

Have your say - Response of tuna Industry to Biosecurity Discussion Paper

(28 November 2022)

Introduction to the Australian Southern Bluefin Tuna (SBT) Industry Association (ASBTIA).

ASBTIA represents all of the owners and users of SBT catch quota in Australia. SBT is an international fishery shared between Australia and Japan (35% each of the global catch quota), and NZ, Indonesia, Korea, Taiwan and EU (www.ccsbt.org)

Over 85% of the Australian catch quota is captured live in the Great Australian Bight, towed to tuna farms around Port Lincoln, grown out, and then all exported. The other 15% is caught by longline on the East Coast of Australia, and largely exported fresh. In total, SBT is Australia's second largest aquaculture export (www.frdc.com.au) Employment is over 1,000 FTEs in SA (www.pir.sa.gov.au)

Catching of SBT is managed by the Commonwealth Government, and farming by the SA Government. Both operate under the Commonwealth Cost Recovery Guidelines ("the Guidelines") as does the Australian Fisheries Management Authority (AFMA), Australian Maritime Safety Authority (AMSA), Primary Industries and Resources SA (PIRSA), and all the Commonwealth and State Departments and Agencies that provide government services.

We are also substantial importers of bait fish (to feed the tuna in farms and for longline bait), and of farm equipment (eg nets not available in Australia). We liaise with DAFF on biosecurity issues related to these imported products. All government costs for both imports and exports are recovered from industry, **based on attributable costs.**

Therefore, it is very important to the industry that the integrity of cost recovery remains based on recovery of actual attributable costs. Any charging above that is equivalent to a **royalty or resource rent** and any charging below that can only be a government decision. Therefore, we are opposed to funding the Commonwealth's biosecurity through a general levy on containers and/or other cargo – as this is not attributable costs.

Question One: Considering the potential funding options and opportunities outlined in the discussion paper, as well as from your experience, what elements do you think a sustainable biosecurity funding model should include? Are there elements that should not be included; if so, why?

In general, Australia treats biosecurity as a national (government) responsibility. When the term "shared responsibility" was developed in the 1990's it was never envisaged that that it had any implications for cost sharing. It was that every Australian had an interest in effective biosecurity, and not just government. Traditionally Biosecurity being a national (wider community) responsibility, there was no concept that anyone other than government should pay the cost.

This acceptance that the cost should be paid by government was reinforced by the perception that it was a battle against infiltration by other countries. Biosecurity became like the Armed Forces – a total national responsibility.

Therefore, it is very difficult to allocate cost recovery shares between sectors – whether they be international travellers, container/cargo inspection, or other border activities. At its simplest, charging every imported or exported container, whether containing at risk or not at risk product, is not true or appropriate cost recovery.

Despite it being a national responsibility, “biosecurity remains one of the largest cost-recovered functions in the Australian Government” (2021 Report by the Inspector-General of Biosecurity – Ref 196.gov.au/current-and-completed-reviews).

As the Inspector-General says - what is not appropriate is to use is the term “risk creators.” He notes – “the risk creator tag is unhelpful when it is applied outside of an identified deliberate attempt to breach Australia’s biosecurity measures. Taken to its extreme, all users of imported goods (including the agricultural sector) are “risk creators” or “risk contributors.”

In addition, it can be argued that a major beneficiary of biosecurity measures (not just surveillance) is the domestic industry protected (properly) from import competition.

Given all these complications – it is not possible to justify charging any specific sector.

Question Two: How would your proposed model operate at a practical level and who would it apply to?

Because it is not possible to isolate costs to particular groups to charge them, the only solution is that it is accepted as a national border protection responsibility, like Defence.

In seafood - what government can do effectively to reduce cost and create incentive is to persuade the seafood industry and State Governments to adopt a cost-sharing Aquatic Deed, the same as almost all terrestrial industries. A final agreement was almost reached in 2018 on an Aquatic Deed:

<https://www.animalhealthaustralia.com.au/wp-content/uploads/Aquatic-Deed-Stakeholder-Update-March-2018-FINAL.pdf>

however, the absence of one aquaculture industry and the wild catch sector, prevented an agreement being reached at that stage.

Such a Deed is an effective way of sharing costs and responsibility between the Commonwealth Government, State Governments and Industry.

Question Three: How would your proposed model impact you and others? What would be the benefits or the disadvantages to you and/or other stakeholders?

An Aquatic Deed would create a shared responsibility between State and Federal Governments and industry – and avoid the inevitable annual debate over whether levies are consistent with the Guidelines, who should pay, and the level of cost recovery. These are often difficult enough, and time-consuming, in the current annual negotiations on cost recovery under even well-established rules (eg export charges).

The other advantage to us is that it avoids breaching the Cost Recovery Guidelines, and avoids opening the door for resource rent and royalties. This is currently the biggest threat to the seafood industry in Australia.

Question Four: Is the proportionality between those who contribute to the funding system and those who benefit the most, right?

Under the Guidelines and under the Deed concepts – required by DAFF (and its Agencies) on all other activities – the beneficiary of the funding system will automatically contribute the most for that service. That is the rule underpinning the Guidelines – which are used by DAFF and its Agencies across-the-board.

The problem with Biosecurity is that it is not always possible to quantify the benefit received by different groups. That is why the contribution made under the Deeds is the most effective way of addressing the cost recovery issue.

Question Five: Are there other technologies, current or emerging, that could be employed to increase the efficiency of the biosecurity system, and perhaps reduce operational cost?

We think that DAFF has done a good job developing new methods and technology. Examples are remote inspections and now using Agents for tailgate inspections. On engineering improvements – we assume that DAFF constantly looks overseas for new technology – testing methods, and pre-shipment agreements.

We have discussed with DAFF relying more on “chain of custody” control measures, which also transfer part of the cost to the exporting country. The Biosecurity Inspector-General noted in 2021 the importance of moving to this type of “co-regulation.”

Question Six: How could the Commonwealth Government improve efficiency in the biosecurity system (consistent with meeting our Appropriate Level of Protection)?

Although the tuna industry is penalised severely on meeting, for imports, a threshold like the ALOP, and in export markets in other ways – we have no wide disagreement on how DAFF meets what it sees as its obligations. As noted above, it was also not DAFF’s fault that an Aquatic Deed was not achieved yet.

Building on the use of remote inspections and chain of custody protocols are important.

Question Seven: What other investments or actions could the Commonwealth Government make or take to sustainably support the delivery of biosecurity activities?

See answers above. The worst thing the Commonwealth could do is breach the Cost Recovery Guidelines now compulsory in most Commonwealth and State activities. Using the levy-raising power outside the Guidelines would seriously damage the government credibility.

Brian Jeffriess

CEO – Australian Southern Bluefin Industry Association Ltd

PO Box 1146 Port Lincoln SA 5606

Ph: 0419840299 E. ceo@asbtia.org