

Es

SEAFOOD INDUSTRY AUSTRALIA



**Seafood Industry Australia submission
to the Protocol Amending the
Marrakesh Agreement
Establishing the World Trade Organization
Agreement on Fisheries Subsidies**

June 2023

Submitted via email to: jsct@aph.gov.au
on 13 June 2023

Committee Secretary
Joint Standing Committee on Treaties
Parliament House, Canberra

About SIA

SIA is the national peak-body representing the Australian seafood industry as a whole. With members from the wildcatch, aquaculture and post-harvest sector, including state, territory and sectorial associations, along with seafood businesses and producers. We are the voice of Australian seafood.

Currently valued at more than \$3.15 billion [+3.5b in 2021/22 and forecast to rise to 3.63 in 2023/24] and directly supporting more than 17,000 Australian families ([ABARES, 2021](#)) and thousands more downstream in logistics and sales, the Australian seafood industry plays a key role securing Australia's food base, creating and maintaining jobs, boosting economic activity, and generating valuable export income for Australia and our rural and regional communities. Australian seafood accounts for 10 per cent of the national agricultural production.

Growth of our industry delivers increased jobs and investment in rural and remote Australia, and puts more than 1.5 billion meals of quality, healthy, sustainable seafood for Australian families and our international neighbours.

SIA provides consumers, Government and other stakeholders with confident and united representation.

Our mission is to Promote, Protect and Develop the Australian seafood industry on the national and international level. Our unity indicates that we love what we do, we stand by our products, and that our products are the best in the world.

Our Pledge

We are the Australian seafood industry, and we are committed to putting the best Australian seafood on your table now and for generations to come.

To ensure we do this in ways we are all proud of, we promise to:

- Actively care for Australia's oceans and environment and work with others to do the same;
- Value our people, look after them and keep them safe;
- Respect the seafood we harvest and the wildlife we interact with;
- Be transparent and accountable for our actions;
- Engage with the community and listen to their concerns; and,
- Continually improve our practices.

This is our pledge to you.

Seafood Industry Australia (SIA) welcomes the opportunity to provide feedback on the Joint Standing Committee on Treaties consideration of The [Protocol Amending the Marrakesh Agreement Establishing the World Trade Organization Agreement on Fisheries Subsidies](#).

Current status of the Agreement

The final agreement of 17 June 2022 requires two thirds of WTO Members to accede to it before it can enter into force. As at 2 May 2023, seven Members had acceded to the Agreement, including the US and Canada. (https://www.wto.org/english/tratop_e/rulesneg_e/fish_e/fish_acceptances_e.htm)

Australian fishing industry's view of the WTO Agreement

This WTO Agreement is a major step forward for global sustainable fishing. Inevitably no individual country of the 164 participating countries has achieved everything they want. Our very positive view of the Agreement is based on:

- 1) It addresses all the major requirements – IUU, overfished stocks, traceability, and includes measures to implement the Agreement. Clearly some further measures will evolve, as envisaged in Clause 4.
- 2) It is another rules-based system, building on the important steps in international fisheries trade already established by the Fish Stocks Agreement, the Port States Agreement, the increasingly effective measures by RFMOs, the very strong traceability requirements of the US, the EU and Japan (three of the world's top four seafood importers), and the actions of countries like Australia to act on IUU imports.
- 3) We do not see some of the criticisms as significant. For example, we agree that the words in parts of the Agreement are not as precise as we would have liked. Australian core legislation such as the Fisheries Management Act 1991 have ancillary legislation which has precise and precautionary benchmarks of how “overfishing” and “overfished” are defined. Nevertheless, there is an evolving consensus on these concepts – and debate on the WTO Agreement will assist on that development.
- 4) We note the criticism that the Agreement does not include references to “capacity enhancing” or “harmful subsidies” (McVeigh 2022). We doubt whether the absence of such terms is meaningful, from either a direct legal value or development of WTO case law.

The importance of the WTO Agreement to Australia, and globally

- 1) Seafood is the major protein source for 3 billion people globally (FAO 2022).
- 2) Fisheries and aquaculture employ over 10% of the world's population, many of them women (OECD 2022).
- 3) Rabobank [Seafood Map](#) found that close to half of last year's trade flowed to the European Union, the United States, and China, whose combined imports surpassed USD 80 billion (EUR 76 billion). According to the analysis, the seafood trade was roughly 3.6 times the size of beef trade (the second most traded animal protein) in 2021, five times the size of the global pork trade, and eight times the poultry trade.
- 4) This WTO Agreement enhances the global competitive position of Australia's important strategic partners in the Western Pacific, Indonesia, and the Indian Ocean Rim. For example,

tuna is the world's highest caught fish species (FAO 2022) and the Western Pacific catch is the highest catching region – with a heavy dependence on tuna income. Again, Indonesia is the world's third largest seafood producer.

- 5) China is the world's largest seafood producer and importer. China fully participated in developing the WTO Agreement.
- 6) The Subsidies Agreement is another plank in building a rules-based system for utilising the world's largest renewable resource – fish stocks.
- 7) About one-third of global fish production is traded (OECD 2022). Australia exports a high proportion of its high value catch (eg lobster) and it is important that seafood trade has a strong rules-based system.
- 8) Strong demand for fishery and aquaculture products has positioned seafood as the most globally traded animal protein, with a trade value of USD 164 billion in 2021, increasing by a compound annual growth rate (CAGR) of more than 2.4 percent in the 10-year period 2011-2021, (Rabobank 2022).
- 9) About 33 % of global fisheries remain either overfished and/or overfishing taking place (OECD 2022).
- 10) Despite RFMOs gradually expanding their discipline and ocean coverage, there is still large-scale IUU.-A major driver of IUU is continuous subsidies adding to IUU fishing (OECD 2022).
- 11) It is estimated there is, globally, \$US35 billion pa spent supporting fishing which averages to about 20% of the total value of all marine fish caught at sea and brought to port (OECD 2022).
- 12) As outlined earlier, there has been significant progress in the last decade in countering IUU fishing. However, this success has led to IUU catch being more profitable and attractive. The next required step always had to be this WTO Agreement.

Issues for Australian Industry during the development of the Agreement

These are outlined below, and are issues that are shared by many WTO Members:

- 1) **Fuel:** Fuel related payments are about half (but declining) of the total global government support for the fishing industry (OECD 2022). In Australia's case the Fuel Tax Credit (FTC) is not a subsidy, and is not reported by Australia to either FAO or OECD as a "support payment.". For example:
 - a. The Australian Treasury has formally informed the G20 Energy Experts Group that the FTC was only introduced to improve administration. The government switched to a rebate system because it is more efficient to charge all users the same price upfront for fuel and avoid the complexity and integrity issues of differential pricing at the pump.
 - b. Australia regularly makes a range of declarations to international organisations on specific support measures for industries by Commonwealth and State Governments, but never includes the FTC.

The annual FTC payments to fishing (not including aquaculture) are about \$50m per annum.

- 2) **No subsidies for “overfished” stocks:** WTO Members have a range of different threshold levels (reference points) for defining what is an overfished stock and therefore not eligible for a subsidy. The Agreement tries to address this by allowing for developing of more common reference points over time.

Note: In Australia’s case, any government payment related to “overfished” stocks has targeted at taking fishing effort out of the fishery, not increasing it.

- 3) **Government-to-government payments:** The agreement is very clear that these payments are exempted from the Agreement. This is a key issue for Western Pacific countries.
- 4) **Different Commonwealth and State fisheries management rules in Australia:** Australia is unusual in that the Commonwealth Government only manages fisheries which total less than 20% of the national Gross Value of Production (GVP). Added to this, the major State-managed fisheries such as Rock Lobster and Abalone are largely export fisheries.

However, this is largely managed by Commonwealth external powers applying to all fisheries, and the increasing commonality between Commonwealth and State fisheries management rules.

Thank you

SIA thanks the Committee for providing the opportunity to comment and asks the Committee to consider the issues raised in this submission. In summary, SIA recognizes the important progress that has been made to date and the Australian commercial industry thanks DFAT for the continuous and open consultation on the Agreement over the past three years.

I welcome the opportunity to discuss any of our requests with you further and can provide more details if needed.

Finally, I would like to thank you in advance for your support of the future of Australia’s seafood industry.

Yours sincerely,



CEO, Seafood Industry Australia Ltd



References

Delpeuch, C., E. Migliaccio and W. Symes (2022), "Eliminating government support to illegal, unreported and unregulated fishing", *OECD Food, Agriculture and Fisheries Papers*, No. 178, OECD Publishing, Paris, <https://doi.org/10.1787/f09ab3a0-en>.

FAO 2022. The state of the world's fisheries and aquaculture. FAO Fisheries.

Martini, R. and J. Innes (2018-12-14), "Relative Effects of Fisheries Support Policies", *OECD Food, Agriculture and Fisheries Papers*, No. 115, OECD Publishing, Paris

McVeigh. K. first WTO deal on fisheries subsidies hailed as historic despite "big holes." *The Guardian* 21 June 2022.

OECD 2022. International effects of fisheries support policies. Paper (No. 118) by OECD Food Agriculture and Fisheries Division. October 2022.

Rabobank 2022. World Seafood Map 2022: Seafood Trade Keeps Growing From Strength to Strength. Rabobank May 2022.