

# THIRD PARTY CERTIFICATION: QSIA ADDITIONAL SUBMISSION



## 1. CERTIFICATIONS BODIES

The role of third-party certification bodies requires careful consideration at a whole-of-government level. The role and standing of third-party certification bodies – and their potential cost impacts on all primary industries in Australia – would justify a separate Productivity Commission study in its own right.

Third-party certification and strategic targeting of powerful, influential commodity purchasers to support such certification has significant implications for primary industry in Australia.

There are also significant implications in the notion that a government could see its power to guarantee the environmental sustainability of primary products transferred, deliberately or through loss of credibility to non-government organisations (NGOs).

While individual producers, organisations and politicians have expressed strong opposition to third-party certification because of the potential influence and impacts of certifying bodies on Australian primary production costs, the Queensland Seafood Industry Association (QSIA) is not aware of any whole-of-government examination of the implications of the campaign by environmental activists to impose third-party certification schemes on Australian primary producers.

The international campaigns by organisations like the World Wide Fund for Nature (WWF) – in the case of WWF, known as a “market transformation” campaign have the potential to expropriate the role of environmental approval of primary production from its proper place within government<sup>1</sup>. It also has the potential to inflict enormous extra costs on primary producers. Sophisticated campaigns targeting the “middle-men” in primary production supply chains in some cases is forcing producers to agree to third-party certification or auditing.

For example, WWF and/or MSC have approached Australia’s two major retailers – Coles and Woolworths and convinced them to establish preferential purchasing arrangements (and, increasingly, exclusive purchasing arrangements) with producers whose seafood has been certified by MSC or a similar body<sup>2</sup>.

In the case of beef, WWF has approached JBS, Australia’s largest beef processor, and McDonald’s, Australia’s largest single purchaser of beef, to try to convince them to give preference to certified cattle. This has met with strong resistance from some producers and representative organisations but the WWF campaign is continuing.

On a commercial basis, the attraction of third-party certification schemes for those providing the service is obvious. The Australian Bureau of Agricultural & Resource

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<sup>1</sup> WWF Transforming Markets Initiative: WWF is targeting Seafood, Timber and Paper, Beef, Sugar, Palm Oil, Financial Services Metal and Mining:

[http://www.wwf.org.au/our\\_work/people\\_and\\_the\\_environment/transforming\\_markets/](http://www.wwf.org.au/our_work/people_and_the_environment/transforming_markets/)

<sup>2</sup> Coles notes multiple third party certification systems based on an environmental perspective: <https://www.coles.com.au/corporate-responsibility/responsible-sourcing/responsible-sourcing/responsibly-sourced-seafood>

Economics and Sciences (ABARES) estimates that total agricultural production in Australia in 2015-16 will reach \$60 billion and exports \$45 billion<sup>3</sup>. If, eventually, that production can only be marketed after receiving third-party certification, the potential for profit from providing that then-essential service is enormous.

Such a suggestion is not far-fetched. Reading the WWF material on its market transformation campaign, there seems to be no primary product that WWF does not want to see captured by certification schemes.

These can be enormously expensive. For example, for one fishing operation<sup>4</sup> alone, the cost of certification has been publicly stated to be more than \$350,000. And, as well as the initial pre-certification procedures, and then certification itself, in following years' regular audits are required, with subsequent ongoing charges.

## 2. QSIA CONCERNS

As the recognised peak body for the seafood industry in Queensland, the QSIA opposes any official standing being accorded third-party certification bodies such as MSC. The QSIA firmly believes third-party accreditation schemes should not be used as an alternative to government regulation. The QSIA does not consider these have any equivalence to Commonwealth or State bodies responsible for ensuring environmental performance of wild-catch or aquaculture fisheries.

The QSIA has no confidence in the objectivity of environmental activist organisations closely associated with current third-party accreditation schemes. Privately-owned, profit-oriented organisations involved in third-party accreditation also cannot be held to account or be directed to maintain standards of behaviour in the manner that government agencies can be.

While it is couched in an environmental-sustainability context, third-party certification bodies largely offer a *marketing* advantage to participants – though it could be argued it is a marketing advantage they exacerbate by frequent criticism of the environmental performance of commercial fisheries (and, by inference, of Commonwealth and State fisheries managers and environment managers).

The greater the level of doubt that can be raised in the minds of consumers and particularly in the minds of wholesale/retail purchasers of seafood products – the greater the likely demand for services provided through bodies either part of, or very closely linked to, environmental activist organisations.

For example, a current campaign involving John West, the Marine Stewardship Council (MSC) and the World Wide Fund for Nature (WWF) suggests there will be no tuna in the sea unless fishing operators adopt practices such as those said to have been adopted by John West<sup>5</sup>.

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<sup>3</sup> Media Release, 1 March 2016: <http://www.agriculture.gov.au/abares/media-releases/2016/farm-production>. Agricultural Commodities March Quarter 2016 (p.4): [http://data.daff.gov.au/data/warehouse/agcomd9abcc004/agcomd9abcc20160301\\_cQe9T/AgCommodities201603\\_v1.0.0.pdf](http://data.daff.gov.au/data/warehouse/agcomd9abcc004/agcomd9abcc20160301_cQe9T/AgCommodities201603_v1.0.0.pdf)

<sup>4</sup> The Australian (Aug 29, 2015), 'Walker Seafoods Australia earns Marine Stewardship Council certification'. Link: [Walker Seafoods Australia article](#)

<sup>5</sup> John West: <http://johnwest.com.au/unlimitededition>

This advertisement is likely to have the effect of eroding public confidence in fisheries management, with statements such as “Can you imagine a world without fish?”, “Ninety per cent of the world’s oceans are currently over-fished or fully exploited” and “Unless we make a change, fish stocks could be exhausted in our lifetime.” However, having identified a crisis in the supposed threat to fish stocks, the ad also suggests a solution: “Choose MSC-certified sustainable tuna.”

It is Marketing 101: establish a need and then meet that need. In the case of third-party certification bodies, this equates to ignoring Australia’s world-class fisheries and environmental management regimes, creating a perceived need for “independent” third-party certification services, and then providing those services.

Part of the campaign to create a perceived need for third-party accreditation has been to demean existing government management of fisheries and the marine environment: if the public has confidence in government management, there is little advantage to a third-party scheme.

On a number of occasions, former Fisheries Minister Senator Richard Colbeck criticised exaggerated or misleading statements by WWF<sup>6</sup>.

However, that said, there are also occasions on which Commonwealth or State politicians have welcomed MSC certification as an endorsement of the environmental credentials of Commonwealth or State-managed fisheries. The Government of Western Australia announced some \$14.5 million in funds for MSC assessment of its fisheries<sup>7</sup>.

This indicates a need for further consideration of the role of third-party certification bodies, and an objective assessment of the advantages and disadvantages of their activities, including their close linkages to environmental activist bodies, such as WWF and Greenpeace.

This need extends beyond fisheries management. Third-party certification schemes are already offered for forestry operations and a number of agricultural sectors in Australia, including sugar and beef. These moves in other primary industries have been welcomed in some instances and vehemently opposed in others, that opposition involving both producers and politicians.

The future role of governments in providing assurances of the environmental sustainability of a range of industries, from fishing and forestry to sugar and beef-cattle production to mining should be examined and, in the view of QSIA, reaffirmed.

Many primary producers including many professional fishermen have no desire for environmental approvals for their activities to be placed in the hands of third-party certification bodies linked to organisations like WWF or Greenpeace. These are bodies considered to maintain a basic philosophical opposition to commercial fishing, and which, ultimately, could not be trusted to guarantee the ongoing operations of seafood providers, regardless of the environmental standards those operators met.

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<sup>6</sup> Media Release 17 September, 2015 – Senator the Hon Richard Colebeck, Senator for Tasmania and Parliamentary Secretary to the Minister for Agriculture, ‘Report ignores fisheries success stories’.

<sup>7</sup> <https://www.msc.org/newsroom/news/western-australian-government-14.5million-fund-for-fish-and-fisheries>

### 3. BROADER OPPOSITION

The threat of third-party certification being applied to an ever-increasing number of fisheries and to other primary products has led to opposition being voiced by individual politicians and by media.

For example, (now retired) Queensland Senator Ron Boswell<sup>8</sup> said in October 2012 told the Senate he was concerned about sustainability certification schemes being run or promoted by NGOs like WWF and Greenpeace.

“Under these schemes, the NGOs want the final say on certifying what is, and what is not, ‘sustainable’ in primary production and, in turn, what can, and cannot, be sold to consumers,” he said. “The ultimate intent of these moves by WWF and other environmental activists involved in certification is to ensure that only goods certified under their schemes are sold through Australian retail outlets, such as supermarkets, furniture retailers, etcetera.

“Of course, to have the products certified in the first place – and then have that certification renewed on a regular basis so those products can continue to be sold to the Australian public – costs producers a substantial amount of money.”

“We are already seeing these green activists behind bodies like the Forest Stewardship Council, trying to dictate what timber products wholesalers, retailers and consumers should be allowed to buy or sell, and likewise the Marine Stewardship Council wanting to do the same with fish. Next on the agenda is a plan to dictate whose beef products people should be allowed to put on their plates.”

Senator Boswell also stated<sup>9</sup>: “Former leading member of Greenpeace, Dr Patrick Moore, who has since become disenchanted with the organisation he helped to establish and left its ranks, wrote earlier this year about Greenpeace tactics: ‘*Greenpeace is threatening name-brand retailers and manufacturers who do not agree to a Greenpeace-backed wood fibre and paper policy that gives preference to one particular forest certifier – the Forest Stewardship Council, FSC – over all other forest certification bodies.*’

“We have already seen green activists using exactly those sorts of tactics here. Last year, activists launched co-ordinated protests and stunts against retailer Harvey Norman. They climbed onto store rooftops and dangled from the Sydney Opera House with banners. Why? Because Harvey Norman sells furniture made from timber legally obtained from sustainable Australian forests.”

Other companies have felt the force of Greenpeace’s activist campaigns, such as John West. Before earlier this year committing to the WWF/MSC partnership referred to above, John West was subjected to an intense, well-resourced campaign by Greenpeace.

In discussing the success of their campaign, Greenpeace said that, just six weeks after the launch of Greenpeace’s “Reject John West” campaign, John West “has pledged using destructive fishing methods that needlessly kill sharks, rays, baby tuna and turtles”.

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<sup>8</sup> Media Release 31 October, 2012 – Ron Boswell, Senator for Queensland, ‘Boswell tells Treasurer: bring green NGOs under Competition and Consumer Act’.

<sup>9</sup> [Senate 31 Oct 2012](#)

“In six weeks, 20,000 Australians have demanded John West respect fisheries science and change their tuna,” said Greenpeace Oceans Campaigner Nathaniel Pelle. “By committing to genuine sustainable fishing, they have done exactly that. This is a win for consumers and a win for the oceans. It shows that when Australians take action together, we can bring about real change.”

Of course, it is open to debate whether or not the fishing practices previously used to catch tuna supplied to John West in fact were destructive in the way Greenpeace alleged. That is immaterial. The fact is that John West was forced to make a commercial decision to win a halt in the protests and negative publicity by agreeing to sign up to a certification scheme – and so was driven into the arms of MSC, a ploy that has been described by other observers of third-party certification schemes as the Greenpeace – WWF “bad cop – good cop” ploy<sup>10</sup>.

In November 2012, the “Queensland Country Life” newspaper published an editorial about certification schemes, which said in part: “For months, this newspaper has warned against the interference of non-government organisations (NGOs) like WWF and Greenpeace in Australia’s agricultural supply chain<sup>11</sup>.”

“As highlighted in *Queensland Country Life* since early this year, NGOs such as WWF are exerting pressure on several Australian companies in the beef value chain, as well as producer group Cattle Council of Australia, to agree to a set of standards in line with what they are still yet to define as environmentally sustainable beef production.

“The group, known as the Australian Roundtable for Sustainable Beef, has met several times, and launched its initiative at Beef Australia in Rockhampton in May to a largely hostile and sceptical reception from beef producers.

“These groups are hell-bent on restricting what products can be sold by Australian producers and bought by Australian and overseas consumers. They have no stake in the ongoing health of primary production; they are anti-capitalist, un-Australian and potentially outside the law, so must be open to action by the ACCC.”

#### **4. FISHERIES MINISTER SAYS WWF “MISLEADING”**

It is impossible for WWF to seek to play a role in third-party certification – which an abundance of published and broadcast material indicates they do, in close partnership with MSC – when they deliberately mislead the public about the state of Australian and international fisheries.

A recent case of WWF’s unacceptable behaviour was highlighted by then federal Fisheries Minister Richard Colbeck in September 2015, when Senator Colbeck described WWF reports as “extremely misleading” and “a complete misuse of ... data”, and accused WWF of hypocrisy<sup>12</sup>.

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<sup>10</sup> For details of this campaign, see the Greenpeace site:

<http://www.greenpeace.org/australia/en/photosandvideos/photos/slideshows/John-West-story/>

<sup>11</sup> Queensland Country Life, 1 November 2012 (p.14), ‘Naked ambition of the bandit panda is unmasked’.

<sup>12</sup> Media Release 17 September, 2015 – Senator the Hon Richard Colebeck, Senator for Tasmania and Parliamentary Secretary to the Minister for Agriculture, ‘Report ignores fisheries success stories’.

In a media release, Senator Colbeck said a WWF report, *Living Blue Planet*, is “the latest anti-fishing industry propaganda that more resembles a marketing pamphlet than a serious fisheries report”.

“It’s part of a string of misleading campaigns aimed at scaring people into making donations rather than educating the public,” he said.

“WWF’s latest report is extremely misleading and more about their business model than genuine concern for the sustainability of our marine environment.

“This comes after a false campaign earlier this year which incorrectly claimed that 90 per cent of global fish stocks are over-fished. That claim is a complete misuse of the data and actually includes fisheries that are operating at a sustainable level,” he said. “In fact, research by the Food and Agriculture Organisation of the United Nations shows that 60 per cent of the world’s fish stocks are fully exploited (sustainably fished) and about 10 per cent are underexploited.

“The hypocrisy doesn’t end there. In 2012, the WWF called for all trawling to be banned in Australia, in complete contradiction to the fact they have backed trawl fisheries such as the Northern Prawn Fishery and the Spencer Gulf Fishery, which have MSC certification, as well as the recently certified winter blue grenadier fishery which utilises freezer trawlers.

“The community look to WWF for guidance and it is frustrating to see them abuse that power by providing glossy marketing material in the guise of research.”

Senator Colbeck said the report is misleading and fails to share the numerous success stories of our fisheries.

“The recent ABARES Fishery status reports show no solely Commonwealth managed fisheries are subject to overfishing<sup>13</sup>. This is a significant milestone which we should be proud of – it shows our fisheries are exceptionally well managed,” he said.

“The sustainable management of our fisheries has produced some excellent results over recent years, including the re-building of eastern orange roughy stocks to a healthy level which enabled commercial fishing for the first time in 10 years.

Australia’s fisheries are managed based on the best available science and are sustainably managed – because of this we are internationally regarded among the best fisheries managers in the world. Senator Colbeck has complained that WWF treats the term “fully exploited” – which means that the fishery is being fished sustainably, though at its maximum ideal level – as though it indicates a fishery is being harvested at unacceptable levels.

Yet, WWF has again conflated these two terms in its recent video on the John West commitment to MSC certification by having the presenter (Layne Beachley) say: “Ninety per cent of the world’s oceans are currently over-fished or fully exploited.”

It is beyond the resources of QSIA to further explore this issue but there is enough information in the public domain which raises significant questions regarding third party certification bodies and in turn third part certification systems.

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<sup>13</sup> FRDC – Status of Key Australian Fish Stocks 2014: [http://fish.gov.au/Pages/SAFS\\_Report.aspx](http://fish.gov.au/Pages/SAFS_Report.aspx)

## REFERENCES

To view the WWF / MSC video about John West, open this link:

<https://www.youtube.com/watch?v=qCnNH1zXag4>

For information about WWF and MSC, see:

[http://www.wwf.org.au/our\\_work/saving\\_the\\_natural\\_world/oceans\\_and\\_marine/marine\\_solutions/sustainable\\_seafood/](http://www.wwf.org.au/our_work/saving_the_natural_world/oceans_and_marine/marine_solutions/sustainable_seafood/)

[http://wwf.panda.org/what\\_we\\_do/footprint/smart\\_fishing/how\\_we\\_do\\_this/sustainable\\_markets\\_new/credible\\_fisheries\\_certification/](http://wwf.panda.org/what_we_do/footprint/smart_fishing/how_we_do_this/sustainable_markets_new/credible_fisheries_certification/)

For information about the origins of the MSC scheme, see:

<https://www.msc.org/about-us/our-history>

For information about WWF's international "market transformation" scheme – and the range of primary products targeted, see:

[http://wwf.panda.org/what\\_we\\_do/how\\_we\\_work/businesses/transforming\\_markets/](http://wwf.panda.org/what_we_do/how_we_work/businesses/transforming_markets/)

[http://www.wwf.org.au/our\\_work/people\\_and\\_the\\_environment/transforming\\_markets/](http://www.wwf.org.au/our_work/people_and_the_environment/transforming_markets/)