



The General Manager
Adjudication Branch
Australian Competition and Consumer Commission
GPO Box 3131
Canberra ACT 2601

25 July 2014

Dear Mr Hatfield,

**Australian Seafood Industries Pty. Ltd – A91444
Submission**

The Australian Seafood Cooperative Research Centre is pleased to support the submission from Australian Seafood Industries Pty Ltd (ASI) to implement a levy of \$2.80 per 1,000 Pacific Oyster spat, on all spat sold by all Pacific Oyster hatcheries in Australia.

The Seafood CRC has supported R&D projects to the value of well over \$1million, to develop genetically improved oysters and is currently supporting a breeding program to produce Pacific Oysters which are resistant to Pacific Oyster Mortality Syndrome (POMS). There is industry-wide concern that the spread of POMS beyond NSW, where it currently causes mass mortalities of oysters, threatens the future viability of the entire Pacific Oyster industry in Australia. Development of a resistant oyster is the most effective approach to control this risk.

In supporting research of this nature it is essential that there exists an effective path to market for the outputs of the research. In this case the identified path to market is for ASI to continue the breeding program for POMS resistant oysters for several years beyond the end of the research phase. ASI will then make available, through multiplier hatcheries, Pacific Oysters that can survive an outbreak of POMS. Research has indicated survival rates of 70% or more are achievable by 2018.

Creation of a clear path to market for POMS resistant oysters required resolution of two major problems:

- i) The financial viability of ASI is dependent on on-going R&D grants, which are competitive and cannot be guaranteed.

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- ii) The multiplier hatcheries that would sell the POMS resistant oyster spat developed by ASI also produced their own genetics lines of oysters and thus were conflicted when supplying growers.

The implementation of a levy on all Pacific Oyster spat will address both of these constraints and permit implementation of the ASI business plan. This will effectively deliver POMS resistant oysters to industry and provide a degree of insurance against the spread of the disease.

The appointment of a skills based board with one or two members independent of the industry will greatly assist in the industry acceptance of this arrangement.

The commercial multiplier hatcheries will be major beneficiaries from a successful implementation of this program and are well placed to collect the levy most efficiently. With the clear willingness of the oyster growers, who are the hatcheries' customers, to pay the levy, and ACCC endorsement of a levy to apply equitably to all spat sales, every sector of the industry will gain.

If the levy is approved the result will be a united industry supporting delivery of an industry outcome from the Seafood CRC research into genetic improvement of oysters.

Yours sincerely,



Dr Len Stephens, Dip Agr Sci, BVSc, MSc, PhD
Managing Director