

SOUTH
AUSTRALIAN
AQUACULTURE
COUNCIL



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Australian Competition & Consumer Commission
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Your Ref: Trackit 42030

28 May 2010

Dear Mr Rouw

**RE: South Australian Oyster Growers Association Inc (SAOGA).
Application for Revocation and Substitution of Authorisations.**

The South Australian Aquaculture Council (SAAC) has received your letter dated 24 May 2010 whereby the ACCC has invited comment on the SAOGA application to revoke authorisations A60024 and A60025, due to expire on 24 August 2010, and to substitute with new authorisations.

The SAAC considers that the funds raised by the existing levy (which has been in place for approximately 10 years) have significantly contributed beneficially to both the public good, and the development of the South Australian and Australian Pacific Oyster farming industry.

As you are aware, the money is only used by the South Australian Oyster Research Council Pty Ltd, (wholly owned by SAOGA), for oyster industry research and development, which benefits the whole South Australian and Australian Pacific Oyster industry.

These industry funds have been, and will be, used to leverage additional research funding through organisations such as the Fisheries Research and Development Corporation (FRDC) and the Australian Seafood Cooperative Research Centre. In this way, Oyster industry members gain significantly more leveraged financial benefit than their initial levy charge via spat purchase, and have access to a much wider range of research than if they had undertaken their own enterprise specific research.

Examples of the research undertaken include significant work on environmental and animal health and disease risks, which have clearly benefitted the public by ensuring the quality and safety of the product.

Research has also included studies into growth rates and genetic improvements which clearly assist the viability of oyster farming.

Future research will now become critical in addressing how the whole industry should prepare for the impending effects of Climate Change which may alter marine weather conditions, temperature, salinity, acidity, oxygen and carbon dioxide levels and could increase the incidence of toxic algal blooms or other emergencies.

As far as we are aware, the collective agreement to charge the levy has had no detrimental effects on competition within the industry, and has in fact contributed to an increase in the size of the industry, both in the number of hatcheries and growout operations, resulting in a more robust choice in the increased availability of quality product.

We are not aware of any industry or public complaints about the existing or proposed levy arrangements.

The cost of this research is significant, and the value of the dollar has decreased over the last 10 years.

It is therefore appropriate that SAOGA proposes to increase this levy by no more than CPI.

In conclusion, the SAAC supports the SAOGA application.

If you require any further comment, please contact me on 0401737255.

Yours sincerely,



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Martin Hernen
Secretary
South Australian Aquaculture Council