



Australian Government

**Fisheries Research and
Development Corporation**

Final Report

**Formation and Levy Setup for the
Australian Mussel Industry Association**

Project 2008/224

Mr E. Colquhoun

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Project Title: 2008/224 Australian Mussel Association – formation and levy setup
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NON-TECHNICAL SUMMARY

2008/224 Australian Mussel Association – formation and levy setup

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OBJECTIVES:

1. Undertake and document the industry workshop
2. Finalise Association incorporation and governance arrangements
3. Finalise R&D levy platform required by the AMIA
4. Submit the Final Levy Submission to the AMIA

OUTCOME ACHIEVED:

The project has established a corporate entity (Australian Mussel Industry Association) and inclusive membership and governance arrangement for all 30 odd aquaculture mussel enterprises in the Australian mussel industry. This will enable the industry to communicate with one voice to its industry members, to the FRDC and to other agencies and organisations, and to become a full member of the National Aquaculture Association. The project has also established the industry development and investment platform for both a statutory R&D levy, and voluntary marketing/promotion investment contributions by mussel producers. The R&D levy submission will be sent to DAFF in December 2009.

Summary

Production of aquaculture mussels is an expanding industry in Australian temperate near shore waters. In late 2008 a small leadership group representing the industry's 30 odd mussel producers agreed with FRDC to implement a process to establish a national mussel aquaculture organisation. This process was to commence with an industry workshop to assess development opportunities and issues. Ridge Partners was asked to undertake the project.

The Principal Investigator (Ewan Colquhoun) convened and managed the industry workshop in Melbourne on 13 Oct 2008.

Workshop invitations were sent to all known active and dormant mussel producers. Nineteen industry participants representing all states (NSW, Vic, Tas, SA, WA) attended, together with the National Aquaculture Council; the Commonwealth Dep't of Agriculture, Fisheries and Forestry; and invited organisational representatives. Industry attendees included farmers from large and small businesses with over 80% of industry production in attendance.

Presentations were received at the meeting by Simon Bennison from National Aquaculture Council, and Steve Maxwell from Levies Revenue Service at DAFF in Canberra. Dr Patrick Hone from the FRDC congratulated attendees on their resolutions and commitment to move the industry forward.

This FRDC sponsored National Industry Workshop of mussel farmers determined to form a single national industry body. The meeting resolved to:

1. Form a new organisation called Australian Mussel Industry Association to be incorporated immediately
2. Elect office bearers to form the Executive Committee of the AMIA: President - Andy Dyer (Port Lincoln, SA); Executive Committee members - Lance Wiffen (Portarlington Vic.), Chris Boyton (Pambula NSW), Phil Lamb (Triabunna Tas. – Sec/ treasurer), and Glenn Dibben (Coogee, WA).
3. Establish a national industry development plan, incorporating R&D priorities and strategies. Industry advisors Ridge Partners would work with industry and the Corporation on this Plan in the coming weeks.
4. Establish a national R&D and promotion funding model based on industry co-investment via the FRDC statutory model. A submission would be developed in the coming months for consideration by AMIA members, and FRDC before submission to DAFF.

During the following 12 months the AMIA undertook a number of meetings and matters required by its Articles and good governance principles.

The Rules of the Australian Mussel Industry Association were drafted and submitted to the SA Commission for Corporate Affairs in November 2008. The industry based Executive Committee was nominated and the Association incorporated under the SA Associations Incorporation Act on 6 Nov 2008. The Australian Government issued ABN 435 582 711 51, active from 10 Dec 2008. The Association has since been issued with a Tax File Number, a PAYG number, and GST registration. The Association Secretary has opened a bank account and is currently appointing a registered auditor and establishing accounting procedures. Approximately 50% of licensed mussel growers (equivalent to 70% of industry tonnage) applied for membership of the AMIA by mid 2009. The Principle Investigator provided Executive Officer / admin support services to the AMIA free of charge, as part of this contract.

The Industry Plan was developed and submitted to the Executive Committee in October 2009.

The AMIA has applied for and been awarded (20 May 2009) \$50,000 in funding by the DAFF Promoting Australian Produce Program.

The Executive Committee conducted further discussion with industry members and agreed a format for the R&D levy and the voluntary market/promotion contributions. The AMIA Executive, with industry support, has resolved to establish:

- a compulsory R&D levy of 3c/kg of mussel production at farm gate, and
- a voluntary contribution of 1c/kg of mussel production at farm gate.

Both of the levies will only apply to annual production from a farm above a 50 tonne threshold. The R&D levy component has been developed into a comprehensive submission to FRDC and DAFF / LRS. The voluntary levy will be managed separately by the AMIA and operate in parallel with the proposed R&D levy. The compulsory R&D levy submission was finalised and submitted to the Committee in November 2009. In December 2009 the Committee resolved to forward the final submission to DAFF.

Key Words

Mussel, aquaculture, production, marketing, promotion,

Acknowledgements

The FRDC and NAC have supported industry through the project.

Background

nil

Need

The industry faces a number of development opportunities to increase production and supply chain efficiency and to increase competitiveness against imported mussels.

The industry required a cohesive plan and R&D development and marketing program to be able to undertake projects to capture these development opportunities.

Objectives

1. Undertake and document the industry workshop
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Methods

The project involved consultation with industry, formal meetings with the AMIA Executive Committee, desk research, discussion with industry bodies, and reporting.

Results/Discussion

All 4 objectives have been achieved by November 2009.

The AMIA Executive formally adopted the outputs described above, at its scheduled meeting on 15th December 2009.

The AMIA is well represented by experienced mussel growers from across the industry. The industry and its body has a positive and emerging relationship with the NAC. While there will be difficult economic times and conflicting agendas for individual producers, the experience of the leaders and its links to broader aquaculture will provide critical support as industry moves forward.

Benefits and Adoption

All mussel industry producers will benefit directly from this project, including those who choose not to take up AMIA membership in the short term.

Seafood consumers will also benefit from improved quality and availability of Australian mussels resulting from supply chain and market development projects.

The aquaculture industry will benefit as the second aquaculture industry (after prawns) formalises its membership and structure and provides support to NAC and the wider industry.

Researchers will benefit from the clearer investment signals and development objectives that the industry publishes in successive Industry Planning documents.

The FRDC and other agencies will benefit from a more nationally cohesive and strategically directed Australian mussel industry.

Further Development

These are matters for the AMIA to propose as it moves forward.

Planned Outcomes

The outputs have been noted above. The outcomes for a number of the key beneficiaries are listed under the benefits and adoption section above.

Conclusion

The project has achieved all the objectives defined in the project contract.

References

Nil

Intellectual Property

There was no IP developed during the project.

Staff

Ewan Colquhoun undertook all tasks to complete the project.