



Tasmanian Salmonid Growers Association Ltd. - ABN 27 009 590 729

8th June 2007

Mr Bill Henderson
Regulatory Burden – Primary Sector
Productivity Commission
PO Box 80 Belconnen
ACT 2616

Dear Bill,

Re: Review of regulatory Burden on Business – Primary Sector

Further to our earlier discussion I have viewed a draft of the National Aquaculture Council's (NAC) submission to this review, and I believe it is sufficient for the Tasmanian Salmonid Growers Association (TSGA) to endorse NAC's submission as being appropriate for Australian aquaculture in general and to highlight some of the issues most relevant to us by way of this letter, rather than taking up your delegation's precious time during their visit to Hobart.

Trade and market access.

Whilst a relatively small portion (some 5 to 7%) of Australia's annual production of 20,000 tonnes of farmed salmonids is exported, maintaining access to export markets has value to both the industry and to the balance of trade. We attempt to maintain a close working relationship with the AQIS Export Programme and affiliated programmes such as the National Residue Survey (NRS) and committees such as the Seafood Export Consultative Committee (SECC), but we do feel that AQIS could:-

- Communicate more directly with aquaculture sectors such as ourselves rather than relying on SECC members who have no mandate and insufficient contact with the various industry sectors to allow accurate and timely information exchange.
- Be more forceful in advocacy of Australian industry and its specific attributes and needs when negotiating market access with overseas authorities.
- Be more flexible in its approach to coordination of export requirements for the various aquaculture sectors of diverse size and geographic spread across Australia.

Strengthening AQIS' performance on these topics would have the effect of reducing regulatory burden on many sectors of the Australian aquaculture industry. The NAC submission elaborates further on these topics.

Aquavet chemical registration.

Australia has a stringent process for registration of agricultural and veterinary chemicals, and the aquaculture industry is actively pursuing Minor Use Permit registration with the Australian Pesticides and Veterinary Authority of a small number of chemicals specifically for use in aquaculture.

A feature of the Australian aquaculture industry is that being relatively new, relatively “green”, and quite small by world’s standards, there is very little incentive for suppliers of aquavet chemicals to incur the effort and cost of registration of their product under the Australian system. Whilst we accept the desirability of a rigorous process, we feel that APVMA as the regulating authority could speed up the evaluation of applications and generally improve the evaluation process by:-

- adopting a more lenient approach to chemicals used in relatively small quantities, and
- accepting more readily the published scientific literature and/or approvals granted by reputable authorities in other countries such as UK, Canada, US, and Norway.

From first hand knowledge of watching progress of an application of an aquavet chemical through the APVMA application process I believe this is a regulatory burden which could be alleviated without undue risk. I believe the NAC submission will elaborate further on this topic.

Recent Policy issues.

In recent times AFFA has launched two initiatives; commissioning a risk assessment of and developing best practice **guidelines for biofouling management** for the Australian aquaculture industry, and developing **guidelines for aquatic animal welfare**. Whilst we have been closely involved with and support both these initiatives, we are disturbed by the rumours and indeed the views expressed by some regulators that to be effective these guidelines should be mandatory and incorporated into regulations. We strongly believe that it is essential that voluntary best-practice guidelines developed in collaboration with industry must not be allowed to become a regulatory burden. Such a step would also undermine industry’s confidence in “working with government”.

A further initiative which had the hallmark of an unnecessary regulatory burden was the proposal to include aquaculture enterprises in reporting nitrogen and phosphorus emissions to the National Pollution Inventory scheme. Fortunately this proposal has been quashed at the eleventh hour at a Ministerial Council meeting on the 2nd June, but I include our arguments against the proposal as an example of the bureaucratic arguments we sometimes face.

To encapsulate the issue, I provide the following extract from my recent letter to the Tasmanian Minister for the Environment.

“As stated above, the Tasmanian salmonid farming industry already reports annual usage of feed and other inputs directly to DPIW. From knowledge of feed composition and feed conversion factor, it is a relatively easy matter to estimate the amount of nitrogen and phosphorus emitted per tonne of salmon produced; indeed in 2000 DPIW produced an Emission Estimation Manual which shows these calculations. If it is deemed essential in the National interest to report nitrogen and phosphorus output by aquaculture for other than public disclosure reasons (which we most strongly object to), then the Tasmanian salmonid farming industry is already doing so in effect. Why then is it considered necessary by NEPC to bypass a well functioning reporting system which has existed in Tasmania for two decades, in favour of a whole new bureaucratic process administered from Canberra? It is not difficult to envisage licence fees and fines being instilled at a later stage, as a cost recovery or revenue raising measure.”

Again, the NAC submission will also mention these issues.

Dealing with ASIC.

My last and perhaps most frustrating example of regulatory burden deals with a topic which may be outside the province of this particular review, but I will flag it in any case. Although registered with the Australian Securities and Investments Commission (ASIC), TSGA Pty Ltd. is a small industry association with just 6 members, with a liability of \$1 each. The TSGA engages an independent Chairman, myself as Executive Officer and one part-time office assistant, and has no commercial function other than representing the interests of the Tasmanian salmonid farming industry in areas of government and public liaison, and administration of the industry's R&D programme. We find ASIC to be overly bureaucratic and pedantic in its dealing with its customers such as ourselves, apparently unable to distinguish between large corporations dealing with significant amounts of investors' funds and a small organisation such as ourselves. ASIC appear to change regulations and procedures without notification to customers; their system of web-based correspondence for notices duplicates the most basic processes; they refuse to recognise an Executive Officer as an Officer holder of the company even for communication purposes; and their ability and willingness to unilaterally impose fines for inadvertent transgressions discriminates against small enterprises who don't engage registered agents. From discussion with colleagues in the industry I believe this view of ASIC as "the Government instrumentality most difficult to deal with" is widespread; in our view ASIC desperately needs to develop an alternate strategy to deal with small enterprises.

Please feel free to contact the writer if further information or any clarification is needed.

Yours sincerely,

Pheroze Jungalwalla
(Executive Officer)

Cc – Mr Simon Bennison. CEO, National Aquaculture Council.