

**Submission
No 55**

FOOD PRODUCTION AND SUPPLY IN NSW

Organisation: Sydney Fish Market

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Sydney Fish Market

Submission to the Legislative Assembly's Committee on Environment and Planning's Inquiry into Food Production and Supply in NSW

Background – Sydney Fish Market

Sydney Fish Market (SFM) is an institution in the NSW and wider Australian fishing industries, providing a secure and reliable marketplace for Australian seafood since 1966.

SFM was first operated as a wholesale fish market by the Fish Marketing Authority, a state-run body. 1994 saw the significant transformation of SFM's structure, as the New South Wales Government privatised the marketing of seafood, and Sydney Fish Market Pty Ltd was formed. Since 1994, SFM has been owned equally by the harvest and post-harvest sectors of the NSW seafood industry - the Catchers Trust of NSW and SFM Tenants and Merchants Pty Ltd.

SFM operates a wholesale auction and working fish market, hosting six seafood retailers offering Australia's biggest variety of fresh seafood alongside a range of other produce retailers, restaurants and cafes. It is the largest market of its kind in the southern hemisphere, trading over 100 different species of seafood each day. In the 2021 financial year, SFM sold around 500 species of seafood with a total value of over \$154m.

Our Submission

As Australia's home of seafood and a cornerstone of the seafood industry in Australia, SFM welcomes the opportunity to submit to this inquiry into Food Production and Supply by the Legislative Assembly's Committee on Environment and Planning.

Our submission is in the context of the seafood industry and, given the Terms of Reference for this inquiry are broad, we have focussed our submission on the following topics:

- **Improving food security and equitable access to food.**
- **Preserving productive land and water resources.**
- **Limiting the impact food production has on the environment, including overfishing.**
- **Development and growth of the food industry (raw or processed) as an export.**
- **Consideration of workforce challenges and skills development**
- **Implications for quality control and labelling of processed/manufactured food.**



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Sydney Fish Market has participated in numerous government inquiries in recent years, including making submissions on country-of-origin labelling, aquaculture, fishing industry reforms and marine parks. For consistency and efficiency, some of the content in this submission has been duplicated from our previous submissions on these subjects.

Improving food security and equitable access to food.

The seafood industry is an integral part of the global food industry. Seafood is a healthy, sustainable food category, and one which plays a significant role in many food cultures around the world – including Australia's.

To improve (sea)food security for our community, it is imperative to ensure the security of our seafood industry.

The NSW seafood industry adds significant value to New South Wales and broader Australia. The industry contributes to the economy and to the food security and the nutritional needs of local communities. The industry also contributes to education and skills transfer through knowledge handed down through generations.

From a consumer perspective, the current economic and social climate suggests that buying Australian-made produce is now even more of a priority, as Australian consumers seek to support local industries and have confidence in the quality, safety, and environmental impact of their purchase.

However, the local wild-caught fishing industry is in decline. The number of commercial fishers in NSW dropped from a high of 3,500 in the 1980s to approximately 700 today. Much of the decline can be attributed to rising costs, industry reform, marine park expansion and an ageing workforce.

To ensure the industry can continue to provide fresh, local seafood to the community, government needs to support the viability of industry by:

- Ensuring professional fishers retain access to the marine estate to sustainably harvest seafood.
- Protecting fish habitats by addressing the real threats to the marine environment (e.g. pollution & development).
- Ensuring that the local industry is effectively credited for their efforts and can compete fairly with imported products by mandating country of origin labelling in foodservice.
- Encouraging commercial fishing as a career path for young people by helping to professionalise the industry via training and maintaining industry's social licence to operate.

These themes are expanded on throughout the rest of this submission.



In addition to supporting the wild-caught industry to improve food security, it is also important that government simultaneously nurtures the growing aquaculture industry.

Aquaculture is a profoundly important source of food security in Australia. Expansion, development, and innovation in this space in turn supports the wild-catch seafood sector by augmenting supply and strengthening the long-term sustainability of Australia's seafood industry. Furthermore, aquaculture is a key industry when it comes to supporting local employment within regional communities around Australia.

Australian aquaculture products are recognised internationally as some of the best quality in the world and are occupying a growing percentage of seafood supply domestically. Australian aquaculture must be at the forefront when it comes to innovation relating to production efficiencies, novel technology and selective breeding programs aimed at maximising commercial returns. There are several reputable institutions within Australia that are making notable progress in these key research areas. Support for innovation within the aquaculture sector is essential to ensure the ongoing viability of an industry capable of supplying products that are competitive in both local and international markets.

Annual sales at Sydney Fish Market amount to an excess of \$150 million. The business currently has approximately 800 suppliers of seafood, however, only 7% of these suppliers come from the aquaculture sector. This under representation of aquaculture supply is due to the business model that SFM currently adopts (Dutch auction), which is not the preferred trading method for aquaculture businesses that use accurate production forecasts to enter into supply agreements with customers at set prices. Sydney Fish Market is addressing this issue by diversifying beyond its existing methods of seafood trading including the creation of a digital trading platform.

Due to launch in 2022, SFM's digital trading platform will provide seafood producers and commercial buyers across Australia with an open, transparent, and efficient marketplace via a best-in-class online trading system. The platform will enable more efficient trade through the facilitation of logistics solutions, an open-data approach and simple payment mechanisms.

SFM's digital trading platform will become the Australian seafood industry's standard B2B online trading environment, providing benefits to all stakeholders, and assisting the industry's long-term growth.

For aquaculture businesses, the digital trading platform will provide access to SFM's buyer-base nationally, fostering the development of new markets and trade relationships with agreed pricing in a streamlined transparent and robust way. This innovation provides significant opportunity to expand the market for aquaculture products.



In line with our own endeavours to develop opportunities for the aquaculture sector in Australia, Sydney Fish Market supports this inquiry into food production and supply. A strong Aquaculture industry will be imperative to food security and equitable access to into the future.

4. Preserving productive land and water resources.

SFM is an ardent supporter of the evolution of the government's Marine Estate Management Authority (MEMA) threat and risk assessment (TARA) based approach to the management of the total NSW marine environment (Marine Estate), on which our industry depends.

Ensuring that the real threats to the marine environment are addressed is important in helping fish habitats to remain productive. The main threats to marine biodiversity include: pollution from urban and agricultural run-off and sewerage, introduced species and destruction of marine habitat by inappropriate land-based development. Marine Parks do not address these threats.

We support initiatives that are based on rigorous scientific research and believe that focusing on good fishing management practices will achieve far better outcomes for our marine environment and fish stocks, than by imposing fishing restrictions with marine parks.

Marine parks do not protect fish from the main threats listed above and there is a danger that these threats will not be properly addressed as long as there is a belief that marine parks are protecting the marine environment. Instead, we think there should be a greater focus on directly addressing these threats. As such we support the government's [MARINE ESTATE MANAGEMENT STRATEGY 2018-2028 \(nsw.gov.au\)](#) and we urge the government to ensure the strategy continues to receive funding and resources to ensure that the proposed outcomes are achieved.

6. Limiting the impact food production has on the environment, including overfishing

Seafood has a much lower environmental impact than other animal proteins. Fishing is more energy efficient and has a lower carbon footprint than the production of any other form of meat¹. No fertilisers or pesticides are used on Australian wild caught seafood making it an organic, low carbon, sustainable choice as well as being full of health benefits.

Australian fisheries are exceptionally well managed, equivalent with global best practice, operating within a tightly regulated framework which supports fish stock sustainability, minimising impacts on

¹ [The environmental cost of animal source foods - Hilborn - 2018 - Frontiers in Ecology and the Environment - Wiley Online Library](#)



the marine environment and maintaining the livelihoods of professional fishers who supply seafood to the Australian community.

Sydney Fish Market is committed to ensuring a sustainable supply of seafood both for today and for future generations. We support and encourage responsible fishing practices, environmentally responsible farming practices and responsible fisheries management based on sound science.

Sydney Fish Market plays an integral role in the Australian seafood industry and has an enduring commitment to responsible sourcing. Our commitment is based on our four 'Responsible Sourcing Principles':

- All our product is lawfully supplied;
- We know all our suppliers and have a robust traceability system
Our suppliers label their product accurately, using the Australian Fish Names standard and identifying country of origin.
- We track the sustainability status and environmental impact of our source fisheries.
- Where necessary, we advocate and support improvements in responsible fishing practices, rigorous scientific research, and best practice fisheries management.

8. Consideration of workforce challenges and skills development.

There are considerable career opportunities in the seafood industry, from the catching sector through to post-harvest and food service. However, fishing industry employees tend to have lower levels of formal education than the general Australian workforce² and unfortunately, the industry is lacking in recognised training and certification.

SFM has identified an opportunity to help plug this gap by expanding our existing education offering (Sydney Seafood School) into a broader vocational training centre at the redeveloped Sydney Fish Market (scheduled for completion in 2024).

The establishment of this training centre would allow for an expansion beyond domestic cooking classes into vocational and higher education, adding value across the seafood supply chain.

SFM's higher education model would initially focus on providing Certificate III and IV in commercial cookery - in partnership with TAFE and major hospitality groups. There continues to be huge demand for these courses which current institutions are struggling to meet.

² [DvrstylnAustFshngWrkfrc20150220v1.0.0.pdf \(awe.gov.au\)](#)



Additionally, the development of trade activated courses in partnership with the wider seafood industry including production and supply chain will serve to educate and train the retail, wild caught and aquaculture workforce. Currently, TAFE NSW, Universities, and industry associations (e.g. FITC) are not providing sufficient education opportunities of this nature.

Though SFM's ambitions in this space are only in an early stage at present, we hope to have government's support as these plans develop further.

9. Development and growth of the food industry (raw or processed) as an export.

Sydney Fish Market believes the NSW seafood industry can benefit from export opportunities. As such, we partnered with Sydney Markets Limited to provide an RFI for the Western Parkland City Authority's Integrated Logistics Hub Airfreight Interface Concept.

This year, Sydney Fish Market will launch a digital trading platform to cater for an initial rapid expansion in domestic seafood trade, followed by an expansion into international trade. Facilities for the safe and efficient transportation of seafood is of paramount importance to ensure this is achieved.

10. Implications for quality control and labelling of processed/manufactured food.

Sydney Fish Market supports the principle that consumers are entitled to make an informed choice when making purchasing decisions.

Our view is that the introduction of mandated country of origin labelling for seafood sold through restaurants and cafes would allow customers to make this informed choice with respect to the provenance of their purchases.

Current laws ensure that retail customers can identify the country of origin of their seafood purchase, however this does not extend to cafes and restaurants where much of the seafood sold in Australia is consumed. Given Australia's seafood culture, customers generally assume that the seafood meal they are purchasing is Australian, when often it is not. This is evidenced by a study on Evaluating Changes in Consumer Attitudes and Behaviour³ which revealed that more than 50% of those surveyed assume the seafood they purchase is Australian if there is no stated country of origin.

³ [2015-702-DLD.pdf \(frdc.com.au\)](https://www.frdc.com.au/2015-702-DLD.pdf)



At present, more than 70% of the seafood consumed in this country is imported as Australia's demand for seafood outweighs its supply.

Research has shown that many customers are willing to pay a premium for Australian seafood. This premium is essential for Australian seafood producers who struggle to compete with their imported equivalent due to high production costs.

In addition to incorrect assumptions about the provenance of their seafood, the lack of regulation regarding labelling species is cause for further confusion.

We believe that the success of country of origin labelling will rely not only on provenance labelling but also on the labelling of correct species names and the best way to ensure this is for the [Australian Fish Names Standard](#) to be mandated and introduced in parallel with country of origin labelling.

In 2008 Sydney Fish Market and a group of its retailers became the first companies in Australia to be certified under the Australian Fish Names Brand Scheme and now we are proud that all our retailers are certified under this standard.

The push for country of origin labelling of seafood in food service has continued for many years without resolution – despite numerous senate inquiries, petitions, and research pieces strongly demonstrating consumer support for the availability of this information.

The NSW seafood industry has had an incredibly difficult few years, facing impacts from sweeping industry reforms, drought, bushfires, and COVID-19. During this tough economic period, it is critical that Australia's hardworking seafood producers can present and market their produce in fair competition with imported equivalents, to ensure a viable industry in years to come. Most importantly, Australian consumers deserve to be informed about where the food they are purchasing has come from, to enable them to make informed decisions and support local, should they wish to do so.

Thank you for the opportunity to participate in this inquiry. I would welcome the opportunity to elaborate further on the information provided in our submission.

Greg Dyer
Chief Executive Officer
Sydney Fish Market