

Development of an Aquatic Deed – project update

June 2017

Aquatic animal industries and governments have been working together to develop a “Government and Industry Cost Sharing Deed in Respect of Aquatic Emergency Animal Disease Responses” (“Aquatic Deed”). The Aquatic Deed will formalise arrangements to fund and manage responses to certain aquatic emergency animal disease outbreaks.

The key benefits of an Aquatic Deed include clarifying risk mitigation responsibilities of governments and industries, faster responses and certainty for how responses will be managed. This includes provisions for reimbursement of losses due to disease, and industry participation in decision making.

A project funded by the Department of Agriculture and Water Resources and managed by Animal Health Australia is now nearing completion. This project has been accelerated to bring forward the finalisation of a draft Aquatic Deed by the end of 2017.

The Aquatic Deed Working Group leads and manages the process of developing the Aquatic Deed. This update is part of a series of updates for stakeholders. For more information, click [here](#).

This update will take a closer look at three of the key topics for discussion by the Aquatic Deed Working Group:

1. How will we share costs for responding to disease outbreaks?
2. Who will manage the Aquatic Deed and how much will it cost?
3. Why have timelines been accelerated and how will we achieve them?

1. How will costs be shared?

A beneficiaries pays approach...

A key principle of the Aquatic Deed is that those who benefit from an emergency response contribute to the costs of response activities. This recognises the shared responsibility of governments and industries in managing biosecurity. In doing so, it allows for those who are affected by an aquatic emergency animal disease outbreak to have a say in decision making and ensure the best possible biosecurity outcomes. This kind of arrangement is well accepted in plant and terrestrial animal industries.

To be able to share costs, the first step is to determine who benefits and therefore, who should contribute. Aquatic animal resources have many diverse users, from the general public, commercial fishers, recreational fishers and Aboriginal and Torres Strait Islander fishers. Some of the benefits that these users receive are more easily measured than others. For instance, private benefits through commercial fishing can be measured through gross value of production. However measuring benefits such as protection of native or endangered species is more difficult.

A workable solution...

To overcome these difficulties, the “three thirds” approach has been developed, where one third of eligible response costs are paid by the Commonwealth, one third by states/territories in aggregate and one third by affected industry (ies). This approach recognises there will always be a high degree of public benefit from an aquatic emergency animal disease response. The approach is efficient, low cost, facilitates rapid response and can be implemented immediately. An alternative would be to attempt to value the flow of benefits for each aquatic emergency animal disease which would be a very lengthy, costly and difficult exercise.

While the three thirds approach may not accurately reflect benefits in every case, the rationale is that the benefits will balance out over time. There will also be the option for funding parties to agree on a different split, which will be currently being explored by the Aquatic Deed Working Group.

The three thirds approach has been agreed in-principle by the Aquatic Deed Working Group and supported by senior levels of government.

Next steps: To determine how to break down the next level down of cost sharing:

- Among affected state/territory government (one third share)
 - A mixed model approach is being considered that uses GVP and population to apportion public benefits among affected state and territory governments.
 - This is being considered by senior levels of government.
- Among affected industries (one third share)
 - The Aquatic Deed Working Group is exploring the use of GVP and weightings to apportion costs among affected industries.

2. Who will manage the Aquatic Deed and how much will it cost?

The role of the Aquatic Deed Custodian is crucial to manage and maintain the agreement and to act as an “honest broker” to support parties in meeting their responsibilities and resolving any disputes. This includes supporting parties in meeting their risk mitigation responsibilities and calculating cost-shared contributions in a response.

A priority for the Aquatic Deed Working Group is that the Custodian services are cost effective, with ongoing costs kept as low as possible. To help achieve this, the Aquatic Deed Working Group has developed service specifications and selection criteria.

All potential parties to the Aquatic Deed need to be confident in the Custodian as this represents a long term financial commitment for all involved.

Next steps: The Aquatic Deed Working Group is expecting to consider a business case addressing their identified service specifications in the coming months, with the aim to reach a decision at its October 2017 meeting.

3. Why have timelines been accelerated and how will we achieve them?

A draft Deed will be finalised by the end of 2017, rather than 2018 as originally planned. The accelerated timeframes are in part due to the number of recent outbreaks and increasing need for

certainty for governments and aquatic animal industries, making the Aquatic Deed project a national priority. All aquaculture industries are facing their own unique biosecurity threats, including global trends of new and emerging diseases.

The Aquatic Deed Working Group will continue to meet regularly to develop the Aquatic Deed, and is supported by an expanded project team providing additional resources to the project.

Following completion of a draft Deed, extensive consultation with all industries and governments will take place in early 2018 which will then culminate in an industry-government workshop. This process will provide all potential parties with the opportunity to ask questions, raise and address any concerns and should result in an Aquatic Deed that is acceptable to all potential parties, positioning them strongly to be able to commit to signing onto the Aquatic Deed.

Next steps: Industry and governments will be contacted to arrange for individual briefings and consultation opportunities in the coming months.

For more information, including frequently asked questions can be found [here](#).

You can also contact Jane Frances, the Aquatic Deed project manager here:
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Upcoming key stakeholder engagement dates in 2017

20-21 June	Aquatic Deed Working Group meeting (Melbourne)
10-14 July	FRDC Aquatic Animal Health and Biosecurity Conference
1-2 August	Australian Prawn Farmers Association Conference
4 August	SA Oyster Growers Association conference
10-11 August	Australian Abalone Growers Association workshop
5-7 September	Australian Barramundi Farmers Association board meeting
27-29 September	Seafood Directions – Aquatic Deed presentation on day 3
19 October	Ornamental Industry trade show
20-21 October	Shellfish Futures
25-26 October	Aquatic Deed Working Group meeting

Benefits of formal Emergency Response Agreements

Certainty	Responsibilities are known
Costs	Contributions are equitable and proportional to expected benefit
Risk mitigation	Risks of an outbreak are minimised; shared liability encourages an ongoing process of risk mitigation by all
Decision making	Industry contributes to decision-making
Speed of reporting	Immediate reporting is facilitated & disincentives reduced
Speed of response	Commitment to act means responses commence more quickly
Collaboration	A spirit of industries and governments working together is engendered and supported
Commitment to act	Agreements include obligations (eg Government to

	resource response capacity; industry to develop & adopt biosecurity plans)
Common good	Collaboration encouraged through shared risks
Regular review	Requirements to report on progress (eg improvements in risk mitigation)
Training	Systematic approach to emergency response training (national cross-sector arrangements)
Communication and awareness	All parties commit to a national communication program to raise community awareness