

## AQUATIC DEED – PROJECT UPDATE

### Development of an aquatic emergency animal disease response agreement

March 2018

TOGETHER, aquaculture and fisheries industries and governments are working to prevent disease and respond more effectively when outbreaks occur. An agreement to prevent emergency disease outbreaks, and to manage and fund large responses is a key component of this work. This agreement is called the Aquatic Deed and a draft is largely complete. The basis for sharing costs has been proposed, with one third of costs to be paid by the Commonwealth, one third to be paid by affected state/territory governments and one third by affected industries.

Consultation on this draft will occur during 2018 and then all aquatic animal industries and governments will decide whether to sign onto the agreement later in the year. Until then, it is important to note that all approaches proposed in the deed are draft.



In this update, DISCOVER the latest progress on the draft deed and **how this could benefit fisheries and aquaculture businesses** specifically by PROPOSING:

*Fact: Only those industry sectors who benefit from a response contribute to cost sharing.*

- ✓ **AQUACULTURE FARMERS** who are affected by an emergency disease outbreak may be eligible for reimbursement for stock lost or destroyed because of the disease and other eligible losses under the response plan.
- ✓ **FISHERS** who are affected by an emergency disease outbreak may be eligible for reimbursement for losses such as stock destroyed as part of a response and losses from fisheries closures declared as part of an eradication response.
- ✓ **Aquaculture and fisheries sectors** that are affected by a disease outbreak would share the industry portion of response costs (one third) using gross value of production and a weighting to **SHARE COSTS EQUITABLY**.
- ✓ **A draft Aquatic Deed** will be released in early 2018 for **CONSULTATION** with industries and governments.

*Fact: Not every disease outbreak will be responded to under the deed – there are criteria that need to be met and agreed to.*

Find out more below...



## AQUACULTURE FARMER REIMBURSEMENT – HOW COULD IT WORK?

- If there is an emergency disease outbreak, farmers' animals could either die due to disease or may be destroyed to help eradicate or contain the disease.
- In either circumstance, the government agency that is responsible for leading the response would be able to reimburse affected businesses for those losses under its legislation.
- Under the Aquatic Deed, these costs are then shared by ALL that potentially benefit from responding to the outbreak; not only by the lead agency and the directly affected businesses.
- Sharing costs supports quick action to get the outbreak under control and minimise impacts.
- Losses will not be eligible for reimbursement if they are not due to the disease or are not ordered under the response plan.



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### *How does sharing costs of reimbursement benefit my business?*



From a business perspective, having certainty that reimbursement can be available provides an incentive to report any disease concerns early. Reimbursement encourages early reporting by REDUCING IMPACTS to your business. Early reporting also reduces impacts and response costs by responding before the disease spreads widely.

During a response, farm stock often needs to be destroyed to stop a disease spreading further; this is a difficult decision for all involved but it is in the broader interest to minimise spread of the disease. Reimbursement for these losses is critical to ensuring that directly affected businesses are not disadvantaged for doing the right thing and acting in the common interest.

Agreeing in advance about how to share costs—including reimbursements—means funds are available to take rapid and decisive action. It will help those who are directly affected to be reimbursed and return to normal operation as soon as possible. Businesses that aren't directly affected will benefit by avoiding the disease due to effective containment or eradication and may be able to maintain business as usual.

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## FISHER REIMBURSEMENT – HOW COULD IT WORK?

- If there is an emergency disease outbreak, a response in the environment may be required. For fishers, this could mean that landed catch may need to be destroyed, fishing equipment may need to be decontaminated or areas could be closed to fishing for a period.
- Similar to aquaculture, the government agency responsible for leading the response could reimburse affected fishers for those losses under its legislation. Under the Aquatic Deed these costs could be shared among ALL of those who potentially benefit from the response.
- Directly affected fishers could be reimbursed, helping their businesses to return to normal as quickly as possible.
- Unlike reimbursing farmers, where mechanisms have been agreed in similar agreements for livestock and plant disease responses, working out approaches to fisher reimbursement requires covering some new ground.



Image source: <http://npfindustry.com.au/the-northern-prawn-fishery/>



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### *How does sharing costs and being part of the Aquatic Deed benefit my industry?*

Your INDUSTRY benefits by having a say in decision making during a response, such as what is the best way to respond and how much to spend, and knowing that there is certainty for how the response is managed. Your industry can contribute knowledge and expertise to response efforts and there is an avenue to improve risk mitigation to prevent outbreaks happening in the first instance.

For FISHERS, reimbursement may be provided for some losses to help your business return to normal operation. Businesses may also benefit by being contracted to assist in delivering response actions.

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## WHAT IF MORE THAN ONE INDUSTRY IS AFFECTED?

- An important part of the Aquatic Deed is that all parties who potentially benefit from a response should share costs equitably and in proportion to the expected benefit.
- Because aquatic animal diseases can be new or largely unknown their impacts may be uncertain. To address this a default formula has been developed to share costs equitably—governments pay two thirds and industry pays one third of response costs. In cases where more is known about a given disease, the deed will allow for different cost-sharing proportions to be negotiated.
- If more than one industry is affected, the total of the industries' one third share will be split up among those industries.

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*Gross value of production will be the basis for calculating each individual industry's share of the total one-third of the response costs*

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### WHAT IF... fisheries and aquaculture are affected?

- We know that both fisheries and aquaculture sectors can be affected by the same disease outbreak and each can benefit from successful containment or eradication.
- Discussions to date with aquaculture and fisheries sectors have concluded that aquaculture sectors are likely to benefit more than fisheries from an emergency response. This means that any shared costs need to reflect this in order to be equitable.
- To achieve an equitable approach, a weighting will be used in conjunction with gross value of production of the affected industries.

## WHAT TO EXPECT IN 2018

- **CONSULTATION** with all prospective industry parties to the deed. The project team will be attending industry meetings throughout the first half of 2018.
- A **WORKSHOP** with all prospective industries and governments is proposed for mid-2018 to finalise the deed and agree on the timeline for ratification.
- A **FINAL DRAFT DEED** will then be ready for industries and governments to sign.

For further information **CONTACT** the Animal Health Australia project officer, [jane.frances@dpi.nsw.gov.au](mailto:jane.frances@dpi.nsw.gov.au), or your industry rep.

## ACKNOWLEDGEMENTS:

- This project to develop the Aquatic Deed is funded by the Australian Government Department of Agriculture and Water Resources.
  - The Aquatic Deed Working Group leads and manages the process of developing the Aquatic Deed. It is the primary mechanism for consultation among industry sectors and governments and has been integral in developing the draft deed.
  - A project team with staff from the Department of Agriculture and Water Resources and Animal Health Australia support the Aquatic Deed Working Group.
  - Aquatic Deed Working Group industry members:
    - Abalone Council of Australia
    - Australian Abalone Growers Association
    - Australian Barramundi Farmers Association
    - Australian Bluefin Tuna Industry Association
    - Australian Council of Prawn Fisheries
    - Australian Prawn Farmers Association
    - Pearl Producers of Australia
    - Pet Industry Association of Australia
    - Oysters Australia
    - Seafood Industry Australia
    - Seafood Industry Victoria
    - Tasmanian Salmonid Growers Association
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