b>
Australia's response	14
Further action	18
<b>4 Market-based approaches</b>	<b>19</b>
Catch documentation schemes	19
Trade restrictive enforcement measures	21
<b>5 Policy options</b>	<b>23</b>
Objectives	23
Policy options	23
Evaluating welfare impacts	25
<b>6 Draft findings and preferred policy proposals</b>	<b>26</b>
Proposal 1: Review Australia's import tariff codes	27
Proposal 2: Introduce a seafood traceability program for high-risk species	27
Proposal 3: Support expansion of multilateral CDS	30
<b>7 Costs and benefits</b>	<b>31</b>
Proposal 1	31
Proposal 2	31
Proposal 3	34
<b>Make a submission</b>	<b>35</b>
Have your say	35
Next steps	35
Contacts	35
<b>Appendix A — additional material</b>	<b>36</b>
<b>References</b>	<b>46</b>

## Figures

Figure 1 Common types of IUU fishing	3
Figure 2 Volume of seafood imports, by country and product type, Australia, 2018 to 2022	6

Figure 3 Value of seafood imports, by country and product type, Australia, 2018 to 2022 .....	7
Figure 4 Top 50 seafood imports, by country and product, Australia, 2018 to 2022 .....	9
Figure 5 Process for assessing IUU risk for identified source fisheries. ....	10

## Boxes

Box 1 The complexity of the IUU fishing concept .....	3
Box 2 Environmental, economic and social costs of IUU fishing.....	5
Box 3 Stakeholders views on IUU fishing risk.....	12
Box 4 Approaches to combating IUU fishing.....	14
Box 5 Australia's role in regional forums that combat IUU fishing .....	16
Box 6 Global instruments, agreements and guidelines that combat IUU fishing .....	17
Box 7 Unilateral Import Control Schemes in key market states .....	20
Box 8 Evaluations reveal concerns regarding the effectiveness of unilateral CDS .....	21
Box 9 Trade restrictive measures implemented by the EU and US .....	22
Box A1 CITES .....	39
Box A2 GDST .....	40
Box A3 Illegal logging import controls.....	45

## Tables

Table 1 Proposed key data elements .....	28
Table A1 HTISC Codes.....	36
Table A2 Description of Key Data Elements.....	42
Table A3 Comparison of multilateral and unilateral catch documentation schemes.....	44

# Introduction

The Australian Government is considering a framework that addresses the importation of seafood from fisheries that involve illegal, unreported, and unregulated (IUU) fishing practices.

IUU fishing is a key contributor to global overfishing. It threatens marine ecosystems, puts food security and regional stability at risk, and is linked to human rights violations and organised crime (FAO 2018).

Australia employs a multifaceted approach to combat IUU fishing. We take strong domestic action and apply effective legal and regulatory systems that deter illegal fishing within Australian waters and prevent the landing of illegal catch at Australian ports. International cooperation remains essential to successfully combating IUU fishing and Australia takes an active role in bilateral, regional and multilateral fora. Additionally, we work to strengthen the capacity of countries within our region to combat IUU fishing within their waters and on the high seas.

Australia adheres to seafood traceability systems that apply to a number of species. However, we do not have a comprehensive import control scheme aimed at preventing IUU fishing product from entering our supply chain.

A key consideration in implementing seafood import control schemes is how to balance the benefits and costs to consumers, industry, governments, and the broader community. Benefits may include protection of marine ecosystems, preventing human rights violations, and ensuring a level playing field between domestic and international fishers (Fair Catch Alliance 2023; Garcia et al. 2021; Ma 2020; Minderoo 2021; USITC 2021). However, import control schemes, especially those implemented unilaterally, may impose a high compliance cost on industry, have a limited impact on preventing IUU fishing, disproportionately impact small-scale fishers, pose trade risks and increase seafood prices (Hosch 2016; Hosch & Blaha 2017; Song et al. 2020; USITC 2021).

To guide the department's considerations, a discussion paper was published in April 2023. The department received 20 submissions and engaged directly with a range of stakeholders across industry, academia, government, and not-for-profit sectors. The department also maintained contact with the McKell Institute, which is conducting a similar assessment.

In response to this draft, we invite public submissions to inform our final report that will be delivered to government for consideration in early 2024.

If the final report identifies a need for government intervention, an Impact Analysis (IA) may be prepared to assess the most feasible options and to ensure any proposed additional regulation provides a net benefit to the Australian community.

# 1 Scope

IUU fishing is a broad term that captures a wide variety of activity. It can occur within zones of national jurisdiction, within areas of control of regional fisheries bodies, or in unregulated areas of the high seas. For the purpose of this paper, we have adopted the definition of IUU fishing outlined in the Food and Agriculture Organization of the United Nations' (FAO) International Plan of Action to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing (IPOA-IUU).

Illegal fishing refers to fishing activities:

- conducted by national or foreign vessels in waters under the jurisdiction of a state, without the permission of that state, or in contravention of its laws and regulations
- conducted by vessels flying the flag of states that are parties to a relevant regional fisheries management organisation but operate in contravention of the conservation and management measures adopted by that organisation and by which the states are bound, or relevant provisions of the applicable international law, or
- in violation of national laws or international obligations, including those undertaken by cooperating states to a relevant regional fisheries management organisation.

Unreported fishing refers to fishing activities:

- which have not been reported, or have been misreported, to the relevant national authority, in contravention of national laws and regulations, or
- undertaken in the area of competence of a relevant regional fisheries management organisation which have not been reported or have been misreported, in contravention of the reporting procedures of that organisation.

Unregulated fishing refers to fishing activities:

- in the area of application of a relevant regional fisheries management organisation that are conducted by vessels without nationality, or by those flying the flag of a state not party to that organisation, or by a fishing entity, in a manner that is not consistent with or contravenes the conservation and management measures of that organisation, or
- in areas or for fish stocks in relation to which there are no applicable conservation or management measures and where such fishing activities are conducted in a manner inconsistent with state responsibilities for the conservation of living marine resources under international law.

Although the concept of IUU fishing is relatively clear in theory, its application for estimating IUU fishing risk or implementing policy responses to prevent IUU fishing imports is not straightforward. While some forms of IUU fishing are well defined, other areas are considerably 'greyer' (Box 1). These situations often require interpretation of what is, and is not, considered IUU, which can have a significant impact on final outcomes. The department's treatment of IUU fishing is discussed further in the context of examining risk within our supply chain (Section 2) and preferred policy proposals (Section 6).

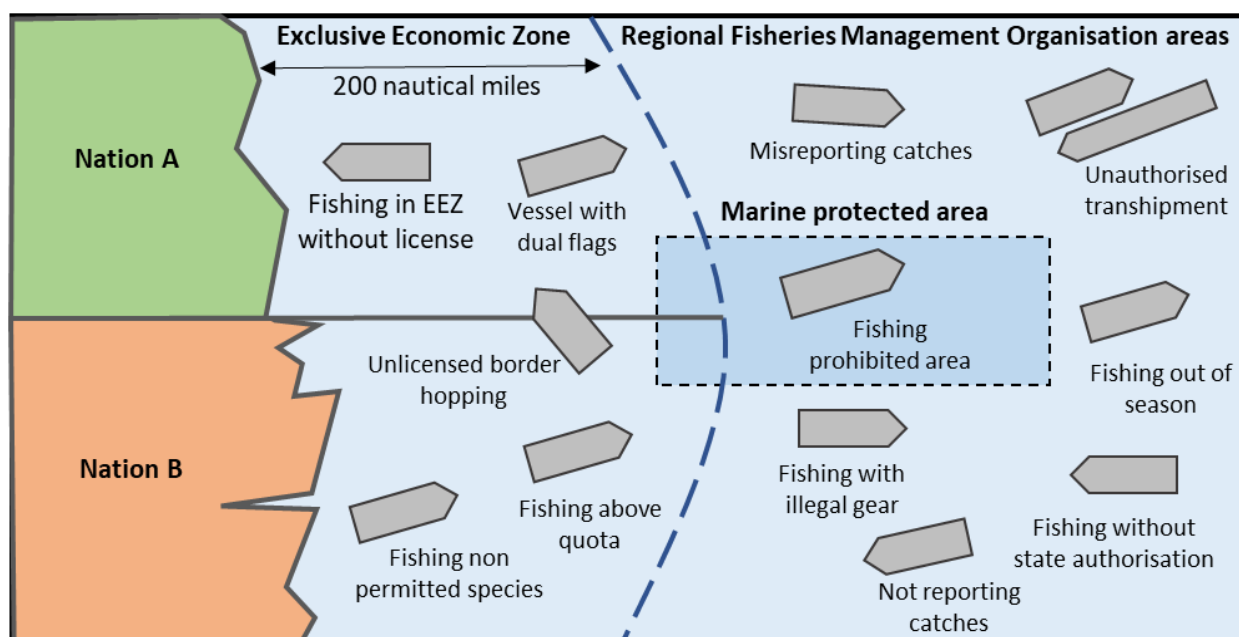
## Box 1 The complexity of the IUU fishing concept

Determining what constitutes IUU fishing is often complex, necessitating a thorough understanding of regulatory frameworks and practices that apply across different regions, countries, and fisheries. Some aspects of IUU fishing are well defined, while others are much greyer. These situations are myriad and require consideration of the circumstances and judgement calls about what classifies as IUU. For example:

- How should catches from fisheries within an international Conventions' jurisdiction but lacking catch or effort management measures be classified? When do they transition from 'unregulated' to 'regulated'?
- Should a legally acquired product imported into Australia, sourced from a vessel previously involved in illegal activities (e.g., shark finning), be deemed IUU fishing product? Similarly, if a vessel fishes in a closed area for a part of a trip, should the trip's entire catch be considered IUU fishing product?
- Is a vessel's catch deemed 'unreported' if it submits necessary catch and effort data past the deadline?
- Does a vessel's catch become 'illegal' if the vessel adheres to catch regulations and provides required data to authorities, but its markings, due to fading or flaking, fail to comply with local regulations?
- How should catches be classified if they're harvested in zones under territorial dispute? Can they be deemed 'unregulated' or 'unreported' when the sovereignty itself is a matter of debate?
- How should illegal actions, not directly related to the fishing operation itself, such as human labour rights abuses, vessel safety/compliance violations, or involvement in organised crime be classified?

Stakeholders also noted the importance of differentiating between the varying levels of severity within practices considered IUU fishing. At one end of the spectrum are major infractions such as distant water industrial fishing operations knowingly violating regulations. At the other end, there are subsistence artisanal fishers operating in under-managed areas. Addressing these issues often requires a nuanced perspective. In some instances, punitive international action may be necessary, while in others, capacity building support becomes essential.

**Figure 1 Common types of IUU fishing**



Source: Adapted from NOAA 2021

The department considered all pertinent fish-related tariff categories (appendix A), ensuring consistency with prior assessments of Australia's seafood imports conducted by ABARES and FRDC (ABARES 2021, FRDC 2023). Although the term 'seafood' is used throughout this report, the reference includes consumable and non-consumable fish products and considers wild-caught and aquaculture imports. However, some finished pet food products are not considered due to unavailability of data regarding fish content.

Some stakeholders proposed expanding the scope of this review to address broader sustainability considerations and labour rights issues. While we recognise the importance of these issues and their intersection with IUU fishing, this report aligns with the government's election commitment to consider measures to prevent IUU seafood imports. Nonetheless, efforts to combat IUU seafood imports may indirectly contribute to addressing these related issues.

Finally, while interrelated, notably in relation to seafood traceability, this review focuses on market-based measures to prevent the entry of IUU-derived products into Australia, it does not directly consider issues regarding seafood labelling. The Department of Industry, Science and Resources is responsible for food labelling regulations and is working to extend the application of Country-of-Origin Labelling to the food services sector (DISR 2023).



## 2 Assessing the problem

IUU fishing is a global problem and is a key contributor to global overfishing. It undermines sustainable fisheries management and threatens the food and income security of coastal communities around the world. The interrelated set of environmental, economic, and social impacts associated with IUU fishing are presented in Box 2.

### Box 2 Environmental, economic and social costs of IUU fishing

#### Environmental costs of IUU fishing

- Undermines sustainable management of fish stocks – IUU fishing hampers the accuracy of fisheries data and assessments, fundamental for determining whether fish stocks are being sustainably managed.
- Depletion of fish stocks – IUU fishing can result in a higher fish mortality rate, depleting fish stocks, and reduced rates of stock growth and long-term economic yields.
- Ecological impacts – by over-harvesting a specific stock, IUU fishing can have ripple effects on the prey, predators, and competitors of that stock and their ecosystem. The methods and equipment used in IUU fishing can also result in habitat destruction and excessive bycatch.

#### Economic costs of IUU fishing

- Reduced profits – IUU fishing has economic impacts for fishers and consumers. In the short-term, it can result in more abundant and affordable supply of fish for consumers. However, the medium-long-term impacts include fewer and lower quality fish, higher costs of fishing, and higher prices for consumers.
- Market distortion – legitimate fishers are put at a disadvantage by competing with the unfair practices of IUU fishers, resulting in loss of market share for legal operators and trade distortions caused by the different cost structures of IUU fishing operators.
- Tourism impacts – IUU fishing can contribute to imbalances in ecological systems, with negative impacts on coastal area tourism.
- Reduced access to fisheries markets – IUU fishing can undermine the ability of fishery managers to ensure sustainable management of stocks, making the product less attractive to corporate buyers.

#### Social costs of IUU fishing

- Reduced employment – IUU fishing can have negative impacts on employment in the medium and long term, particularly in communities heavily dependent on fishing.
- Community impacts – fishing communities can suffer from IUU fishing through unfair competition. This can lead to more community fishers engaging in IUU fishing to compete for resources. As a result, these fishers suffer from an increased risk of detection and punishment, further risking their economic security.
- Labour rights abuses – fishing vessels engaged in IUU fishing have been linked to labour abuses including exploitation, forced labour, human trafficking, and modern slavery.
- Food security – IUU fishing can threaten the long-term availability of affordable and nutritious seafood. This can have significant food security implications, especially for small-scale fishers and individuals in developing countries who rely on fisheries for protein and livelihoods.

Source: Agnew et al. 2009; Cabral et al. 2018; Tinch et al. 2008; Widjaja et al. 2020

Data limitations and dynamic variation in IUU fishing across regions complicates efforts to quantify the global cost of IUU fishing. Previous research estimates the total value of IUU fishing losses worldwide is between US\$10 to US\$23.5 billion annually, representing between 11 and 26 million tonnes or approximately 20% of all global fish catch (Agnew et al. 2009). More recent studies found the loss in annual economic impact due to the diversion of fish from the legitimate trade system is between US\$25.5 to US\$49.5 billion, while losses to countries' tax revenues are between US\$2.2 and US\$4.3 billion (Sumaila et al. 2020).

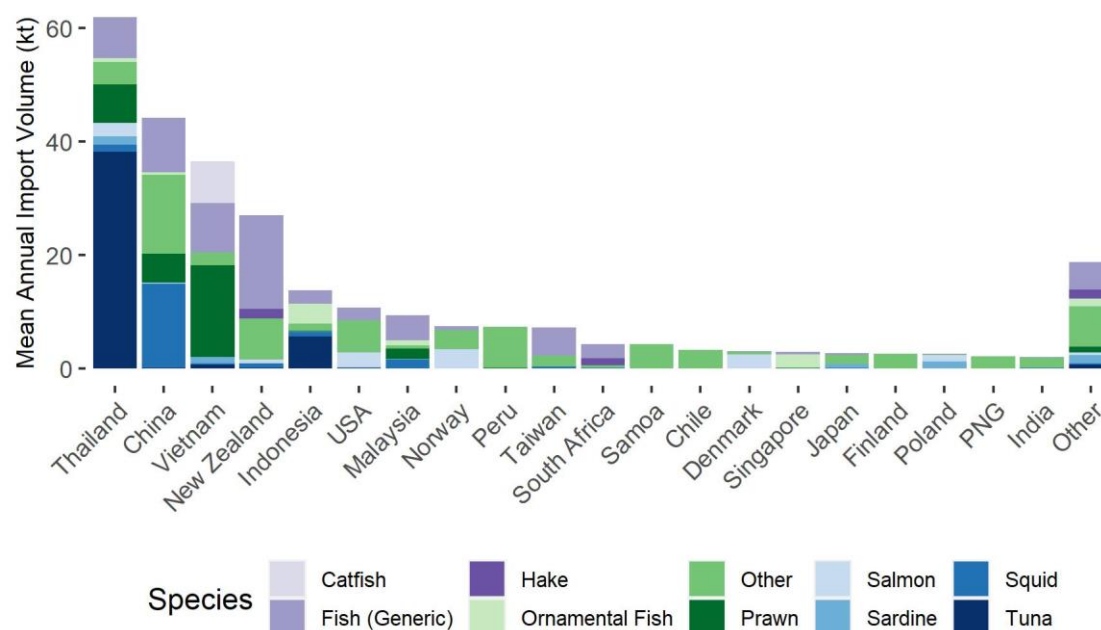
Although the high global costs of IUU fishing are widely acknowledged, the extent to which Australia's seafood imports contribute to IUU fishing is not well understood. Australia has robust legal and regulatory systems that hold its fishers to account, deter illegal fishing within Australian waters and prevent IUU fishing operators from landing catch at Australian ports. Despite this, concerns exist within the Australian community that imported seafood may stem from IUU fishing practices, which could inadvertently contribute to the problem.

## Snapshot of Australia's seafood imports

Australia imports a significant amount of seafood to meet the gap between domestic consumption and supply and to cater to consumer preferences for a diverse range of seafood products (FRDC 2021). Approximately 65% of seafood consumed in Australia (by weight) is imported. These imports mainly consist of lower-value products such as canned or frozen finfish, but also include higher-value products like prawns and salmonids (ABARES 2022).

From 2018 to 2022, Australia imported seafood from 133 countries, with an average annual import volume of 273,846 metric tonnes (mT) and an average value of \$2.22 billion per year.

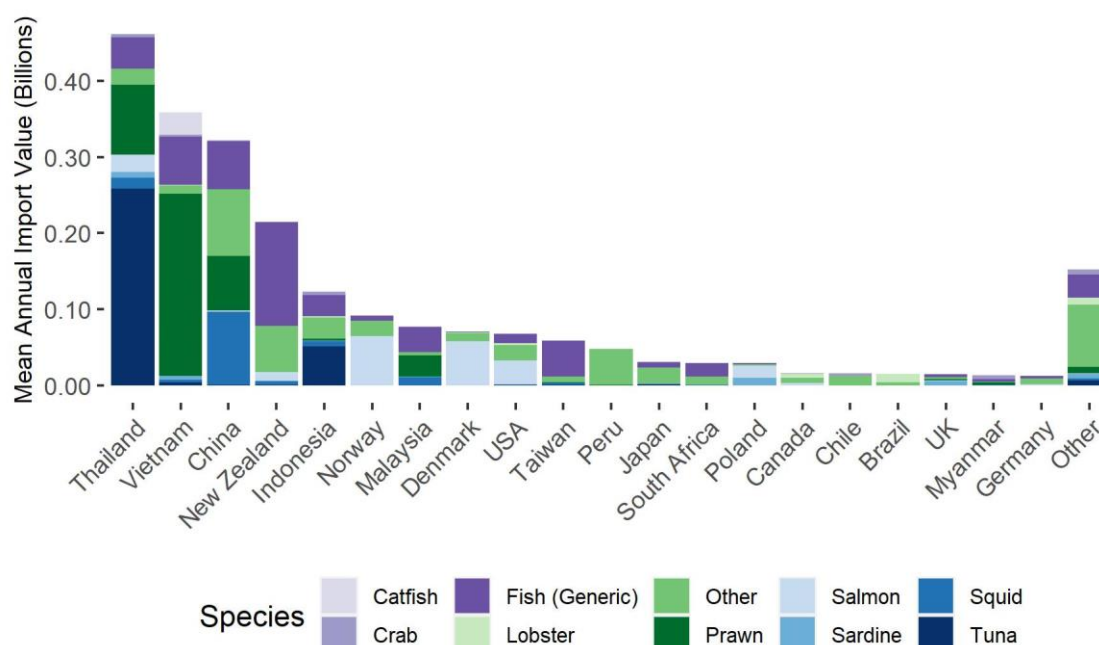
**Figure 2 Volume of seafood imports, by country and product type, Australia, 2018 to 2022**



Note: Fish (generic) captures several product types, and fish species are not easily identifiable. Squid includes cuttlefish.  
Source: ABS 2023

By volume, the top 10 exporting countries accounted for 82.3% of total seafood imports to Australia, with 5 main product types accounting for 63.9% of all edible and non-edible seafood imports. Fish (generic) was the predominant product category, accounting for 23.8% of the total by volume. This was followed by tuna at 17%, prawn at 11% and squid at 7%.

**Figure 3 Value of seafood imports, by country and product type, Australia, 2018 to 2022**



Note: Fish (generic) captures several product types, and fish species are not easily identifiable. Squid includes cuttlefish.  
Source: ABS 2023

Examining the value of imports reveals a different set of results. The top 10 countries accounted for 83.1% of total seafood imports, with 5 main product types accounting for 73.2% of all seafood imports. Fish (generic) was the largest category, accounting for 22.4% of the total imports by value, followed by prawn at 20%, tuna at 15% and salmon at 10%.

Australia's seafood imports are dynamic and diverse, and involve a range of small-scale to large entities. In 2021, the seafood import market consisted of about 1,260 importers who collectively procured over 85,000 consignments from a network of more than 2,700 global suppliers and facilitated by approximately 265 customs brokers. Although the import market showed a degree of concentration, with the top 10 importers accounting for nearly half of the total import value, there were about 600 smaller-scale importers, each with an import value of less than \$100,000.

Imported seafood enters Australia via air and sea routes, utilising over 40 entry ports. Most seafood arrives via seaports (85%) on container vessels. The remaining 15%, primarily high-value or fresh products, enters via air. While multiple ports facilitate seafood importation, the bulk is managed by 3 main ports. In 2021, Sydney port received 44% of all seafood imports, followed by Melbourne and Brisbane ports with 29% and 14% respectively. To be granted border clearance, imports are screened for biosecurity and food safety purposes ([Appendix A](#)). Once an imported food product has received border clearance, all domestic food regulations apply.

While offering a broad perspective of Australia's seafood imports, it's important to note this analysis is subject to some data limitations, including:

- For numerous product types, species or genus specific information remains undocumented in Australia's trade datasets. For instance, the 'fish (generic)' category encompasses vague products like 'frozen fish fillet other', often without any additional descriptors to identify the species being imported or other taxonomic information.
- There is no formal requirement for importers or brokers to use species-specific Harmonized Tariff Item Statistical Code (HTISC) codes, resulting in misclassifications. For example, the department's analysis of the 'commodity description' free text field in Australia's customs data revealed multiple instances where seafood products were categorised under generic categories rather than more appropriate species-specific codes.
- There are no indicators to distinguish between wild-caught and aquaculture seafood. While production methods are documented for a subset of products – mainly those posing biosecurity or food safety risks – this information is often confined to scanned transactional documents, limiting its utility for broader analysis.
- The declared country of origin is often not the country (or region) from which seafood products were originally harvested. Rather, exporting countries often denote the last link in the supply chain where value-add occurred (e.g. processing or packaging of product).

## **Initial review of IUU fishing risk in Australia's seafood imports**

To assist the department's assessment of IUU fishing risk in Australia's seafood imports, MRAG Asia Pacific was engaged to undertake an initial review. Broadly, the aim was to

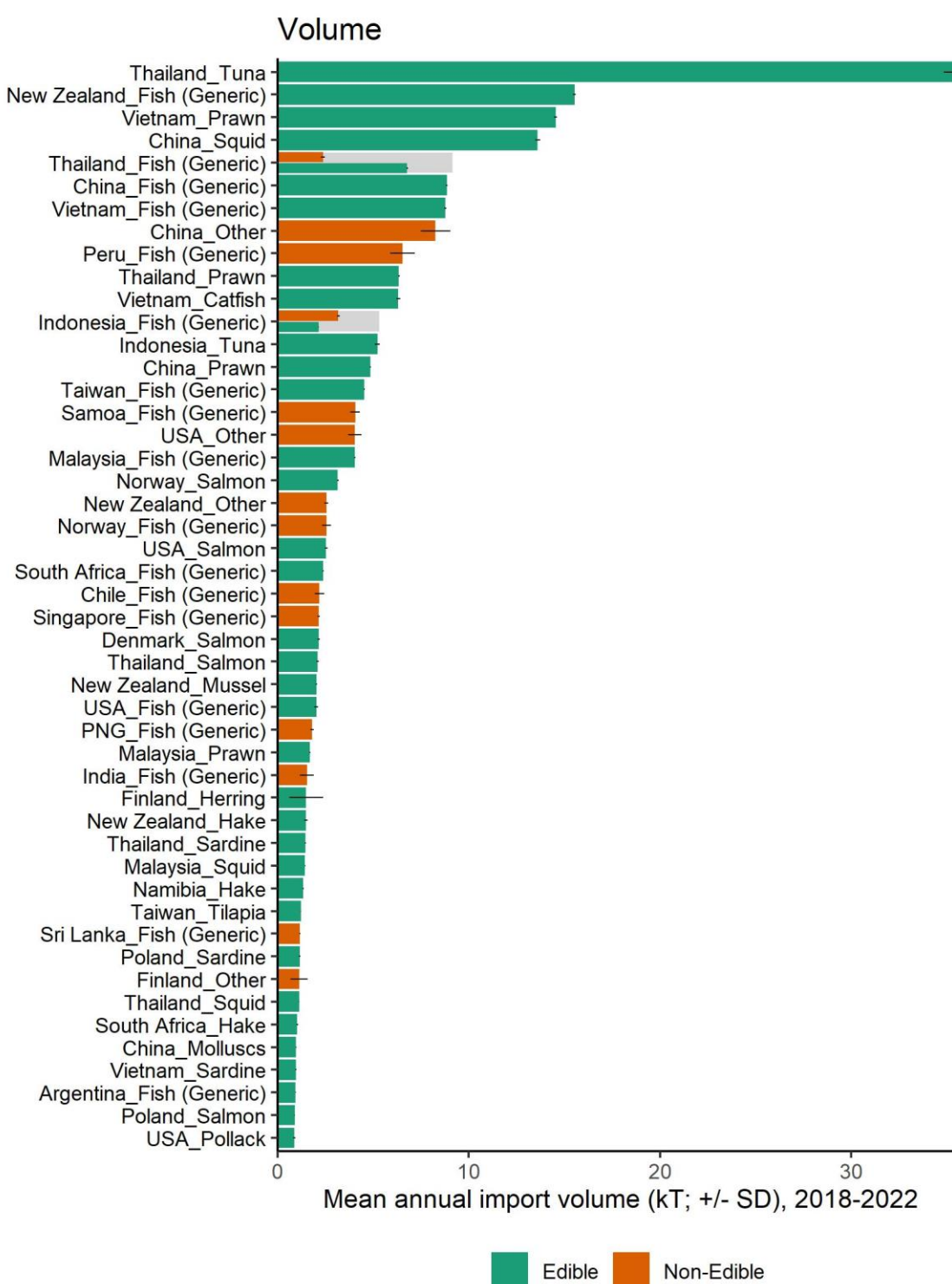
- examine the source fisheries and aquaculture facilities from which Australia's seafood imports are harvested,
- provide qualitative reasons why certain supply chains may be more at risk of IUU fishing,
- examine the relative risk of IUU fishing and subsequent importation into Australia across the main wild catch source fisheries/regions,
- consider data and methodological challenges and how issues can be addressed.

Preliminary findings are detailed below. MRAG's final report will be released to support the department's final report for consideration by the Minister.

### **Identifying source fisheries and farms of imported product**

An essential first step in evaluating the risk of IUU-derived product entering Australia is to identify the source fisheries and aquaculture facilities from which our imports are harvested. Australian Bureau of Statistics (ABS) data based on importer customs declarations was used to identify the top 50 import country by commodity combinations by volume for the most recent complete 5-year period (2018 to 2022). These combinations accounted for 86.1% of total imports (Figure 4).

**Figure 4 Top 50 seafood imports, by country and product, Australia, 2018 to 2022**



Note: Fish (generic) captures several product types, and fish species are not easily identifiable. Squid includes cuttlefish. Error bars indicate  $\pm 1$  standard deviation (SD) from the mean.

Source: ABS 2022

For each of these combinations, a mix of public and non-public data were used to identify the likely production method and, for wild catch fisheries, the source fisheries. Public data sets used included official fisheries production and trade data, peer reviewed journals, Marine Stewardship Council

(MSC) and Aquaculture Stewardship Council (ASC) assessments, grey-literature reports, and news articles. Non-public sources included industry datasets and trade data detailing the declared country of origin and country of loading. Despite ground-truthing assumptions to the extent possible within the given timeframe, substantial uncertainties remain for many categories.

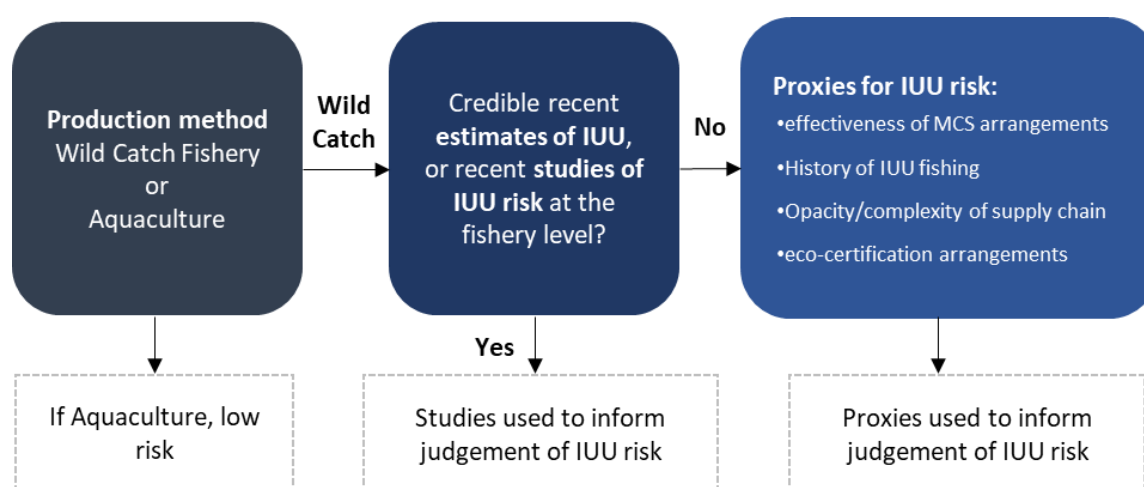
In this initial review, finished pet food, cosmetics and health supplements were not examined given the difficulty in determining the marginal contribution of seafood inputs to overall import volume, as well as likely sources of raw materials.

## Process for assessing IUU fishing risk

In assessing IUU fishing risk, a focus was placed on examining the risk of illegal and unreported fishing, as well as unregulated fishing conducted in a manner inconsistent with a relevant regional fisheries management organisation (RFMO), or in high seas areas where no RFMO exists. Less focus was placed on unregulated fishing conducted within a state's domestic waters in a manner inconsistent with state responsibilities under international law, given the challenges in defining this aspect.

For each likely source fishery of the top 50 country/commodity import combinations, available information on production method, IUU fishing assessments and proxies for IUU fishing risk were collated. This informed the generation of an overall qualitative judgement of IUU fishing risk. The process to assess risk is presented in Figure 5.

**Figure 5 Process for assessing IUU risk for identified source fisheries.**



The first step was to determine if the product was derived from a wild catch fishery or aquaculture facility. Aquaculture products were considered a low risk for IUU fishing. However, it was acknowledged IUU fishing risk may be present in aquaculture inputs, like feed or broodstock harvesting.

The next step was to examine if recent, credible studies estimating IUU fishing or examining IUU fishing risk were available for wild catch source fisheries. If so, these were used as a primary information source to inform the overall level of risk. Where no recent, relevant studies existed, other available information on factors influencing IUU fishing risk were used to inform a qualitative assessment of likely risk. Key factors considered include:

- **effectiveness of MCS arrangements** – for wild catch fisheries, the effectiveness of MCS is a key factor influencing overall IUU fishing risk
- **history of IUU fishing** – although largely a function of MCS effectiveness, a demonstrated history of IUU fishing occurring in the fishery (in the absence of corrective measures) signals higher risk of IUU fishing
- **opacity of the supply chain/product traceability** – while opaque and complex supply chains don't necessarily equate to IUU fishing, a lack of transparency creates opportunities for illegal products to be mixed with, or substituted for, legal products
- **credible eco-certification arrangements** — fisheries that have been independently certified against a credible, third-party certification scheme (such as schemes recognised by the Global Sustainable Seafood Initiative), and then traverse a certified chain of custody, are lower risk for IUU fishing.

Governance arrangements were given a lower weighting in this process as they are not always seen as a robust proxy for IUU fishing risk. For example, Pacific Island Parties to the Nauru Agreement (PNA) receive relatively low scores on several World Bank Governance Indicators, however they have implemented strong and cost-effective MCS arrangements in their purse seine fisheries.

Several other factors are linked to IUU fishing risk, for example if the product is transhipped at sea or caught by vessels using 'flags of convenience'. However, the extent to which these contribute to IUU fishing risk can be captured through a detailed assessment of MCS effectiveness in the source fishery.

## Initial results

The initial assessment found that 30 of the top 50 country/commodity import combinations were 'lower risk', while 11 were marked as 'higher risk'. Nine combinations were not rated due to insufficient information.

It is important to note that categorising combinations as 'higher risk' does not necessarily mean products were sourced using IUU fishing practices. Rather, that based on existing evidence, they present a higher risk profile compared to other combinations.

Combinations rated 'lower risk' were generally sourced from well-managed fisheries with good evidence of effective MCS systems, short and transparent supply chains, and were often MSC-certified. For example, much of Australia's canned tuna imported from Thailand can be traced to the waters of Pacific Island members of the PNA. The free school sector of the purse seine fishery in these waters is MSC certified, and there are strong MCS measures in place.

Among the main commodities, much of the wild-caught whitefish imported into Australia (e.g. New Zealand hoki/hake/southern blue whiting, Alaskan pollock, Russian pollock, South African hake, Namibian hake) was found to originate from MSC-certified fisheries and therefore rated 'lower risk'.

Combinations rated 'higher risk' were those for which the likely source fisheries had:

- a demonstrated history of IUU fishing or otherwise well-characterised IUU fishing risk
- weak MCS systems or a lack of recent information on MCS effectiveness, and/or
- passed through complex/opaque supply chains.



Higher risk sources were linked to weaker MCS arrangements and limited enforcement capacity. Among the main commodity types, squid (particularly those fished in high seas areas), 'Fish Generic' products and highly processed products, such as surimi, were most frequently rated 'higher risk'.

Overall, MRAG concluded it is infeasible to accurately estimate the volume and value of IUU fishing-derived seafood in Australia's supply chain using current information. More information is required on imported species and source fisheries, however, having a precise estimate should not be a pre-requisite for further action.

## Stakeholder views on IUU fishing risk

In response to the department's discussion paper, stakeholders provided views on IUU fishing risks in Australia's seafood imports (Box 3).

### Box 3 Stakeholder views on IUU fishing risk

Stakeholders held differing views on the relative risk of IUU fishing product in Australia's imports.

- The Australian Marine Conservation Society (AMCS) and TRAFFIC note that while it is difficult to undertake quantitative risk assessments using public data, Australia is importing high-risk species from high-risk countries. Particular concerns were raised regarding tuna, squid, sharks, and prawns.
- The Food and Beverage Importers Association (FBIA) note key imported seafood product lines are from low-risk IUU fishing categories, such as farmed product or product that comes with eco-certifications. Where this is not the case, FBIA members apply a series of tools to minimise the risk that any IUU fishing products enters their supply chains.
- The Marine Stewardship Council (MSC) note there is a high level of industry self-regulation, particularly among major Australian supermarkets. They drew attention to IUU risk related to tropical surimi products.
- The Minderoo Foundation note Australia faces considerable risk, particularly due to inadequate policies to deter IUU fishing products and the widespread IUU fishing practices among some of Australia's key trade partners. Analysing risks associated with high volume species they note tuna, prawns, squid, and generic categories all carry significant risk.
- The University of Queensland note more than half of Australia's seafood imports are from countries with less effective fisheries management scores. They identified Australia imports at least eleven globally threatened species, but specific trade flows with elevated IUU fishing risk were not identified.

Several stakeholders extended their assessment of risk to capture broader sustainability considerations and concerns regarding potential labour abuse issues. However, as noted in Section 1, these issues are not in scope for this review.

The department will work with MRAG Asia Pacific, industry, and other stakeholders to refine its analysis of IUU fishing risk for the final report.

## Summary

While there are different views regarding the overall level of IUU fishing risk in Australian seafood imports, there was broad agreement that risks are present and data limitations prevent an accurate estimation of overall IUU fishing inflows.

The main impediment to accurately assessing IUU fishing risk is the lack of detailed information allowing the identification of source fisheries, aquaculture facilities, and supply chains. To assess IUU



fishing risk, more information is required on the source fishery and each link in the supply chain between the harvester and the first point of landing in Australia. Information on source fisheries is required to assess the effectiveness of the MCS system, while information on supply chains is required to assess the risk of mixing or substitution of legal and IUU fishing product.

Some importers and industry participants collect this information and take preventative action (Section 3), however there is limited information to verify that appropriate data collection processes and IUU fishing risk mitigations are being broadly and consistently applied across all industry actors.

In considering mechanisms to address IUU fishing imports, including through improved data collection, it is important to consider the costs and benefits of potential new regulations and its transitional and distributional impacts. These factors are considered in Section 6 and Section 7.

### 3 Actions to address IUU fishing

IUU fishing is a complex, multidimensional issue that spans international borders. Successfully combating the problem requires collective and sustained action at domestic, bilateral, regional and multilateral levels.

Efforts to combat IUU fishing can be classified into 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 (Box 4).

#### Box 4 Approaches to combating IUU fishing

##### Flag states

International law requires all states to exert jurisdiction and control over vessels flying their flag. The failure of flag states to fulfill this responsibility is a major contributor to the problem of IUU fishing. The responsibilities of flag states include implementing a system of registration for ships flying their flag, maintaining a national record of their vessels, and implementing an authorisation system for vessels to fish. They must also ensure that vessels operating under their flag are properly controlled.

##### Coastal states

When a fishing vessel enters the waters of a coastal state, the primary responsibility for controlling its activities shifts from the flag state to the coastal state. To govern fisheries in their waters, coastal states establish monitoring, control, and surveillance systems. These systems involve various measures such as tracking vessels' movements and monitoring their activities, aerial or at-sea surveillance, and deploying observers on fishing vessels. Additionally, coastal states may undertake physical inspections of catch, gear and documentation.

##### Port states

Port states can prevent the entry of IUU-caught fish into the market by enforcing port state measures. These measures are a set of requirements that foreign vessels must comply with to access ports within the port state. They include prior notification of port entry, use of designated ports, restrictions on landing or transshipment of fish, supply and service restrictions, documentation requirements, and port inspections.

##### Market states

IUU fishing products often enter international trade, allowing market states to combat the issue through trade-related measures. Two such measures are catch documentation schemes (CDS) and trade sanctions, which can be applied by a single country or multilaterally by regional fisheries bodies.

Source: EPRS 2022a; FAO 2001

### Australia's response

Australia employs a multifaceted approach to combat IUU fishing, including direct domestic action and bilateral, regional, and global cooperation. We have strong legal and regulatory systems to deter illegal fishing within Australian waters and prevent IUU fishing operators from landing catch at

Australian ports. We also take an active and collaborative role in regional and international forums and work to strengthen the capacity of neighbouring countries to combat IUU fishing.

### **Domestic action**

By global standards, Australian fisheries are well-managed. Our fisheries legislative and regulatory regime is comprehensive and includes mandates and powers to deal with IUU fishing. Key elements of Australia's fisheries management arrangements that aim to prevent IUU fishing include:

- the requirement for all fishing operations to be authorised by the appropriate jurisdictional fishing authority
- robust MCS arrangements, which includes catch reporting, electronic monitoring, observer programs and vessel monitoring systems
- comprehensive IUU fishing enforcement operations on land, air, and water
- restrictions on foreign-flagged fishing vessels in Australian waters and landing at our ports
- independent auditing to ensure domestic fisheries meet management objectives
- regulation of fish sales to the point of first purchase and first receivers/fish processors.

For further information, see [Australia's Second National Plan of Action to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing](#) and [Australia's National Compliance Strategy 2022-26](#).

### **Bilateral action**

Australia cooperates bilaterally on fisheries-related issues, including combating IUU fishing. For example, we have a memorandum of understanding with Vietnam to combat IUU fishing. We have several annual agriculture and fisheries-specific bilateral meetings that include discussion on IUU fishing for example the Indonesia–Australia Fisheries Surveillance Forum.

### **Regional action**

Regional fisheries bodies, including RFMOs and regional fisheries management arrangements (RFMAs), are key actors in promoting sustainable fisheries and combating IUU fishing. They offer a platform for collaboration on the conservation, management and development of fisheries (FAO 2023b). They typically have the authority to establish catch and fishing effort limits, as well as control obligations, technical measures, trade sanctions, and other enforcement measures to combat IUU fishing (DG MARE 2023b). Additionally, they have increasingly adopted and enforced conservation and management measures that combat IUU fishing, such as port state measures, CDS, IUU fishing vessel lists and compliance monitoring (EU IUU Coalition 2019; FAO 2023b). For Australia's participation in regional fisheries forums refer Box 5.

### **Box 5 Australia's role in regional forums that combat IUU fishing**

Australia participates in a range of fora that establish regional, and subregional management arrangements for migratory, straddling, pelagic and demersal fish stocks. These include the Convention on the Conservation of Southern Bluefin Tuna (CCSBT), the Agreement for the Establishment of the Indian Ocean Tuna Commission (IOTC), the Convention for the Conservation of Antarctic Marine Living Resources (CCAMLR), the Convention on the Conservation and Management of Highly Migratory Fish Stocks in the Western and Central Pacific, the South Pacific Regional Fisheries Management Organisation and Southern Indian Ocean Fisheries Agreement. Many of these focus on IUU fishing as a major threat to the effective management and conservation of regional fish stocks and seek to identify IUU fishing vessels operating within their respective areas of competence in order to combat these operations. As a member of CCAMLR and CCSBT, Australia participates in the CDS applying to Patagonian toothfish and southern bluefin tuna.

In 2007, Australia and Indonesia were instrumental in establishing The Regional Plan of Action to Promote Responsible Fishing Practices Including Combating Illegal, Unreported and Unregulated Fishing (RPOA-IUU). The RPOA-IUU consists of 11 members (8 ASEAN member states, Timor-Leste, Papua New Guinea and Australia). Its objective is to enhance and strengthen the overall level of fisheries management in the region and promote adoption of responsible fishing practices. The Coordination Committee meets annually to renew the strategic directions and priorities for fulfilling RPOA-IUU objectives. The RPOA-IUU has been recognised as a best-practice model for regional cooperation in combating IUU fishing.

Australia advocates for strengthened fisheries management and conservation arrangements, the development and adoption of new measures to combat IUU fishing and urges countries to fully implement key international instruments aimed at combating IUU fishing.

### **Global action**

Significant effort has been made to develop an international framework that promotes responsible fisheries management (Box 6). Australia is a party to virtually all binding global instruments, agreements, and guidelines to prevent IUU fishing. Australia engages with a range of relevant multilateral forums, including the UN, FAO, Organisation for Economic Co-operation and Development, Asia-Pacific Economic Cooperation (APEC) and the World Trade Organisation (WTO). Further, Australia complies with requirements applying to trade in aquatic species outlined in the Convention on International Trade in Endangered Species of Wild Fauna and Flora ([Appendix A](#)).

## Box 6 Global instruments, agreements and guidelines that combat IUU fishing

Several global instruments, agreements and guidelines have been developed to combat IUU fishing.

- **United Nations Convention on the Law of the Sea (UNCLOS) (1982)** – defines the rights and duties of states with respect to their use of ocean space and resources. It designates areas of national jurisdiction, in which it gives coastal states responsibility over natural resources. For the flag states whose vessels fish beyond these areas, it introduces the obligation to effectively exercise jurisdiction and control over them and to cooperate with other states.
- **United Nations Food and Agriculture Organisation (FAO) Compliance Agreement (1993)** – promotes compliance with conservation and management measures on the high seas. It strengthens the responsibility of the flag states, which must maintain a system of authorisation for their high seas vessels and ensure that they do not undermine conservation and management measures. It also aims to prevent fishing vessels reflagging under flags of non-compliance.
- **United Nations Fish Stocks Agreement (1995)** – an implementing agreement under UNCLOS, addresses the management of highly migratory stocks travelling across coastal state waters and high seas, and of stocks straddling the 2 areas. It defines the duties of flag states, including those related to registration and record of vessels, control, compliance and enforcement, as well as cooperation in the framework of RFMOs, along with port state measures.
- **FAO Code of Conduct for Responsible Fisheries (1995)** – contains a series of voluntary guidelines providing principles and standards applicable to the management of all fisheries. It includes provisions on the duties of all states and promotes responsible trade of fishery products.
- **FAO's International Plan of Action To Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing (IPOA-IUU) (2001)** – was the first global instrument tailored to combat IUU fishing. The plan assigns responsibilities to different states, including flag states, coastal states, port states and market states, with specific measures to be taken. The plan also encourages states to cooperate regionally, to harmonise policies and activities and to support RFMO measures.
- **FAO Agreement on Port State Measures (2016)** – is an international legally binding agreement that aims to prevent IUU fishing vessels from using ports and landing their catches, and thus to block products derived from IUU fishing from reaching national and international markets. The agreement also determines the role of flag states in the implementation of port state measures.
- **WTO Fishing Subsidies Agreement (2022)** – prohibits countries from subsidising vessels engaged in IUU fishing, fishing overfished stocks, or fishing on the unregulated high seas.

Other supplements to this global framework include the FAO Voluntary Guidelines for Flag State Performance (2014), Guidelines for CDS (2017) and the Global Record of Fishing, Refrigerated Transport and Supply Vessels.

Source: EPRS 2022a; FAO 2023a; WTO 2022.

## Industry action

It is important to acknowledge 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 MSC, 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 have competitive market incentives to mitigate the risk of selling products associated with IUU

fishing and have a history of collaboration with non-government organisations (NGOs) and fisheries management authorities to conduct their own risk assessments (WWF 2023b).

In response to the department's discussion paper, the FBIA explained these types of mitigations are undertaken by all responsible seafood importers, not just major retail chains. FBIA noted industry action on this issue, which often intersects with efforts to combat modern slavery, involves the application of an array of tools and approaches. This includes risk assessments, audits, product certifications, as well as signed product specifications and supplier attestations that specify products are not linked to IUU fishing practices or involve labour abuses.

Concerning wider industry initiatives, the Global Dialogue on Seafood Traceability (GDST), initiated in 2017, has set global standards for seafood traceability. Built using GS1 traceability principles, the GDST standards were developed through a consensus-based drafting process involving over 60 companies and associations from around the globe. These standards, first published in 2020, aim to promote interoperability among different seafood traceability systems, specify key data elements for all seafood products, and enhance the verifiability of information in these systems. While GDST's purview is wide-ranging, its core objective is to combat IUU fishing and promote the responsible and ethical sourcing of seafood. However, despite the robust guiding principles, industry adoption of these standards is limited. More information on the GDST is provided in [Appendix A](#).

## Further action

Australia adheres to several multilateral traceability schemes or agreements applying to trade in aquatic species – including RFMO CDS and trade in species listed under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (Section 4, [Appendix A](#)). However, we do not have a unilateral import control scheme aimed at preventing IUU fishing product from entering the country. The European Union (EU), United States (US) and Japan are major seafood importers implementing such schemes.

Australia's limited use of market-based measures and reliance on legislation focused on food safety and biosecurity to regulate the entry of seafood into the country ([Appendix A](#)) has led to concerns we are susceptible to importing IUU fishing-derived product (OECD 2021).

The government's response has been to consider whether Australia should strengthen its use of market-based measures to prevent the importation of IUU fishing derived seafood.

## 4 Market-based approaches

Key market-based approaches to combat IUU fishing fall into 2 categories:

- Catch documentation schemes (CDS)
- Trade restrictive enforcement measures (TREMs)

### Catch documentation schemes

In this review, we have applied a broad definition of CDS to include any system or process that aims to ensure traceability of seafood products through the supply chain. This definition encompasses not only traditional CDS (those requiring catch and trade certificates for product exchange) but also traceability programs and other mechanisms that disclose information about how seafood is caught and moved through the supply chain. These systems are similar in their objective to prohibit the entry of illicit products into the market. Key data elements (KDEs) that a CDS may encompass are identified in Table 1.

CDS can be unilateral (adopted by individual market states) or multilateral (such as those implemented by RFMOs). The EU, US, Japan and South Korea have each implemented their own unilateral CDS (Box 7). These are 4 of the world's largest seafood importers, possessing significant market power. Three regional fisheries bodies operate multilateral CDS – CCAMLR, CCSBT, and the International Commission for the Conservation of Atlantic Tunas (ICCAT). Several other regional fisheries bodies are in various stages of planning and/or implementing CDS (Ma 2020). Among them is the voluntary ASEAN CDS, developed by Southeast Asian Fisheries Development Center (SEAFDEC).

### Comparative analysis of multilateral and unilateral CDS

There are important differences between unilateral and multilateral CDS (Table A3). Multilateral schemes offer comprehensive protection to specific fish stocks; are based on RFMO rules which have standing in international law; apply to all fishers, traders, and processors dealing with products from a specific fishery; and are typically backed by strong enforcement mechanisms that cover domestic and international trade. In contrast, unilateral schemes seek to regulate what may enter an end market, not how or what comes out of a fishery. They are established under national law and compliance is established by looking backwards into the supply chain (Hosch 2016). Due to the increased effectiveness of CDS when states collaborate, the FAO (2017) advises multilateral schemes are preferred.

## Box 7 Unilateral Import Control Schemes in key market states

### European Union

The EU is the world's largest seafood importer, importing US\$56.5 billion of seafood in 2020. The EU introduced a Catch Certification Scheme (CCS) in 2012 to prevent IUU fishing product from entering its market. All marine wild caught fish exported to the EU must be accompanied by catch certification. Fishing vessel operators from exporting countries must provide importers with documentation that demonstrates products were caught in compliance with national fishing laws. These certificates are required to be validated by authorities in the country to which the vessel is registered or flagged. The certificates also document other steps in the supply chain, including processing of product. EU importers must ensure that fish and seafood products are accompanied by catch certificates and have been legally caught according to a risk-based approach. The system is paper based; however, plans are underway to move to electronic record keeping.

### United States

The US is the second largest seafood importer in the world, importing US\$22.4 billion of seafood in 2020. The US introduced the Seafood Import Monitoring Program (SIMP) in 2018. The SIMP is a traceability program that requires US importers to provide and report chain of custody data on 13 imported fish and fish products which are identified as vulnerable to IUU fishing or seafood fraud. Unlike the EU CCS, the US model places the onus on importers to collect and record traceability data. This data is submitted through a data portal managed by the US' National Oceanic and Atmospheric Agency (NOAA). Audits are conducted on importers to verify harvest and landing information.

### Japan

Japan is the world's fourth largest importer of fishery products by value, importing US\$13.8 billion of seafood in 2020. In December 2022, Japan introduced a CDS applying to 4 species (squid and cuttlefish, pacific saury, mackerel and sardine). The CDS is based on the EU CCS and requires that imports of these species are accompanied by a catch certificate issued by the competent authority of the flag state.

### South Korea

South Korea is the 5<sup>th</sup> largest importer of fisheries products by value, importing US\$5.4 billion of seafood in 2020. South Korea implemented a CDS in 2017 which applies to 3 fish species: bobo croaker, longneck croaker and Pacific saury. Like the EU model, import consignments for these species requires a catch certificate that is validated by public authorities of the flag state. The catch certificate requires a reduced set of KDEs compared to the schemes implemented by the EU, US and Japan. South Korea also manages a seafood traceability system; however, its core objective is centred around addressing food safety issues, necessitating only a narrow selection of key data elements, which limits its effectiveness as a tool to combat IUU inflows.

Source: DG MARE 2023a; European Commission 2009; JFA 2020; NOAA 2022, 2023; Statista 2021; EIJ 2023.

Evaluations of the EU and US CDS (Box 8) reveal concerns about the efficacy of unilateral CDS. Such schemes can impose significant compliance costs on industry and prove expensive to administer and enforce (FishWise 2022; Hosch & Blaha 2017). Additionally, they may disproportionately impact small-scale fishers and small island developing states, exacerbating existing challenges faced by these groups (Song et al. 2020).

The EU IUU Coalition (2020) noted:

There is a real risk of a proliferation of non-harmonised unilateral trade instruments to combat IUU fishing ... For fishers and supply chain actors that currently or may in the future seek to sell or



process catch for multiple markets, the costs of complying with different systems could be considerable.

However, while multilateral approaches are generally considered more effective than unilateral approaches, there are trade-offs. Multilateral schemes can be complex and time-consuming to negotiate, develop, and implement, which may lead to delayed action. Additionally, they generally have limited coverage of species and geographic areas compared to unilateral schemes (FAO 2022a; Hosch 2018). Further, risks that new unilateral schemes will compound compliance costs can be minimised when harmonised with existing schemes (EU IUU Coalition 2020).

### **Box 8 Evaluations reveal concerns regarding the effectiveness of unilateral CDS**

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. However, by more effectively utilising traceability data, mapping supply chains, compiling country-specific fisheries registers and applying tools such as predictive analytics, SIMP shows potential in preventing future illegal shipments.

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. More recent evaluations recognised improvements in traceability due to the EU CCS. However, its effectiveness was called into question, given that only 48 import consignments out of 580,000 received by EU member states were denied entry during the 2018–19 reporting period. Key criticisms of the EU scheme include its reliance on paper-based documentation, inconsistent enforcement across member states and lack of a centralised data repository.

In contrast, evaluations of multilateral schemes found they were effective. For example, the CCSBT and ICCAT CDS have been recognised as important factors in combating IUU fishing and supporting the recovery of bluefin tuna populations in their respective fisheries.

Source: EU Court of Auditors 2022; EPRS 2022a; Hosch 2016, 2018; NOAA 2021.

## **Trade restrictive enforcement measures**

Trade restrictive enforcement measures (TREMs), including ‘trade sanctions’ or ‘trade embargoes’, are another type of market-based measure aimed at preventing trade in IUU fishing derived seafood. Unlike CDS which seek to prohibit market access on a shipment-by-shipment basis, TREMs are intended to incentivise behaviour change at a country or operator level by imposing sanctions, import restrictions or other penalties on countries or operators that take insufficient measures to combat IUU fishing. They are typically punitive in nature (Hosch 2016).

TREMs can also be implemented unilaterally or multilaterally. For instance, several RFMOs including ICCAT have adopted resolutions that allow their members to impose TREMs on states that fail to comply with international fisheries law and CDS requirements. In contrast, the EU and US have regulatory frameworks in place to apply unilateral TREMs. These measures can be in response to non-compliance with a CDS, or they can be applied in response to other deficiencies not related to the operation of a CDS (Box 9).

## **Box 9 Trade restrictive measures implemented by the EU and US**

### **European Union**

The EU has established regulations that allow for trade bans on seafood products from countries that they determine are non-cooperative in combating IUU fishing. The regulation, known as the EU carding scheme, rates countries based on their level of cooperation in addressing IUU fishing and assigns a green, yellow, or red card. Green cards are issued to countries that comply with international rules, yellow cards to those not fully cooperating, and red cards to those failing to take sufficient measures. A yellow card prompts recommendations for improvement, while failure to comply may result in a red card and a trade ban being imposed. Up to May 2022, a total of 27 countries had at some time been issued a yellow card and 6 countries had been issued a red card.

There is evidence this carding scheme has incentivised some countries to improve their fisheries management systems and take stronger measures to prevent IUU fishing. However, the extent to which that translated into actual reductions in IUU fishing is unclear. A report by the EU parliament found the 'EU carding system has proven useful, but it often impacts countries with only minimal EU fish trade and loopholes exist'. Other criticisms of the EU scheme include lack of transparency regarding the criteria used to determine compliance, inadequate support for capacity building, and a disproportionate burden imposed on developing states.

### **United States**

The US has identified countries involved in IUU fishing since 2009 in biennial reports submitted to Congress by the Secretary of Commerce. In preparing identification decisions, the US considers 3 years of data for IUU fishing, bycatch, and shark catch on the high seas. This is followed by a 2-year consultation process and flagged countries are required to take corrective action to address identified shortcomings. A certification decision is then made based on information provided during consultations. If a negative certification is issued, it could result in US port restrictions for fishing vessels of that nation or import restrictions on certain seafood products. In the 2021 Biennial Report to Congress, NOAA identified 7 nations with vessels engaged in IUU fishing activities and announced a negative certification for Mexico because it had not taken sufficient action to address concerns raised in the 2019 Biennial Report.

US TREMs are also designed to target operators directly, rather than imposing country wide sanctions. In 2022, The US Department of the Treasury's Office of Foreign Assets Control sanctioned several individuals and companies allegedly involved in human rights abuses and IUU fishing while operating in distant waters.

Source: Coit & Spinard 2021; EPRS 2022b; European Court of Auditors 2022; Hosch 2016; USITC 2021; US Treasury 2022.

When considering whether Australia should impose unilateral trade sanctions against non-cooperating countries or operators, it is important to consider a range of issues, including Australia's international trade law obligations and its market characteristics. The relatively small scale of our seafood imports and our limited market power compared to the EU and US, for example, may limit the incentives for countries to take corrective action in response to any measure we might impose. Unilateral trade restrictive measures may lead non-cooperating countries shifting trade to other markets or may result in detrimental impacts on our broader 2-way trade relationships.

## 5 Policy options

### Objectives

There are various objectives and principles seafood import controls should strive to achieve. These objectives and principles, adapted from the *Codex Alimentarius: Food Import and Export Inspection Certification Systems*, serve as a framework for creating effective and efficient seafood import controls, and are intended to inform government decision-making regarding potential policy responses (FAO 2022b).

- Fit for purpose – effective in providing an acceptable level of protection.
- Risk-based – based on scientific assessments, with application proportionate to the level of risk.
- Non-discriminatory – avoiding arbitrary or unjustifiable distinctions.
- Efficient – mindful of costs and not unnecessarily restricting trade.
- Harmonised – promoting cooperation and adhering to internationally agreed standards.
- Equivalence – recognising functional equivalencies between different systems.
- Special requirements – acknowledging the special requirements of developing states.
- Control and inspections – limited to those necessary for establishing compliance.

### Policy options

The department's discussion paper proposed possible market-based policy options that could be implemented to strengthen Australia's import controls and help prevent the product of IUU fishing from entering the country.

- 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.
- 2) Require importers to obtain an international fisheries trade permit and gather and retain seafood traceability data to verify a products legality before entry into Australia (US system).
- 3) Implement a scheme requiring that seafood imported into Australia be accompanied by catch and trade certificates attesting to the legal origin of the products. The flag state of the catching vessel would be required to validate the catch certificate (EU system).
- 4) Introduce codes of conduct that require industry to manage compliance and enforcement, and to verify the legality of seafood products they import/sell.
- 5) Make it an offence to import IUU fishing product and require importers and processors to collect information, assess and mitigate risk, and keep records, which is similar to Australia's approach to combating the importation of illegal timber (Box A3).

- 6) Encourage the expansion of multilateral CDS systems and the establishment of an internationally coordinated CDS.
- 7) Introduce a procedure for identifying countries or operators that trade in IUU fishing product that may lead to punitive measures.

In response to the department's discussion paper, stakeholders expressed a range of views regarding the preferred policy response (Box 10).

### **Box 10 Stakeholder feedback on policy options**

#### **Status Quo and Codes of Conduct**

- The Food and Beverage Importers Association supported the government's current approach to combating IUU (option 1). They underscored the challenges faced by major importing countries in implementing unilateral market mechanisms and inferred that given Australia's minimal stake in global seafood trade, the likelihood of successfully implementing a unilateral CDS is limited, could divert trade elsewhere and damage exiting trade relationships.
- Seafood Industry Australia also preferred option 1, noting market-based measures should not be prioritised over other approaches such as providing support to overseas partners to implement international agreements or develop MCS capabilities. They noted Australia has been a strong advocate and participant of multilateral schemes and that we should give these schemes time to fully realise their potential before considering implementing new measures.
- The Western Australian Fishing Industry Council (WAFIC) asked the government to proceed cautiously to avoid a range of unintended consequences, including the potential for perverse impacts on seafood availability and prices, and diversion of IUU fishing product to jurisdictions that lacks similar restrictions.

#### **Importer due diligence**

- The Uniting Church of Australia favoured the introduction of a due diligence system (option 5), noting it could be targeted at specified seafood types to reduce the administrative burden. In support of this proposal, they noted that Australia's illegal logging laws have been effective.

#### **Unilateral CDS and traceability programs**

- The Minderoo foundation supported Australia implementing a risk-based scheme, like the US SIMP (option 2) or EU's CCS (option 4). They did not indicate a view as to whether verification of a product's legality should be required from importers or the flag state of the catching vessel, but suggested the scheme should be designed so that traceability information flows through to consumers.
- Several stakeholders called for the introduction of a unilateral CDS, similar to the EU CCS (option 3) (TRAFFIC, AMCS, Graham, Hosch et al 2023). They noted the CDS should involve the electronic transmission and verification of data at each key node in the supply chain, and the development of a central data repository or 'clearing house'. There were differing views regarding which species or products should be covered, whether the scheme should aim to achieve traceability through to the final point of sale in Australia, and the necessity of having public authorities validate catch certificates. Hosch et al (2023) – noted that a well-designed electronic CDS (eCDS) could allow for participation from other states and provide a basis for existing unilateral schemes to cooperate in a single system.

#### **Trade restrictive enforcement measures**

- There were no explicit endorsements of Australia implementing TREMS (option 7). However, the Minderoo foundation noted Australia should consider this option alongside capacity building initiatives.

## Evaluating welfare impacts

In assessing the case for additional market measures, it is important to consider a range of economic, social, and environmental factors, and to examine the potential transitional and distributional impacts of any potential policy change. Relevant cost/benefit considerations include:

- effectiveness of policy in reducing IUU fishing and associated environmental benefits
- impact on livelihoods, including fishers and those dependent on seafood for their income and wellbeing
- impact on Australian commercial fishers from promoting fair competition
- compliance costs imposed on industry and trade partners
- costs required to administer and enforce policy and assist countries to meet our import standards
- potential impacts on seafood trade flows, seafood prices, and consumption
- associated trade risks, including unintended consequences such as the diversion of legitimate seafood products and impacts on our broader trade interests.

## 6 Draft findings and preferred policy proposals

IUU fishing contributes to global overfishing, undermines sustainable fisheries management and threatens the food and income security of coastal communities. Despite Australia's multifaceted approach to combating IUU fishing and position as a global leader in sustainable seafood production, the lack of specific IUU import regulations creates a risk of IUU seafood entering our market.

While a significant portion of our seafood imports can be classified as lower risk, some products originate from higher risk sources. However, determining the extent that imports can be linked to IUU fishing is complex given the nature of seafood supply chains and significant data constraints.

Regardless, there remains a high likelihood IUU seafood is entering Australia given the pervasiveness and dynamism of IUU fishing and the fact seafood imports account for around 65% of Australia's seafood consumption. Additionally, these imports have diverse origins and risk profiles and enter an Australian marketplace containing regulatory gaps. The risk is further highlighted when considering our seafood imports largely come from countries that supply the EU, US, and Japan; where analysis estimated 20-36% of wild caught imports are linked to IUU fishing (Pramod et al. 2014, 2019).

Despite some strong industry self-regulation, other industry segments have minimal oversight of their supply chains and conduct limited due diligence to assess and mitigate for IUU fishing risks.

When combined with the technical expertise required to undertake appropriate due diligence, variation in the size and sophistication of Australia's seafood importers, and inadequate incentives for self-regulation, we assess there is a case for some form of additional government action.

In assessing what this should look like, it is important to examine costs and benefits of potential policy changes and their related transitional and distributional impacts. This should consider the efficacy of existing market-based approaches already adopted, their alignment with international best practice, existing industry measures, Australia's trade law obligations and potential trade risks.

As a result of data limitations and other quantification difficulties, the department has taken a largely qualitative approach, supported with data where possible. Based on its initial assessment, the department has identified a package of three proposals for further consideration by the Australian Government:

- Amend Australia's import tariff codes and related data reporting requirements to provide additional information on imported species including whether products are sourced from aquaculture or wild source fisheries.
- Introduce a seafood traceability program applying to high-risk imports and explore options to facilitate information sharing with other importing jurisdictions.
- Support the expansion of multilateral CDS and the eventual establishment of an internationally coordinated CDS.

Subject to feedback received on this draft report, an Impact Analysis may be required to assess the most feasible options and to ensure a net benefit is realised by the Australian community.

## **Proposal 1: Review Australia's import tariff codes**

The Australian Government would review Australia's Harmonised Tariff Item Statistical Codes (HTISC) and related data reporting requirements to allow for a more comprehensive classification of Australia's seafood imports. The review would consider:

- amending HTISC digits 9 and 10 — managed by the Australian Bureau of Statistics — to provide additional information on species being imported including whether products are sourced from aquaculture facilities or wild-source fisheries
- strengthening requirements for importers and brokers to use species or genus specific HTISC codes (where applicable) as opposed to generic codes, and methods to educate stakeholders about, and enforce, these requirements
- introducing a standardised format for the 'commodity description' free text field in customs data, to provide greater specificity regarding species, production methods and other pertinent factors. This could serve as a supplement or alternative to HTISC codes adjustments.

Analysis of Australia's seafood imports (Section 3, Appendix A) shows that species or genus-specific information remains undocumented in trade datasets for numerous product types. These unspecified categories hinder efforts to assess IUU fishing risk and increase the risk of illicit products entering Australia. Further, even when species or genus-specific categories are available, importers and brokers often misallocate products to codes, compromising the legitimacy and utility of the data.

Incorporating standardised requirements to differentiate wild-sourced and aquaculture products would allow a more comprehensive understanding of IUU fishing risk and provide broader insights into seafood imports, benefiting government, industry, and consumers.

The review could evaluate wider elements, such as the suitability of existing tariff codes for biosecurity and food safety purposes. Additionally, the review could consider the implications and potential benefits of adjusting tariff codes in relation to existing seafood labelling requirements and other consumer-oriented factors.

The department would be responsible for leading the review, working closely with the Department of Home Affairs, Australian Border Force, and the Australian Bureau of Statistics. The review would include engagement with non-government stakeholders, drawing on insights from industry, academia, and the non-profit sector.

## **Proposal 2: Introduce a seafood traceability program for high-risk species**

Australia would introduce a seafood traceability program to gather more information on supply chains and source fisheries for products with a higher risk profile for IUU fishing. This could be initially applied to a narrow set of products to assess effectiveness. Based on initial risk assessments, stakeholder input, and analysis conducted by other importing jurisdictions, this could initially include squid, sharks, sardines and surimi products. Further analysis would be conducted to determine the final set of products suitable for inclusion.

Importers of these products would obtain an import permit similar to those used for products with biosecurity risks and collect KDEs essential for tracing the product through the supply chain. They would lodge KDEs into a government-sanctioned database at the time of their customs filings via the International Trade Cargo System (ICS), an existing department solution, or an upcoming platform like the digitalised Trade Single Window, as recommended by Australia's Simplified Trade System Taskforce.

Recommended KDEs (Table 1) have been selected to align with those collected by other importing states to minimise compliance costs and trade risks. To minimise impacts on small-scale fishers and to similarly align with other importing states, importers of catches from vessels up to 12m in length or 20 gross tonnes would be permitted to provide aggregated data to reduce the volume of required documentation and reduce the compliance burden. Further discussion of proposed KDEs is presented in [Appendix A](#).

**Table 1 Proposed key data elements**

Category	Key data elements	Australia	EU	US	Japan
<b>Who</b>	Vessel name	Required	Required	Required	Required
	Unique vessel identifier or IMO	Conditional	Conditional	Conditional	Conditional
	Flag state of vessel	Required	Required	Required	Required
	International radio call signal	Conditional	Required	Non-required	Conditional
	Information on export/re-exporter	Required	Required	Required	Required
	Information on importer	Required	Required	Required	Required
<b>What</b>	Product type	Required	Required	Required	Required
	Species name (3 alpha code)	Required	Required	Required	Conditional
	Estimated live weight	Conditional	Required	Non-required	Required
	Processed weight	Required	Required	Required	Required
	Declaration and authorisation of trans-shipment at sea and in port	Conditional	Required	Conditional	Conditional
<b>When</b>	Harvest date	Required	Required	Required	Required
<b>Where</b>	Catch area	Required	Non-required	Required	Required
	Authorisation to fish	Conditional	Required	Conditional	Required
	Port of landing	Required	Non-required	Required	Non-required
	Processing locations	Required	Required	Required	Required
<b>How</b>	Fishing methods	Required	Non-required	Required	Conditional

Note: Green is for required fields, red for non-required, and yellow for conditional fields (see appendix A).

Requirements to collect and lodge KDEs would be phased in over 2 years to provide industry time to make any necessary changes to their supply chains or reporting processes. During this period, importers would be expected to collect required KDEs and lodge these into the government-sanctioned trade system. The department would engage with low compliance importers to understand obstacles and offer support. The KDEs may be refined prior to becoming mandatory.



To facilitate program implementation, the government would provide guidance to importers, brokers, exporters, and other stakeholders. Outreach for exporters and foreign governments would be limited given they already comply with schemes implemented by the EU, US and Japan.

Flexibility would be afforded to industry in how data is collected. There would be no initial requirement for foreign authority verification of KDEs to ensure importers can leverage existing business-to-business traceability systems, including those aligned with GS1 or GDST standards ([Appendix A](#)). This will minimise costs on exporting jurisdictions and trade delay risks. No additional record-keeping or due diligence requirements will be imposed beyond current industry practices.

In cases where importers lack sufficient processes to collect KDEs and do not operate on a scale that justifies investing in new traceability technology, they can comply by requesting supply chain actors complete a model catch certificate as permitted by the EU, Japan and US (mutual recognition).

The traceability program's objective is to provide oversight of high-risk supply chains by collecting KDEs and storing them in a centralised data repository. This database would allow for supply chain analysis to detect anomalies and potential instances of fraud. For example, fishing vessel analysis could be interacted with other data sets (i.e. IUU fishing lists, global AIS and satellite data interfaces, and country specific fisheries registers) to detect patterns indicative of IUU fishing activity.

Detections of heightened IUU fishing risk would not require action at the border. Rather, higher risk consignments may be subject to additional examination, including analysis of supply chain actors (fishing vessels, transshippers, processors, exporters) and trigger a review of historical data to identify recurring anomalies. The department may then seek additional information from importers, including signed product specifications and supplier attestations, or request an audit of supply chain actors. Any residual uncertainty could be subject to verification from the appropriate foreign government. If unresolved risks remain, importers may be asked to source products elsewhere. The department would be authorised to penalise repeat offenders or those who act with gross negligence, including issuing fines or revoking import permits.

To enhance the utility of this data collection, the government would pursue data sharing with other jurisdictions who administer seafood import controls, while ensuring commercially sensitive information is safeguarded. Sharing supply chain information, risk detection methodologies, and investigation outcomes would enhance Australia's capabilities and bolster global initiatives to address IUU fishing with market state measures. Australia could also demonstrate leadership among states using unilateral seafood import controls by advocating for the gradual transition towards a multilateral system with a shared central repository.

A review of the program would occur 3 years after implementation to examine performance, consider modifications, and/or ongoing viability. This could examine elements not initially recommended, such as standardised record-keeping and due diligence requirements. It could also consider specific border checks, and the employment of fraud detection technologies (i.e. isotope analysis, rapid genetic assays, DNA testing or chemical fingerprinting). Currently these options are not recommended given the potential for trade delays and the inherent challenges in detecting IUU products at the border.

### **Proposal 3: Support expansion of multilateral CDS**

Australia would continue to support the implementation and expansion of existing multilateral CDS and encourage the development of new multilateral evidence-based CDS, where suitable. These efforts would complement Proposal 2 and are consistent with FAO advice.

Australia adheres to multilateral CDS for southern bluefin tuna and Patagonian toothfish. Support for these schemes would continue, such as aiding the transition of CCSBT CDS to an electronic format and advocating for the extension of the CCAMLR's toothfish CDS to SPRFMO and SIOFA zones.

Acknowledging the limited coverage of multilateral CDS and shortcomings of standalone unilateral schemes, Australia would encourage the establishment of an internationally coordinated CDS, integrating existing unilateral and multilateral models where appropriate. While Proposal 2 is designed to align with existing unilateral schemes — with plans to collaborate with other states implementing import controls — there is value in a multilateral body such as the World Trade Organisation or FAO establishing a global CDS.

Ideally, this would include an electronic CDS for traceability and monitoring, and a central clearing house for digital certification. The system would integrate with existing trade systems, where feasible, and cover a wide scope of species. The objective would be to create a scheme that enables automated monitoring to ensure the quantity of catch at its origin matches the cumulative imports into final markets (mass balance monitoring). Given the complexity of negotiating and developing a global CDS, this process is expected to take time.

## 7 Costs and benefits

To support the assessment of the proposed policy options, the department is seeking stakeholder feedback on its initial assessment of costs and benefits for industry and consumers. Subject to feedback on this draft report and consideration of further quantitative work, an Impact Assessment may be conducted to inform government consideration and ensure any proposed regulation provides a net benefit to the Australian community.

### Proposal 1

#### Costs

- Compliance costs imposed on industry are expected to be minimal, given information on species and production methods for imported products is generally already available.

#### Benefits

- Improve insights into Australia's seafood trade and exposure to IUU fishing practices, facilitating more precise risk classifications and deeper understanding of import composition.
- Reduce risk of illicit seafood products entering the market.
- Assist the department's efforts to target and enforce biosecurity and food safety regulations, CITES requirements, as well as implementing future controls to prevent IUU seafood imports.
- Generate information that can be used to improve product labelling and other consumer-oriented aspects.

### Proposal 2

#### Costs

##### Domestic industry

Compliance costs on domestic industry are likely to constitute the largest cost – estimated to be between \$1.78 million and \$3.26 million over the proposed 5-year time horizon. Projected costs for the first year are \$0.62 million to \$0.95 million, with annual undiscounted recurring costs in subsequent years estimated at \$0.33 million to \$0.65 million. Some of these costs are likely to be passed on to consumers. This assumes:

- The program would apply to squid, sharks, sardines and surimi.
- There is full compliance during the initial 2-year phase-in period.
- About 590 importers, 200 brokers and 11,300 seafood consignments will be impacted annually, estimated based on historical import data for in-scope products.
- Each importer spends between \$120 and \$240 on import permits each year to help fund program administration.
- Importers and brokers allocate between 30 to 60 minutes per consignment at an average hourly wage of \$45 to collect and lodge KDEs into the government's trade system (estimated using data entry costs for US importers and ABS data for average wages).

- Brokers incur a one-time cost of \$1,500 for certified software to upload KDEs into the government's database.
- Some operators may invest in traceability technology to collect and transmit KDEs more efficiently, but only if the technology investment is offset by time savings in manual collection and lodgement.

Based on the above, the average compliance cost per consignment is expected to fall between \$29 and \$58, excluding the one-off \$1,500 technology investment.

The total upper bound domestic compliance cost is estimated to be less than 0.5% of the overall value of the regulated product (~\$234 million).

These assumptions likely overestimate the long-term compliance costs as time costs are expected to reduce over time as industry becomes more familiar with requirements.

### **Consumer impacts**

- The cost increase of imported seafood paid by consumers is expected to be less than 1% of the product's value. This is because:
  - the upper bound estimate of compliance costs that could be passed on by domestic industry is 0.5%.
  - the magnitude of price increases attributable to non-compliant product being redirected, or from changes in importers buying behaviours in response to the program's requirements, is expected to be limited given alternative sources of supply for many fish products (NOAA 2022).
- In the context of price changes, evidence suggests consumer willingness to pay a premium for fishery products of certified origin or from sustainable sources (Bronnmann et al., 2021).

### **Trade partner compliance costs and capacity building**

- By harmonising with existing unilateral schemes, compliance costs are likely to be limited.
  - Analysis of trade data from Australia, the US, the EU, and Japan, shows countries exporting applicable products to our market already meet related traceability requirements.
  - Since these countries apply standards equivalent or more onerous than our proposed scheme, fishing entities and associated businesses should already possess the capability to comply with our requirements.
  - For the few countries that ship in-scope products to Australia only, these equate to a total value of less than 0.05% of the total value of the product.
- The department will consult with trade partners to understand capacity constraints. Consideration should be given to allocating funding for capacity-building of select countries to ensure traceability systems are compliant with the proposed requirements.

### **Trade impacts**

- Trade risks are expected to be limited and can be effectively managed through proactive engagement prior to program implementation.

- The majority of countries exporting applicable products to Australia already meet IUU fishing-related traceability requirements.
- Analysis of EU and US trade data before and after their import control schemes were implemented found no significant impacts on aggregate seafood trade flows.
- Australia's relatively small market could make countries less willing to comply, however this risk is considered minor. By harmonising our requirements and leveraging existing business data exchanges (without the need for governmental certification), the proposed program minimises administrative costs on exporting countries.
- Any residual compliance challenges and trade risks can be addressed through proactive engagement, including ongoing program socialisation with trade partners prior to implementation.
- The likelihood of encountering a WTO dispute is minimal. The program aligns with existing unilateral traceability schemes, none of which have faced disputes. Australian fishers comply with traceability standards equivalent to, or exceeding, international norms, including through electronic logbooks and catch disposal records.

## **Benefits**

Quantitative assessments of benefits are difficult to estimate due to the indirect impact of using market state controls to reduce incentives for IUU fishing. Nevertheless, significant benefits are anticipated as outlined below.

### **Australia's global leadership against IUU fishing**

- Australia's proactive stance against IUU fishing using market controls and advocating for increased collaboration amongst market states will boost our reputation, positioning us to be more influential in regional and global fora, including RFMOs and other multilateral bodies committed to combating IUU fishing.

### **Exclusion of unlawfully obtained products**

- Implementing a seafood traceability program will enable the exclusion of some unlawfully acquired seafood from our marketplace, effectively reducing incentives for IUU fishing.
- Despite its smaller market size, Australia could maximise its influence through collaboration and information-sharing with key importing states (EU, US, and Japan).
  - such coordination could lay the groundwork for mass balance monitoring, thereby increasing the efficacy of unilateral schemes and minimising the risk of illegal product re-routing.
- As outlined in Box 2, by mitigating IUU fishing, a variety of environmental, social, and economic benefits will be realised over time.

### **A fair competitive landscape – addressing market distortions**

- Through the exclusion of IUU seafood products, the traceability program will improve the competitive standing of legally operating fishers and importers.
- Targeted removal of illegal imports will address market distortions and create an environment where both domestic fishers and legitimate fishers that export to Australia will benefit from heightened competition and increased consumer demand.

- Concurrently, importers and other supply chain actors already engaged in due diligence and/or collecting the required KDEs will benefit from a more balanced competitive landscape, resulting in a market realignment towards ethically-driven importers.

#### **Consumer benefits**

- The traceability program will build consumer trust by providing assurances that seafood is free from IUU fishing activities.
- Studies demonstrate a willingness for consumers to pay a premium for verified products. However, further consideration is needed to understand the magnitude of this effect in comparison to costs.
- Vendors could use traceability data to highlight compliance with sustainability and IUU fishing directives from leading retailers. Using standardised KDEs could unify these requirements, lowering compliance expenses and regulatory challenges.

#### **Other benefits**

- The program is expected to provide insights into broader sustainability, labour malpractices and organised crime. Additionally, the data generated could inform seafood labelling improvements.

## **Proposal 3**

#### **Costs**

- No additional costs are expected in the short term. Proposed actions would occur through existing engagement with multilateral fora.
- Longer-term costs would vary based on the specific initiatives pursued in consultation with relevant member countries.
  - Expanding multilateral CDS may require a financial contribution to facilitate technological advancements and strengthen administration and enforcement.

#### **Benefits**

Benefits depend on initiatives pursued but may resemble those outlined in proposal 2.

# Make a submission

We invite contributions from industry, business, research bodies, governments, NGOs and the community to help us better understand of the extent of IUU fishing products entering Australia, and to explore ways to strengthen Australia seafood import controls. We want to hear from you about the findings and preferred policy options in this draft report, as well as your practical ideas.

## Have your say

- Join the national conversation and use this link <https://haveyoursay.agriculture.gov.au/iuu-seafood-imports> to upload documents.
- You will need to register or sign in to participate. Read our privacy notice before you register.
- Before you share your feedback, read this draft report.
- Ensure you provide your feedback by 5 pm (AEDT) on 16 February 2024.

## Next steps

Your ideas will be used to inform our findings to address the importation of seafood derived from IUU fishing practices. We may seek more information about your submission. Preferred policy proposals will be presented to the Australian Government in 2024.

## Contacts

For information about measures to prevent the importation of IUU seafood, email [max.gillespie@aff.gov.au](mailto:max.gillespie@aff.gov.au).

# Appendix A — additional material

## Harmonized Tariff Item Statistical Codes

Since 1 January 1988, all goods requiring a full customs declaration for import into Australia are classified according to the ten-digit Harmonized Tariff Item Statistical Code (HTISC) of the Combined Australian Customs Tariff Nomenclature and Statistical Classification (Customs Tariff) under the Customs Tariff Act 1995. The first 6 digits of the code are taken from the Harmonized Commodity Description and Coding System (commonly referred to as the Harmonized System, or 'HS') - a 6 digit system developed by the World Customs Organization (WCO) for describing internationally traded goods. The seventh and eighth digits are added by the Department of Home Affairs to allow for different rates of duty applied to particular goods. The ninth and tenth digits (statistical codes) are added by the Australian Bureau of Statistics (ABS) to satisfy Australian statistical requirements. Importers need to self-assess the correct classification of goods they import.

The HS is organised into 21 sections, which are subdivided into 99 chapters. Section and chapter titles describe broad categories of goods. Chapters of relevance in the context of seafood include:

- Chapter 3 – Fish and crustaceans, molluscs and other aquatic invertebrates
- Chapter 5 – Products of animal origin, not elsewhere specified or included
- Chapter 1 – Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal plants; straw and fodder
- Chapter 15 – Animal, vegetable or microbial fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes
- Chapter 16 – Preparations of meat, of fish, of crustaceans, molluscs or other aquatic invertebrates, or of insects
- Chapter 23 – Residues and waste from the food industries; prepared animal fodder

For analysis, we used FRDC seafood import classifications, which map HTSIC codes to commodity categories. These are set out in Table A1.

**Table A1 HTISC Codes**

Commodity	HTISC
Abalone	3078100, 3078300, 3078700, 3078900, 3079110, 3079912, 3079913, 3079914, 3079915, 3079916, 16055700, 16059012, 16059020, 16059025, 307810031, 307830033, 307870035, 307890032, 307990031, 1605570047
Algae	12122100, 12122900
Anchovy	3024200, 3024201, 3056300, 3056303, 16041600, 302420002, 302420003, 305630029, 305630083, 1604160054
Aquatic invertebrate	3089000, 16056900, 308900090, 1605690090, 1605900016, 1605900064, 308900091
Bluefin tuna	3019404, 3019507, 3023500, 3023510, 3023511, 3023600, 3023601, 3034500, 3034510, 3034511, 3034600, 3034601, 301940003, 302350034, 302350035, 302350036, 302360037, 302360038, 303450052, 303450053, 303450054, 303460055, 303460056
Carp	3019302, 3019303, 3019304, 3027301, 3032500, 3032501, 3043900, 3043901, 3046900, 3046901, 302730033, 303250052, 303250053, 304390068, 304390069 304690018, 304690019, 301930007
Catfish	3027200, 3032400, 3032401, 3046200, 302720032, 302720033, 303240051, 303240052, 304620012



Measures to prevent the importation of illegal, unreported and unregulated seafood: draft report

Commodity	HTISC
Caviar	16043000, 16043100, 16043200, 1604300001, 1604310075, 1604320078
Clam	3077200, 3077900, 3077901, 307720029, 307790029, 307790030
Coalfish	3026300, 3037300, 3047300, 302530021, 303650062, 303650063, 303730017, 304550084, 304730022, 3036501
Cobia	3024600, 3024601, 302460006, 303560059
Cod	3025000, 3025100, 3025101, 3035208, 3036000, 3036300, 3036301, 3047100, 3055100, 3055110, 3056200, 3056202, 302500019, 302510018, 302510019, 303520052, 303600014, 303630060, 303630061, 304710020, 305510024, 305510071, 305530073, 305620028, 305620082
Conch	307880037, 307840034
Coral	5080020, 5080091, 508000015
Crab	3061400, 3061419, 3062400, 3062402, 3063300, 3069300, 16051000, 16051020, 306140004, 306140026, 306240004, 306240011, 306330003, 306930013, 1605100010, 1605100016, 1605100017
Crayfish	3062190, 3062192, 306190050, 306190051, 306290070, 306290071
Crustacean	3061190, 3061191, 3061901, 3061960, 3062901, 3062950, 3063900, 3069900, 16054000, 16054030, 306190026, 306190046, 306190052, 306290009, 306290027, 306290072, 306390007, 306990020, 1605400021, 1605400023, 306190047, 3061961, 3063990
Squid (Cuttlefish) <sup>a</sup>	3074100, 3074200, 3074300, 3074900, 3074950, 3074951, 16055400, 307410018, 307420018, 307430019, 307490019, 307490039, 307490040, 1605540044
Eel	3019202, 3026600, 3027400, 3032600, 3037600, 16041700, 301920004, 302660025, 302740034, 302740035, 303260053, 303260054, 303760020, 1604170065, 3032601
Fats and oil	15041000, 15042000, 15043000, 15043010, 15043099, 1504100034, 1504100050, 1504200006, 1504300035, 1516100013, 1516101036, 1516109037
Fish (Generic)	3011100, 3011902, 3011909, 3019903, 3019909, 3019950, 3024900, 3025900, 3025901, 3026900, 3026909, 3027000, 3028900, 3028901, 3029000, 3029100, 3029900, 3035900, 3036900, 3036901, 3037912, 3037919, 3037990, 3038000, 3038950, 3038951, 3041000, 3041909, 3042000, 3042002, 3042909, 3043200, 3044400, 3044900, 3044901, 3045950, 3045951, 3047900, 3048900, 3048901, 3049091, 3049301, 3049500, 3049900, 3049901, 3049919, 3051001, 3052000, 3053000, 3053200, 3053900, 3053901, 3054951, 3055400, 3055990, 3055991, 3055992, 3056900, 3056950, 3056951, 3057200, 3057950, 16041900, 16041920, 16041921, 16042000, 16055900, 23012000, 301100032, 301110037, 301190039, 301990010, 301990029, 301990035, 302290019, 302490001, 302590029, 302590030, 302690026, 302690042, 302700027, 302890049, 302890050, 302900027, 302910001, 302990003, 303590090, 303690069, 303690070, 303790002, 303790023, 303790055, 303800024, 303890079, 303890080, 303900077, 303910090, 303990092, 304100042, 304190058, 304200021, 304200022, 304200044, 304200045, 304290091, 304290092, 304320061, 304430072, 304440073, 304490079, 304490080, 304530082, 304590089, 304590090, 304790029, 304830033, 304890039, 304890040, 304900042, 304950073, 304990072, 304990079, 304990080, 305100031, 305200032, 305300033, 305320042, 305390049, 305390050, 305490063, 305490064, 305540074, 305590026, 305590079, 305590080, 305690030, 305690089, 305690090, 305720092, 305790099, 1604190030, 1604190033, 1604190034, 1604190035, 1604200039, 1604200059, 1604200060, 1604200066, 1604200070, 2301200031, 309100010, 3099090, 309900090, 301100032
Flat fish	3022200, 3022900, 3022901, 3022902, 3033200, 3033900, 3033910, 3033911, 302230013, 302290020, 302290026, 302390040, 303320006, 303330008, 303390008, 303390009, 303390010, 3044300, 3022201
Haddock	3025201, 3026200, 3033300, 3037200, 302520019, 303720016, 304720021
Hake	3036600, 3036601, 3037800, 3047400, 302540021, 302540022, 303660063, 303660064, 303780022, 304200033, 304200043, 304290062, 304290063, 304740023, 304900034, 304990071, 3025401
Halibut	3022100, 3033100, 302210025, 302210026, 303310005, 303310006, 3022101, 3022101
Herring	3024000, 3035000, 3035105, 3054200, 3056100, 3056101, 16041200, 302400018, 302410001, 303500013, 303510051, 303510052, 304860036, 305420035, 305420052, 305610027, 305610081, 1604120051, 3024101, 3048600, 3054220
Jellyfish	308300056, 1605630067, 16056300
Live fish	3019910, 301990009
Lobster	3061121, 3061122, 3061123, 3061124, 3061131, 3061132, 3061133, 3061150, 3061200, 3061218, 3061520, 3062112, 3062119, 3062120, 3062122, 3062200, 3062201, 3063100, 3063200, 3069100, 3069200, 16053000, 16053020, 306110001, 306110024, 306120002, 306120025, 306150027, 306210001, 306210006, 306220002, 306220033, 306310001, 306320002, 1605300020, 1605300022, 3069400

Measures to prevent the importation of illegal, unreported and unregulated seafood: draft report

Commodity	HTISC
Mackerel	3024400, 3024401, 3026400, 3035400, 3035401, 3035500, 3037400, 16041500, 302440004, 302440005, 302450005, 302640023, 303540054, 303540057, 303550056, 303550058, 303740018, 1604150053
Molluscs	3077100, 3078400, 3079100, 3079101, 3079190, 3079200, 3079900, 3079901, 3079991, 5080099, 16055401, 16055600, 16055901, 16059019, 16059090, 16059092, 302530020, 307710028, 307910034, 307910035, 307910039, 307920060, 307990032, 307990036, 307990061, 1605560046, 1605590090, 1605590091, 1605900012, 1605900013, 1605900014, 1605900015, 1605900061, 1605900062, 1605900063, 307220016, 307290037, 307920050, 3072201, 3072991, 307990062, 306990021, 3089090, 3079201, 3079992
Mussel	3073100, 3073200, 3073900, 3073950, 3073951, 16055300, 307310016, 307320017, 307390017, 307390037, 307390038, 1605530043
NES	511999029
Nile perch	3027901, 3032910, 3032911, 3043300, 3046300, 302790039, 302790040, 303290059, 303290060, 304330062, 304630013
Octopus	3075100, 3075200, 3075900, 3075950, 3075951, 16055500, 307510021, 307520022, 307590022, 307590023, 307590024, 1605550045
Ornamental fish	3011010, 3011020, 3011059, 3011090, 3011901
Other	3039000, 3039101, 3039910, 5080010, 5119100, 5119110, 507900014, 511910019, 511910020
Oyster	3071000, 3071100, 3071200, 3071900, 3071901, 16055100, 307100013, 307110010, 307120011, 307190011, 307190012, 1605510041
Pearl	71011001, 71012101, 71012201, 7101100031, 7101210032, 7101220033, 7116100039
Pollack	3036700, 3036701, 3047500, 303670064, 303670065, 304750024, 304940072, 302550023, 3025501
Prawn	3061310, 3061320, 3061390, 3061621, 3061750, 3062310, 3062320, 3062390, 3062600, 3062700, 3063500, 3063600, 3069500, 16052000, 16052100, 16052900, 306130003, 306130040, 306130041, 306130042, 306160028, 306170029, 306170033, 306170034, 306230009, 306230010, 306230060, 306230061, 306230062, 306260006, 306270007, 306360006, 306950015, 1605200018, 1605200019, 1605210081, 1605290090
Salmon	3021201, 3021300, 3021301, 3021400, 3021401, 3021901, 3021902, 3031001, 3031101, 3031200, 3031201, 3031300, 3031301, 3031900, 3031910, 3031911, 3032200, 3032901, 3044100, 3045200, 3048100, 3048300, 3054101, 3054110, 16041100, 302120008, 302130010, 302130011, 302140020, 302140021, 302190031, 303100001, 303110040, 303110041, 303120041, 303130042, 303130043, 303190045, 303190049, 303190050, 303220003, 303290026, 304410070, 304520081, 304810030, 305410018, 305410019, 305410051, 1604110050, 1604200057, 303120042, 302190032
Sardine	3024300, 3026100, 3035300, 3035301, 3037100, 16041300, 302430003, 302430004, 302610020, 303530053, 303710015, 1604130052, 1604200058, 3024301
Sardkin	303530055
Scallop	3072100, 3072200, 3072900, 3072901, 3072990, 16055200, 307210014, 307220015, 307290015, 307290035, 307290036, 1605520042, 3072101
Sea cucumber	3081100, 3081200, 3081900, 3081901, 16056100, 308110041, 308120042, 308190042, 308190043, 1605610065
Sea urchin	3082100, 3082900, 308210051, 308220052, 308290052, 308290053, 1605620066
Sea bass	3028400, 3037700, 3038400, 3072910, 302840043, 303770021, 303840073, 303840074, 3028401
Seabream	302850044
Seafood extracts	16030000, 16030012, 16030020, 16030091, 1603000018
Seahorse	3055910
Shark and ray	3026500, 3028201, 3029200, 3037500, 3038100, 3045600, 3048800, 3049700, 3057100, 302650024, 302810040, 302920002, 303750019, 303810070, 303810071, 303820071, 303820072, 303920091, 304470076, 304560085, 304880038, 304960075, 305590025, 305710091, 3038101, 3049600, 16041800, 1604180067, 302820042, 304970076
Smoked fish	3054901, 3054950, 305490022, 305490023, 305490061, 305490062
Snail	3076000, 3076060, 307600023, 307600025, 1605580048, 16055800
Snapper	3028501, 302850045
Sole	3022300, 302230012, 303330007
Sponges	5090000, 5119930, 509000016, 511999022

Commodity	HTISC
Squid	307490020, 1605540049
Swordfish	3024700, 3024701, 3026705, 3035700, 3035701, 3036105, 3041101, 3042103, 3044500, 3049105, 302470007, 302470008, 302670040, 303570058, 303570060, 303610053, 304110056, 304210060, 304450074, 304540083, 304840034, 304910069, 3048400
Tilapia	3027100, 3032300, 3032301, 3043100, 3045100, 3046100, 3053101, 3054441, 302710031, 302710032, 303230050, 303230051, 304310060, 304510079, 304510080, 304610011, 304930071, 304930074, 305310040, 305310041, 305440054, 305440055, 305520072, 305640084, 305640085
Toothfish	3025200, 3026807, 3037911, 3038300, 3038301, 3041202, 3042001, 3044600, 3048500, 3049206, 302680041, 303620054, 303790001, 303830072, 303830073, 304200020, 304220061, 304850035, 304920070
Trout	3019102, 3021101, 3021102, 3031100, 3031400, 3031401, 3032101, 3044200, 3048200, 3054330, 302110030, 302110031, 303140043, 303140044, 303210025, 304420071, 304820032, 305430053
Tuna	3023100, 3023101, 3023200, 3023201, 3023300, 3023400, 3023401, 3023900, 3023902, 3023905, 3023906, 3034100, 3034101, 3034200, 3034201, 3034300, 3034301, 3034400, 3034401, 3034900, 3034905, 3034920, 3034921, 3048700, 3049010, 3049911, 16041400, 302310014, 302310015, 302320015, 302320016, 302330016, 302340033, 302340034, 302390017, 302390038, 302390039, 303410009, 303420010, 303430011, 303430012, 303440050, 303490012, 303490026, 303490027, 303490059, 304870037, 1604140025, 1604140026, 1604200038, 303420011
Turbot	302240014, 302240015
Whiting	3025600, 3036800, 3036801, 3037910, 303680065, 303680066, 3025601

<sup>a</sup> this category is referred to as 'cuttlefish' in ABS/FRDC summaries, although the majority of volume and value will be squid

### Box A1 Convention on International Trade in Endangered Species of Wild Fauna and Flora

The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) is a global agreement with 184 members that regulates the international trade of over 40,900 threatened species, including many aquatic species. Its objective is to ensure international trade of wild plants and animals that does not threaten their survival. The regulation is based on 3 appendixes:

- Appendix I lists species threatened with extinction, with trade largely prohibited barring exceptional cases for non-commercial purposes.
- Appendix II contains species not necessarily threatened currently with extinction but has potential to be unless trade is closely controlled. Approximately 96% of species are listed here.
- Appendix III lists species protected in countries that requested CITES cooperation to regulate their international trade.

Australia enforces CITES via a traceability and trade document system implemented through the *Environment Protection and Biodiversity Conservation Act 1999*. This includes permits, certificates, and digital documentation requirements to monitor CITES-listed species trade. Australia has adopted stricter domestic measures that impose additional requirements and, in some cases, further restrict trade in CITES listed species, including import requirements for Appendix II species. It also cooperates with trade partners to assure traceability and legality of imported CITES-listed aquatic species.

Although CITES serves as a robust framework for regulating the trade of species with varying conservation statuses, its capacity to tackle IUU fishing trade is restricted. The constraints arise from multiple factors: CITES' primary focus is on vulnerable species or species at risk of extinction, rather than those subject to IUU fishing; RFMOs and other multilateral fisheries bodies are generally responsible for managing commercial fisheries; and amending CITES to include IUU fishing targeted species faces diplomatic and procedural hurdles. These constraints are underscored by the actions of major market states, which have separately developed unilateral seafood import controls instead of integrating them into CITES.

DCCEEW 2021

## Box A2 Global Dialogue on Seafood Traceability

The Global Dialogue on Seafood Traceability (GDST) was established in 2017 as a business-to-business initiative aimed at standardising how seafood is tracked across its global supply chain. It serves as an extension of GS1's universal standards. GS1 is a global entity that has been providing universal standards for business communication across various industries. Operating in 116 countries and facilitating up to 6 billion transactions daily, GS1's system is integrated into global commerce. GDST adapts these standards specifically for the seafood industry, allowing businesses to integrate with existing GS1-based systems.

At the core of GDST's standardisation effort are Key Data Elements (KDEs) and Critical Tracking Events (CTEs). KDEs are specific pieces of information – like the type of fish, where it was caught, and its processing details that are crucial for traceability. CTEs are key nodes within the supply chain where this information is recorded, such as when the fish is caught, processed, or sold. By capturing these KDEs at CTEs, GDST enables a more transparent and traceable seafood supply chain.

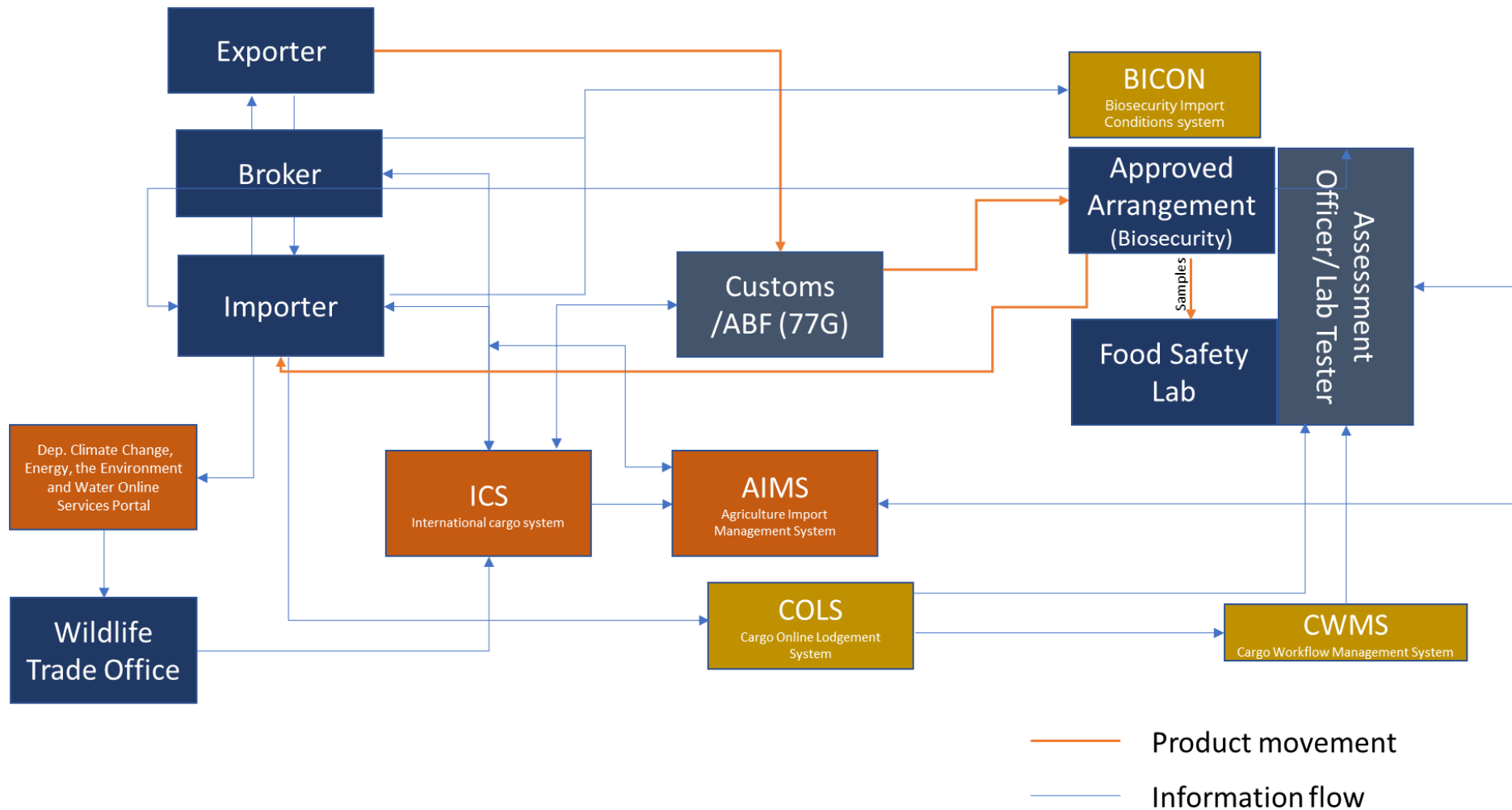
GDST acknowledges the diverse nature of seafood businesses in terms of size, technical capacity, and geographic location. To accommodate these differences, GDST standards are made to be flexible accommodating different traceability systems and allowing for customisation. Such adaptability is particularly important for developing nations where technological barriers might impede full-scale digitisation. The GDST approach promotes digital data exchange between supply chain partners without necessitating complete internal digitisation, thus making it more accessible.

GDST standards are comprised of 2 key components. First, there is a 'Basic Universal List of Key Data Elements' that outlines the minimum information to be collected and shared in a GDST-compliant supply chain. This list covers both wild-caught and farmed seafood. Second, GDST provides technical guidelines for how this data should be formatted and shared, ensuring that various traceability systems are interoperable, or capable of sharing data with one another.

The adoption of GDST standards offers Australian businesses a viable route to meet compliance under [Proposal 2](#), which targets enhanced traceability for species with higher risk of IUU fishing. The GDST framework is inherently flexible and aligns well with the department's requirements, particularly in gathering key data and enabling smooth information flow across the supply chain. This dual capability will help ensure current compliance and easy adaptation to future regulatory changes.

Sources: GDST 2023, GS1 2022.

Figure A1 Australia's import system



**Table A2 Description of Key Data Elements**

<b>Data element</b>	<b>Purpose</b>	<b>Mandatory/ conditional</b>	<b>Format/code</b>
Vessel name	Needed to determine if the vessel or facility was authorised by the relevant authorities.	Mandatory	Free-form text is provided to accommodate all potential names. Vessel names must be spelled correctly to verify legality.
Flag state of vessel	Needed to confirm the vessel authorisation and to determine the regulations (national and/or regional) pertaining to the vessel at the time of the recorded fishing operation.	Mandatory	Standardized data format of the two-alpha International Organization for Standardization (ISO) country codes; see <a href="#">ISO 3166</a> country codes.
Unique Vessel identifier, IMO, or International Radio Call Signal	Needed to positively identify the vessel and link the vessel to the fishing authorization issued by the competent authority.	Conditional	The format should correspond to the convention of the vessel registration authority. If registration is not required in the local jurisdiction, some locally meaningful description or disclaimer ('identifier not applicable') is needed. Free-form text is provided to accommodate various formats.
Harvest date	The harvest date with the vessel name/identifier and the location would establish a unique identifier for the harvest event. This data element should correspond to the date of unloading from a catching vessel.	Mandatory	This data element is constrained to a date of landing/offloading at the end of a fishing trip or the date of transshipment at sea or in port.
Species name	Species name is needed to determine legality of product, as HTSIC codes for entry will often not be specific enough to ascertain the species.	Mandatory	The FAO ASFIS three-alpha species code is based on the scientific name or the association with the local common name.
Catch area	Necessary to identify the fishing area where the catch occurred to determine the scope of foreign laws and/or regulations that pertain to the activity/operation in that jurisdiction.  If a RFMO has competency in the stated area for the species reported, the RFMO measures would pertain to a flag vessel of a contracting or cooperating party.	Mandatory	Free-form text is provided to accommodate various fishing areas. In some cases, the use of an RFMO list of fishing areas may be applicable. Location should correspond to the reporting areas of the local jurisdiction or applicable regional management body. If a catch report is not required in the local jurisdiction, or the catch area is not required to be specified, a local description is needed or the use of FAO fishing area codes with an additional note regarding within or beyond the EEZ of a Coastal State (ISO 2-character country code).
Fishing methods	This data is needed to determine lawful acquisition in fisheries where certain gear types are prohibited or restricted in use to	Mandatory	Free-form text is provided to accommodate all potential fishing gears. Codes or formats should correspond to the reporting convention for gear types of the local jurisdiction or applicable regional management body. If a catch report is not required in the local jurisdiction, or the gear type is not

Measures to prevent the importation of illegal, unreported and unregulated seafood: draft report

Data element	Purpose	Mandatory/ conditional	Format/code
	certain time periods or certain fishing areas. In some fisheries, vessels may be authorized to fish only with certain gear.		required to be specified, a local description is needed or the use of FAO gear codes.
Authorisation to fish	Needed to confirm that the competent authority has issued a vessel fishing permit/authorization or has licensed the aquaculture facility.	Conditional	In certain cases, a competent authority may not require a permit for each vessel for example for artisanal/small-scale fisheries. Free-form text is provided to accommodate varying formats for fishing authorisation. If a permit or license is not required in the local jurisdiction, some locally meaningful description or disclaimer ('license not applicable') is needed.
Estimated live weight/processing description	Needed to determine the upper bound catch amount on a harvest event, to prevent unauthorised product later being added to an authorized event and later in the supply chain.	Conditional	Requires both reporting a numeric value and the reporting unit. Coded as 'LB' for pounds or 'KG' for kilograms. If estimated live weight not available, description of form of product at landing required.
Processed weight	Processed weight is needed to corroborate the volume of catch originally unloaded/delivered and reported to competent authorities.	Mandatory	Requires both reporting a numeric value and the reporting unit. Coded as 'LB' for pounds or 'KG' for kilograms.
Information of vessels involved in transshipment	To determine movement of product between catch and disposition of the fish in the first transaction.	Mandatory	Free text field – containing vessel name, flag state, and IMO/IRCS (where applicable), date of unloading and loading. If no transshipment, insert 'NA'.
Port of landing	To identify port of landing. This will be combined with the harvest date and vessel information to establish a unique identifier for the harvest event.	Mandatory	Free-form text is provided to accommodate varying formats of landing ports or delivery locations.
Information on landing recipient or buying entity	This information is needed to record the disposition of the fish in the first transaction.	Mandatory	Free-form text is provided to accommodate varying formats of company names and addresses.
Information on other processing/export/re-export entities in supply chain	This information is needed to record the movement of products throughout the supply chain.	Mandatory	Free-form text is provided to accommodate varying formats of company names and addresses. Facilities should be provided in chronological order.

**Table A3 Comparison of multilateral and unilateral catch documentation schemes**

Category	Multilateral CDS	Unilateral CDS
Design	<ul style="list-style-type: none"> <li>Based on Regional Fisheries Management Organisation/Arrangement (RFMO/A) rules and enshrined in international law.</li> <li>Designed to prevent IUU fishing and trade.</li> </ul>	<ul style="list-style-type: none"> <li>Established and enforced under the national law of the market state.</li> <li>Designed to prevent IUU fishing and trade.</li> </ul>
Scope	<ul style="list-style-type: none"> <li>Covers entire stock/species under RFMO/A management mandate.</li> <li>Typically, applies to 1 or 2 high-value species taken from a specific fishery.</li> </ul>	<ul style="list-style-type: none"> <li>Covers only products entering the end market.</li> <li>Typically applies to high-risk species in all fisheries, or all wild species in all fisheries.</li> </ul>
Product flows	<ul style="list-style-type: none"> <li>Covers domestic and international trade regardless of how product is transported or traded from catch to market.</li> </ul>	<ul style="list-style-type: none"> <li>Covers international trade with a single market only.</li> </ul>
Compliance	<ul style="list-style-type: none"> <li>Mandatory for all fishers, traders, and processors handling products originating from a given fishery at all stages of the supply chain.</li> <li>Comprises both catch and trade documents but variation in which information requires validation and by whom.</li> <li>An authority is designated to operate the CDS and there is central registry in which copies of all catch and trade certificates are deposited.</li> <li>Sequential linking of certificates allows for 'mass balance monitoring' and the identification of laundered IUU product.</li> </ul>	<ul style="list-style-type: none"> <li>Compliance only required if product is destined for market operating the scheme. Can be designed to capture movement along the supply chain.</li> <li>Data/collection reporting requirements can be imposed on importers, or schemes can require catch and trade documents that are validated by public authorities.</li> <li>Relies on enforcement at the time the product arrives at the destination market and is susceptible to fraud.</li> </ul>
Applicability	<ul style="list-style-type: none"> <li>Identifies the extent to which IUU fishing is occurring in the source fisheries and provides insights into where and how IUU fishing may be occurring.</li> <li>Provides a cross-check on reported catches for use in stock assessment and can help to curtail residual IUU fishing.</li> <li>Development or expansion of multilateral schemes can be difficult to negotiate with member countries.</li> </ul>	<ul style="list-style-type: none"> <li>Broader coverage and easier to implement than multilateral schemes.</li> <li>Risk that IUU product is diverted to other markets without legal provenance controls.</li> <li>Does not identify the extent to which IUU fishing is occurring in source fisheries or provide cross-checks on reported catches for use in stock assessments.</li> </ul>



### Box A3 Illegal logging import controls

Australia has taken significant steps towards combating illegal logging and promoting trade of legally sourced timber and timber products. In 2012, Australia introduced the *Illegal Logging Prohibition Act 2012* which seeks to ‘reduce the harmful environmental, social and economic impacts of illegal logging by restricting the importation and sale of illegally logged timber products in Australia’. The Act makes it a criminal offence to import illegally logged timber products, or to process domestically grown raw logs that have been illegally logged.

The Act is supported by the *Illegal Logging Prohibition Regulation 2012*, which requires timber importers and processors to assess their supply chains for the risk of importing or processing illegally harvested timber. This assessment must be completed for each consignment of regulated timber products (as defined by tariff codes) that are imported into Australia, and for raw logs that are domestically grown and processed in Australia. This is referred to in the laws as ‘due diligence’, the specifics of which are set out in the Regulation. The Regulation outlines 5 key steps that regulated entities (importers and processors) must undertake as part of their due diligence:

- Establish a due diligence system – documenting steps ensuring non-dealing in illegal timber.
- Gather relevant information and evidence, confirming origin and legality of the timber contained in the product you intend to import.
- Assess the risk that the product has been illegally logged.
- Mitigate the risk of importing illegally logged products.
- Maintain written records – documenting the steps taken.

While the regulated entity (timber importer or processor) is responsible for meeting the due diligence requirements, other entities are impacted by the laws. These are primarily overseas suppliers and customs brokers who play a role in helping clients complete their due diligence and trace timber through the supply chain back to the source. The laws-regulated community is diverse, covering a range of timber and non-timber industry sectors and a range of business sizes.

While the due diligence model serves well in regulating illegal timber imports—aided by stable forest locations and established regulatory due diligence frameworks—its application to the seafood industry is less straightforward. Seafood supply chains are dynamic, complex and opaque, making risk evaluations more challenging. Additionally, variable catch areas and perishability of seafood create time-sensitive constraints that further hinder the feasibility of comprehensive due diligence checks. In accordance, both EU and US regulations adopt a due diligence model for timber products but a traceability-focused approach for seafood imports. This regulatory stance aligns with the department’s assessment, which holds that implementing due diligence requirements will pose a significant challenge for the many micro and small-sized importers who might lack the necessary resources and expertise.

Source: DAFF 2023a

# References

- ABARES 2022, Australian fisheries and aquaculture statistics 2021, Australian Bureau of Agricultural and Resource Economics and Sciences, Canberra, accessed 8 February 2023.
- ABS 2022, Information Consultancy Services, 2007, cat. no. 9920.0, Canberra, November, accessed 16 December 2022.
- Agnew, DJ, Pearce, J, Pramod, G, Peatman, T, Watson, R, Beddington, JR & Pitcher, T 2009, Estimating the Worldwide Extent of Illegal Fishing, *PLoS one*, vol. 4, no. 2, accessed 14 January 2023.
- Blomquist, J, et al. 2015, Price Premiums for Providing Eco-labelled Seafood: Evidence from MSC-certified Cod in Sweden, *Journal of Agricultural Economics*, vol. 66, no. 3, pp.690-704, access 9 June 2023
- Asche, F., Bronnmann, J., & Cojocaru, A. L. (2021). The value of responsibly farmed fish: A hedonic price study of ASC-certified whitefish. *Ecological Economics*, vol 188, access 20 October 2023
- Cabral, RB, Mayorga, J, Clemence, M, Lynham, J, Koeshendrajana, S, Muawanah, U, Nugroho D, Anna Z, Mira, Ghofar, A, Zulfainarni, N, Gaines, SD, Costello C 2018, Rapid and lasting gains from solving illegal fishing, *Nature Ecology & Evolution*, March, vol. 2, no. 4 650–58, DOI: 10.1038/s41559-018-0499-1, accessed 6 February 2023.
- CCAMLR 2017, Catch documentation schemes, Convention for the Conservation of Antarctic Marine Living Resources, Hobart, accessed 20 January 2023.
- Codex Alimentarius 1995, [Principles for Food Import and Export Inspection and Certification CAC/GL 20-1995](#) Codex Committee on Food Import and Export Inspection and Certification Systems, Rome, accessed 24 February 2023.
- Coit, J,& Spinard, RW 2021, Report to Congress: Improving International Fisheries Management, National Oceanic and Atmospheric Administration, Washington D.C, accessed 7 March 2023.
- Coles 2023, Coles seafood, Coles, Hawthorn East, accessed 21 March 2023.
- DAFF 2015, Australia's seafood trade: Updated January 2015, Australian Government Department of Agriculture, Canberra, accessed 16 January 2023.
- 2023a, Illegal Logging, Australian Department of Agriculture Fisheries and Forestry, Canberra, accessed 17 March 2023.
- 2023b, Steps Australia has taken to address illegal fishing, Australian Department of Agriculture Fisheries and Forestry, Canberra, accessed 20 January 2023.
- DCCEEW 2021, [Convention on International Trade in Endangered Species of Wild Fauna And Flora \(CITES\)](#), Department of Climate Change, Energy, the Environment and Water, Canberra, accessed 5 June 2023.

DG MARE 2023a, Illegal fishing, European Commission Directorate-General for Maritime Affairs and Fisheries, Brussels, accessed 23 February 2023.

—2023b, Regional fisheries management organisations (RFMOs), European Commission Directorate-General for Maritime Affairs and Fisheries, Brussels, accessed 23 February 2023.

EFJ, 2023, How illegal fishing and human rights abuses in Korea's fisheries imports go undetected, Environmental Justice Foundation, access 24 August 2023.

EPRS 2022a, Illegal, unreported and unregulated (IUU) fishing, European Parliamentary Research Service, Brussels, accessed 27 March 2023.

—2022b, Illegal, unreported and unregulated (IUU) fishing Infographic, European Parliamentary Research Service, Brussels, accessed 28 March 2023.

EU IUU Coalition 2019, Achieving Transparency and Combating IUU Fishing in RFMOs: Reinforcing the EU's multilateral actions to promote best practices, EU IUU Coalition, accessed 8 March 2023.

—2020, [A comparative study of key data elements in import control schemes aimed at tackling illegal, unreported and unregulated fishing in the top three seafood markets: the European Union, the United States and Japan](#), The Environmental Justice Foundation, Oceana, The Nature Conservancy, The Pew Charitable Trusts and World Wildlife Fund, accessed 20 February 2023.

European Commission 2009, Commission Regulation (EC) No 1010/2009, Official Journal of the European Union, accessed 8 March 2023.

European Court of Auditors 2022, Special report: EU action to combat illegal fishing - Control systems in place but weakened by uneven checks and sanctions by Member States, European Court of Auditors, Luxembourg accessed 8 March 2023.

Fair Catch Alliance 2023, Same Rules for All Seafood, Minderoo Foundation Flourishing Oceans Initiative, Perth, accessed 23 February 2023.

FAO 1993, UN Food and Agriculture Organisation, Agreement to Promote Compliance with International Conservation and Management Measures by Fishing Vessels on the High Seas, November 1993, accessed 22 February 2023.

—2001, International Plan Of Action To Prevent, Deter And Eliminate Illegal, Unreported And Unregulated Fishing, The Food and Agriculture Organisation of the United Nations, Rome, accessed 20 February 2023.

—2016, Agreement on Port State Measures to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing, The Food and Agriculture Organisation of the United Nations, Rome, accessed 20 February 2023.

—2016, Seafood traceability systems – gap analysis and inconsistencies in standards and norm , The Food and Agriculture Organisation of the United Nations, Rome, accessed 10 February 2023.

—2022a, The State of World Fisheries and Aquaculture 2022 Towards Blue Transformation, The Food and Agriculture Organisation of the United Nations, Rome, accessed 20 March 2023.

—2022b, Understanding and implementing catch documentation schemes – A guide for national authorities, The Food and Agriculture Organisation of the United Nations, Rome, accessed 20 March 2023.

—2023a, Illegal, Unreported and Unregulated (IUU) fishing, The Food and Agriculture Organisation of the United Nations, Rome, accessed 20 February 2023.

—2023b, Role of Regional Fishery Bodies, The Food and Agriculture Organisation of the United Nations, Rome, accessed 20 February 2023.

FishWise 2022, Finding Common Ground Private Sector Feedback for Improved SIMP Implementation, FishWise, Perth, accessed 9 March 2023.

FRDC 2021, Australian Seafood Trade and Market Access, Fisheries Research and Development Corporation Canberra, accessed 20 February 2023.

Garcia, S, Barclay, K, & Nicholls, R 2020, Can anti-illegal, unreported, and unregulated (IUU) fishing trade measures spread internationally? Case study of Australia, *Marine Policy*, vol. 202, no. 5, p. 105494, DOI:10.1016/j.marpol.2020.104103, accessed 23 February 2023.

GDST 2023, About the Global Dialogue, Global Dialogue on Seafood Traceability, accessed 6 June 2023

GS1, 2022, The Global Dialogue on Seafood Traceability (GDST) Launches its Updated Seafood Standard in Australia, Press Release, accessed 6 June 2023.

Hosch, G 2016, Trade Measures to Combat IUU Fishing: Comparative Analysis of Unilateral and Multilateral, International Centre for Trade and Sustainable Development, Geneva, accessed 9 February 2023.

—G 2018, Catch documentation schemes for deep-sea fisheries in the ABNJ, Technical Paper No. 629, The Food and Agriculture Organisation of the United Nations, Rome, accessed 16 March 2023.

Hosch, G & Blaha, A 2017, Seafood traceability for fisheries compliance: country-level support for catch documentation schemes, The Food and Agriculture Organisation of the United Nations, Rome, accessed 24 January 2023.

IUU Fishing Index 2022, IUU Fishing Index, Poseidon Aquatic Resource Management Limited and the Global Initiative Against Transnational Organised Crime, Hampshire & Geneva, accessed 7 March 2023.

JFA 2020, [Act on Ensuring the Proper Domestic Distribution and Importation of Specified Aquatic Animals and Plants](#), Japan Fisheries Agency, Tokyo, accessed 17 March 2023.

Longo, C, Buckley, L, Good, S, Gorham, T, Koerner, L, Lees, S, Liow, SY, Oloruntuyi, O, Schley, D, Rice, J, & Currey, JC 2021, A Perspective on the Role of Eco-Certification in Eliminating Illegal, Unreported and Unregulated Fishing, *Frontiers in Ecology and Evolution*, vol. 9, DOI: 10.3389/fevo.2021.637228, accessed 21 March 2023.

Ma, X 2020, An economic and legal analysis of trade measures against illegal, unreported and unregulated fishing, *Ocean Development & International Law*, vol.51, no. 2, pp. 133-50, accessed 18 January 2023.

Macfadyen, G, & Hosch, G 2021, [The Illegal, Unreported and Unregulated Fishing Index 2021](#), Poseidon Aquatic Resource Management Limited and the Global Initiative Against Transnational Organised Crime, Hampshire & Geneva, accessed 7 March 2023.

Mancion, CMC 2020, Exploring traceability in small-scale fisheries: from harvest to landing, MMM thesis, Dalhousie University, accessed 4 March 2023.

Minderoo Foundation 2021, Mending the Net, Minderoo Foundation, Broadway Nedlands, accessed 12 January 2023.

NOAA 2021, Report on the Implementation of the U.S. Seafood Import Monitoring Program, National Oceanic and Atmospheric Administration, Washington D.C, accessed 17 March 2023.

—2021, Tackling Challenges of Global Seafood Traceability Programs, National Oceanic and Atmospheric Administration, Washington D.C, accessed 10 February 2023.

—2022, NOAA seeks to expand Seafood Import Monitoring Program, National Oceanic and Atmospheric Administration, Washington D.C, accessed 22 February 2023.

—2023, Proposed rule for revisions to the U.S. seafood import monitoring program, National Oceanic and Atmospheric Administration, Washington D.C, accessed 24 June 2023.

NPOA-IUU 2014, Australia's Second National Plan of Action to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing, Department of Agriculture, Fisheries and Forestry, Canberra, accessed 13 February 2023.

OECD 2021, Fisheries and Aquaculture in Australia, Organisation for Economic Co-operation and Development, Paris, accessed 13 March 2023.

Pramod et al. 2014, Estimates of illegal and unreported fish in seafood imports to the USA, Marine Policy, Volume 48, pp. 102-113, accessed 23 July 2023.

—2019, Estimates of illegal and unreported seafood imports to Japan, 2019. Marine Policy, Volume 108, accessed 28 July 2023.

SEAFDEC 2022, Japan's catch documentation scheme under the act on ensuring the proper domestic distribution and importation of specified aquatic animals and plants, Southeast Asian Fisheries Development Center, Bangkok, accessed 9 March 2023.

Share America 2020, [Illegal fishing degrades the environment](#), USA Department of State, Washington D.C, accessed 8 March 2023.

Song, AM, Scholtens, J, Barclay, K, Bush, SR, Fabinyi, M, Adhuri, DS, & Haugcon, M 2020, Collateral damage? Small-scale fisheries in the global fight against IUU fishing, *Fish and Fisheries*, vol. 21. No. 4, pp.831-843, accessed 8 February 2023.

Statista 2020, Top importers of fish and fishery products worldwide 2020, Statista, New York, accessed 16 February 2023.

Sumaila, U R, Zeller, D, Hood, L, Palomares, MLD, Li, Y, & Pauly, D 2020, [Illicit Trade In Marine Fish Catch And Its Effects On Ecosystems And People Worldwide](#), *Science Advances*, vol. 6, no. 9, accessed 23 March 2023.

Tinch, R, Dickie, I & Lanz, B 2008, Costs of Illegal, Unreported and Unregulated (IUU) Fishing in EU Fisheries, Economics for the Environment Consultancy Ltd, London, accessed 10 March 2023.

US Treasury 2022, Treasury Targets Serious Human Rights Abuse Aboard Distant Water Fishing Vessels Based in the People's Republic of China, United States Department of the Treasury, Washington D.C, accessed 7 March 2023.

USITC 2021, Seafood Obtained via Illegal, Unreported, and Unregulated Fishing: U.S. Imports and Economic Impact on U.S. Commercial Fisheries, United States International Trade Commission, accessed 28 March 2023.

Widjaja, S, Long, T, Long, Wirajuda, H et al 2020, Illegal, Unreported and Unregulated Fishing and Associated Drivers, Ocean Panel, Washington D.C, accessed 28 March 2023.

WTO 2022, The World Trade Organisation, Agreement on Fisheries Subsidies, 2022, accessed 27 March 2023.

WWF 2023a, Illegal Fishing, World Wildlife Fund, Washington D.C, accessed 21 February 2023.

—2023b, Woolworths, World Wildlife Fund Australia, Sydney, accessed 21 March 2023.