



Huon welcomes the invitation to have input into the review of WWF-Australia.

WWF-Australia (WWFA) became involved in the Tasmania salmonid industry leading up to 2012 when WWFA entered into an exclusive business arrangement with a single Tasmanian salmonid producer (Tassal). This arrangement ran from March 2012 to November 2018.

Huon is a proud Atlantic salmon and rainbow trout farming company in Tasmania which has developed a locally and internationally recognised successful business over more than 30 years.

The WWF-Australia (WWFA) Partnership with Tassal

The WWFA partnership with Tassal is often celebrated by WWFA as being instrumental in improving salmon farming in Tasmania. See below an excerpt taken from WWFA website:

“WWF-Australia has a strong track record of helping to improve aquaculture in Tasmania. Our partnership with Tassal, which ran from March 2012 to November 2018, led to Tassal becoming the first salmon company in Australia to achieve ASC certification for a farm site, and the first company globally to achieve this standard across its operations.”

Unfortunately, contrary to this statement, what the WWFA/Tassal partnership actually achieved was:

- The creation of an unfair competitive commercial advantage (i.e. the association with WWF and the WWF logo on salmon products) to one company within the industry in exchange for a substantial fee, without any verification or justification for providing that exclusive endorsement and advantage.
- Exclusion of other companies, such as Huon, from attaining this same endorsement and advantage in the marketplace without any verification or justification that Huon was in any way less worthy of that endorsement.
- The artificial and unfair bias created by WWFA’s actions unsurprisingly led to serious industry division.
- Not only did WWFA’s actions create a market advantage for Tassal, the use of the WWF logo and ASC certification enabled Tassal to engage in poor industry practice which was regularly given public and regulatory credence due to the close association with WWFA and ASC.
- Poor practices eventually and inevitably led to serious environmental harm, large-scale fish mortality, and a complete erosion of community confidence in the Tasmanian salmon industry.
- This caused even further industry division and resulted in desperation by other companies, such as Huon, to try to protect their good reputation which had been built up over many years and was being eroded.
- In the process, WWFA and ASC significantly compromised their own brands and came under attack from the community and ENGOS because of their association with such deleterious outcomes.

Throughout the period from 2012 – 2018, WWFA was absent from public discussion about the poor practices occurring, other than to regularly champion their partnership with Tassal.

Every Tassal Sustainability Report from 2012 onwards includes numerous references to its close association with WWFA and ASC and how this underpins Tassal's sustainability credentials. In fact, all of these "Sustainability Reports" contain a section on the WWFA partnership, including a personal message of endorsement from Dermot O'Gorman (CEO WWFA), espousing the expert advice being given by WWFA to Tassal and championing the sustainability credentials of Tassal.

Therefore, it is not credible for WWFA to distance itself from the appalling track record of Tassal over the period since 2012, particularly given most of the more serious issues were coming to a head towards the end of the WWFA/Tassal partnership agreement.



In a Report by the Australia Institute titled "Salmon stakes – Risks for the Tasmanian salmon industry" October 2017, it states:

"In August 2016, The Mercury newspaper described a social license as 'critical' to Tassal because otherwise a dramatic expansion of fish farming could trigger the same 'economy-crippling, community-destroying conflict' that had been seen in forestry. The editorial concluded:

- *To push ahead with expansion [of salmon farming on the East Coast] now, in the face of such steadfast opposition and concern from the community, would work against it – both on the company's immediate bottom line and ultimately its long-term future."*

On 31 October 2016, WWFA released a statement on their website about Tasmanian salmon farming:

"WWF-Australia tonight called on Tasmania's salmon farmers to come together to ensure the highest possible international sustainability standards are applied to the entire industry as soon as possible.

Two of the three Tasmanian salmon farming companies are now certified by the Aquaculture Stewardship Council. The industry has a positive future, but only if all farmers prioritise sustainable practices.

ASC certification is the highest standard for responsibly farmed seafood in the world. It provides consumers with an independent assurance that they are purchasing seafood from farms that protect the environment and communities. It is the most robust, transparent and independent system of assessment and certification.

WWF's partnership with salmon farmer Tassal has delivered many improvements in practice to benefit the environment...."

For the full statement follow link: <https://www.wwf.org.au/news/news/2016/wwf-statement-on-tasmanian-salmon-farming#gs.vbkgk8>

The WWFA statement suggests that the two companies with ASC certification are doing the right thing by the environment and that the third company (*ie.* Huon) needs to prioritise sustainability if it wants a positive future.

However, a mockery is made of this statement when the facts of the situation at the time are examined:

- Tassal knew in September 2016 (*ie.* at the time of the WWFA statement) that there was extensive non-compliance at their Macquarie Harbour (MH) Franklin lease (266).
- On 14 November 2016, less than 2 months later, the EPA publicly disclosed that they had ordered Tassal to destock their Franklin Lease by the end of February 2017.
- However, Tassal did not start harvesting fish from the Franklin Lease until early January 2017.
- On 24 February 2017 the EPA publicly disclosed it had granted Tassal an extension to the end April 2017 to destock the Franklin Lease. However, until then both Huon and the public were under the misunderstanding that the lease would be destocked by end February 2017 as directed by the EPA.
- Yet documents released on the EPA's own website clearly show that the EPA and Tassal knew back in November 2016 that Tassal were not going to destock the lease by end of February 2017.
- Tassal's delay in harvesting fish from the Franklin Lease resulted in additional feed being fed on the lease, increased biomass being held on the lease and delayed cessation of operations on the lease.
- The EPA documents acknowledged that recovery of the Franklin Lease would take longer due to the delay in destocking, but that this was a commercial decision by Tassal.
- This is all despite the extent of the benthic impacts being over square kilometres, including into the World Heritage Area.
- Given the known nature of MH and the shared environmental impacts of farming activity (*ie.* other salmon farmers, the environment and the community), this was not a decision that should have been left to one commercial operator in MH to make based on their own commercial interests.
- Huon were able to advance harvesting in MH to the start of December without difficulty.

Either WWF-Australia knew about the serious environmental degradation of the Tassal lease and its extent into the World Heritage Area at the time of making the statement on 31 October 2016 on the WWFA website or Tassal were clearly not being open and transparent with WWF-Australia.

A subsequent statement on the WWF-Australia website (<https://www.wwf.org.au/about-us/partners/tassal#gs.vbkjtl>) stated:

"As a strategy to improve consumer awareness of ASC, in 2016 and 2017 WWF-Australia conducted a trial involving the dual placement of the ASC and WWF logo on ASC-certified Tassal products. The trial, conducted over two three-month periods in 2016 and 2017, was designed to increase consumer awareness and preference for ASC-certified products through association with the WWF logo."

Clearly WWFA knew before 2017 about the serious environmental degradation that had occurred on and adjacent to Tassal's Franklin Lease in MH (and adjacent World Heritage Area) and therefore at the time of any 2017 logo trial. It was public knowledge from the EPA in November 2017, even if Tassal hadn't been open and transparent with WWF-Australia up until that point.

Why on earth would WWF-Australia still be running a joint WWF/ASC logo trial on Tassal product in 2017. Not only did this provide Tassal with an unfair commercial advantage in the marketplace, this was despite the publicly released information on the poor environmental track record of Tassal. It also discriminated against Huon, who had for years both privately to government, researchers and industry and eventually publicly, vigorously advocated for lower salmon production in MH because of environmental and research results to avoid such deleterious environmental outcomes.

For the full statement follow link: <https://www.wwf.org.au/what-we-do/food/farmed-seafood#gs.vbkqbi>

Huon strongly asserts that WWFA needs to take responsibility for the significant commercial bias it has unfairly perpetrated within the Tasmanian salmon industry and the detrimental role it has played in bringing the Tasmanian salmonid industry to the current negative position with the community.

Until this occurs, WWFA's claim of improving the Tasmanian salmon industry has little credibility in its stated future aims:

"Over the next two years, WWF plans to work with industry, leading scientists, environmental groups and government to help secure:

- *A government commitment to enhanced marine spatial planning and protection that better accounts for all marine and coastal values and users;*
- *100% certification of Tasmanian salmon production against the highest global standard for sustainable fish farming (the Aquaculture Stewardship Council or ASC), while also strengthening the standard to reflect Tasmanian conditions;*
- *More effective and transparent regulation of aquaculture, including more public disclosure of the environmental impacts of aquaculture; together with science-based limits on salmon farming to protect sensitive ecosystems and vulnerable species, notably in Macquarie Harbour.*

By working across all stakeholders we hope to inspire collaboration, consensus and a pre-competitive pursuit of the world's most sustainable farmed salmon."

In fact, it is Huon and the community that has drawn attention to the poor practices within the industry (by default endorsed by WWF-Australia and ASC), and the lack of effective regulation by government. It was Huon that:

- Regularly lobbied government with comprehensive submissions (all publicly available as part of the Huon legal case against the Federal and State Governments – see the following link)
- Prepared and publicly released a document titled "Tasmanian Salmonid Industry Sustainability Assurance Framework" in August 2017.
 - This document presents Huon Aquaculture Company Limited's (Huon Aquaculture's) vision for ensuring a sustainable Tasmanian salmon industry long into the future, a future where Tasmania is always at the forefront of world's best practice and where the hard lessons from catastrophic industry collapses elsewhere are embraced to ensure that such collapses never happen here.

Tasmania has a once in a generation opportunity to establish a strong framework that will guide the safe, sustainable growth of a world-class salmonid industry. Huon supports policy, regulation and planning that is informed by the best of international experts across all aspects of salmonid farming. Ground-truthing what we do and what we plan to do, means we can be truly global-leading. To do that, Huon supports bringing international experts to Tasmania to meet with legislators, government, regulators, stakeholders and the wider community to share experience and build trust in a transparent and informed way.

- Initiated the Planning for a Blue Futures Conference held in Hobart on 17 Dec 2017 (see excerpts below taken from the Conference Final Report):
 - The Tasmanian Global Salmon Symposium initiative began in 2017 following discussion between Professor Brigid Heywood, the Deputy Vice-Chancellor Research at the University of Tasmania, and Frances Bender, Executive Director of Huon Aquaculture Group Ltd. The Tasmanian Global Salmon Symposium partnership brought together the Tasmanian Salmonid Growers Association and the three Tasmanian salmon farming companies, Huon Aquaculture Group Ltd., Petuna Aquaculture Pty Ltd and Tassal Group Ltd; the State Government, through the Environment Protection Authority, Department of Primary Industry, Parks, Water and Environment and Biosecurity Tasmania; and the University of Tasmania. The Fisheries Research and Development Corporation worked with the initial partners and later joined as a formal Symposium partner. The University, through the Institute of Marine and Antarctic Studies, undertook to lead a global symposium, initially timetabled for 2018, that would consider critical aspects of salmon farming in Tasmania. Three themes emerged from partner discussions: Future Farming, Biosecurity and Environment.

Conference participants included salmon industry and government representatives from Tasmania, Norway, Denmark (including Faroe Islands), Scotland and Canada, representatives from the research community (Tasmania, Norway, New Zealand) and a number of local (Tasmanian) environmental interest groups.
- Took the unprecedented step of taking legal action against both the Tasmanian and Federal Government in regard to regulation of the salmon industry in MH.

Yet, WWFA continually fails to recognise the failures of their involvement in the industry since 2012 or acknowledge anybody else's efforts in exposing poor industry practice and ineffective government regulation. It is these efforts by others that have been critical in providing the possible chance to plot a positive path forward.

Huon's Presentation to ASC in Utrecht, Netherlands in September 2017

On 26 July 2017, a Mercury newspaper Editorial titled "Time for a Unified Front" stated that:

"TASMANIA needs a sustainable aquaculture industry. It is vital for our economy. It is vital for our workforce. It is vital for our national and international brand.

Other than those on the fringes who would like to see the industry forever consigned to the scrap heap, there are few who would seriously dispute these points. It is an industry the state cannot allow to fail.

But at the moment it is struggling with an image problem, and nowhere is this more obvious than the development at Okehampton Bay."

It goes on to say:

The State Liberal Government "should ask why it's plan to rule out further fish farming in the Mercury passage is not gaining the traction, nor appeasing the opposition, as it had hoped. For Tassal, it needs to determine how it can engender public confidence in the project — if that is even possible at this stage. It will run hard on the line that the project follows world's best practice and will create much-needed jobs (something it says resonates strongly on the ground in the region).

But at this point, such a message is struggling for cut-through; something which is probably not surprising given the ongoing fallout from Macquarie Harbour. It has some work to do but will be buoyed by the number of people yet to take a firm position.

For the industry at large, it needs to determine how it can form a united front. Commercial tensions will always exist, but it remains nigh impossible to properly confront and overcome external challenges when deep internal divisions are playing out so openly in public (and the courts)."

This editorial encapsulated the dire state the Tasmanian salmonid industry found itself in mid-2017 - over 5 years into the WWFA/Tassal partnership.

However, it was impossible for Huon at the time to see how things could improve or unity be achieved while Tassal continued to pursue a number of poor practices, particularly under the cover of very public WWFA and ASC endorsement.

However, in an effort to achieve meaningful change, Huon arranged for Dr Steve Percival (General Manager of Fish Performance and veterinarian with over 25 years' experience in the industry, research and government) to meet with Michiel Fransen (Head of Standards and Science) and Van Roetert (Head of Programme Assurance) in September 2017 at ASC Offices in Utrecht, Netherlands.

Key topics covered at the meeting include:

- ASC Standard – Key Overarching Issues with the Standard
 - The ASC standards do not adequately reflect salmon farming conditions, wildlife interactions and biosecurity issues in Tasmania
 - There is a focus in the ASC standards on meeting local regulatory requirements without assessment of the quality of those regulatory requirements and the robustness of regulatory management
 - Without review of points one and two, ASC certification can be used in Tasmania to enable “poor practice” rather than drive improvement and sustainability
 - Repeated failings of industry and the regulator to appropriately manage a diverse range of issues has promoted industry division, community anger and distrust across a wide range of stakeholders and fuelled the campaigns of anti-salmon farming groups
 - It is critical that the international arms of ASC and WWF engage urgently and meaningfully with all stakeholders in the sustainability of salmon farming in Tasmania, to fully understand the issues and help support a way forward.
 - If this is not done, then the credibility and value of ASC in Australia will potentially be lost and industry sustainability and improvement will by default need to be driven by other mechanisms.
 - If these issues are not effectively addressed, then the future of the salmon farming industry in Tasmania could be seriously compromised. This would be a disappointing outcome for the Tasmanian salmon industry and community.

- ASC Standard – Reputational Risks and Concerns
 - All three salmon farming companies in Tasmania have undertaken ASC certification.
 - The credibility of ASC certification is critical to its value to salmon companies, consumers and the community.
 - The value of attaining ASC certification has reduced in the last two years due to:
 - The actions/decisions of the Tasmanian State Government in Macquarie Harbour to permit significant overstocking by Tassal and the associated flow impacts;
 - ASC's acceptance of local compliance measures for environmental impacts, wildlife interactions and biosecurity; and
 - A seeming unwillingness by ASC and WWF to address “local issues” and robustly defend the standard from attacks by ENGOS.
 - There is an increasing risk that the reputation and brand value of ASC will be lost in this growing region.

- Macquarie Harbour – Environmental Issues
 - DO levels are significantly below ASC standard requirements at depths within the net volume and for extended periods.
 - Seemingly compliant salmon stocking densities are only achieved by including a significant component of non-viable in-pen water volume.

- Different companies have different depth nets (eg. 10m versus 15m side walls) so stocking density is not directly comparable between companies and meaningless in terms of regulatory compliance.
- There is serious benthic degradation over a wide-scale in MH, including well into the adjacent World Heritage Area.
- The Director of the EPA had stated within his “Statement of Reasons” for reducing the MH biomass limit in MH in May 2017 down to 12,000 tonnes.
 - *“My decision reduces the biomass in MH to a level that encourages remediation of harm and promotes mitigation of any adverse effects that fish farming has on the Harbour. This is integral in maintaining productive capacity of the harbour in the long term. Two major mass fish mortalities have already occurred as a result of bottom low DO waters being pushed up into the fish pens following recharge events.”*
 - *“MH currently accounts for 30% of the grow out sites in Tasmania. Considering the strategic importance MH plays to all farmers, the whole Tasmanian industry would be at stake if farming was no longer sustainable in the Harbour. The flow on effects of serious environmental degradation to MH including the World Heritage Area waters extends to other industries including tourism and would impact any commodity that relies on the “Clean Green” Tasmanian Brand in its marketing.”*
- How can a company that systematically ignored environmental monitoring results, persuaded government to allow increasing production, rendered a compliant lease into a “dead zone”, and significantly impacted an adjacent World Heritage Area be allowed to simply not include the damaged lease in re-certification with ASC and face no other censure?
- How can a company be allowed to continue to market fish held on the dead lease or others as ASC certified?
- How can a company be allowed to re-certify other leases and certify new leases before the “dead lease” is remediated and returned to compliance?
- An ASC policy of association would prevent the weakening of the standard by these seeming incongruities.
- Mixing of Year Classes and Disease Risk from Pilchard Orthomyxovirus (POMV)
 - Pilchard Orthomyxovirus (POMV) has been an emerging and increasingly serious disease in Tasmanian salmon farming since it was first identified in 2005.
 - Tassal notified government and industry in April 2017 that their 16YC salmon in MH had been confirmed with POMV infection.
 - Tassal were ordered by the EPA in November 2016 to destock their Franklin Lease (266).
 - In October 2017, despite strong objections from Huon, Tassal still transferred their 17YC smolt onto one of Tassal’s two still useable leases (i.e. 214 and 219).
 - This not only meant that Tassal mixed new 17YC smolt with their older 16YC fish. Those 16YC fish were known to have had POMV infection earlier in 2017. In addition, the stocking density of Tassal’s older 16YC fish was significantly higher than on Huon or Petuna leases (see slide 30 of the presentation). These factors significantly increased the disease transfer risks even further over and above the international norm of never mixing year classes regardless of disease status.
 - Tassal’s mixing of year classes in MH, where environmental conditions are known to be more stressful to fish and all farm sites are in close proximity (i.e. separation of only 1 km) ignored fundamental internationally recognised rules of biosecurity.

- If Tassal subsequently incurred an outbreak of POMV in newly transferred 17YC stock, then it was highly likely that the infection would spread to adjacent Huon and Petuna 17 YC smolt given the known close proximity of leases.
- In Huon's discussions with overseas industry experts in Aug 2017, there was a consistent level of incredulity that transferring a naive smolt year class onto the same lease still holding an older year class that has previously been infected with POMV would be countenanced.
- It was completely unacceptable to Huon, that Huon's operations were being exposed to this high risk strategy by Tassal. This was particularly the case because Tassal only needed to do this because Tassal had caused serious environmental damage to the Franklin Lease and been ordered by the EPA not to restock it with 17YC smolt. Tassal's actions were potentially risking the viability of an entire growing region for three companies.
- Of particular relevance was that Tassal indicated in writing that ASC endorsed this strategy, which in effect it did by varying the certification criteria of the ASC Standard following a submission from the auditing body (SCS) on Tassal's behalf to allow mixing of year classes.

POMV infection subsequently established in Tassal's 17YC smolt and spread to Huon and Petuna leases resulting in 1.35 million mortalities.

- Wildlife Management
 - Tassal had relocated over 2000 seals between Jul 2016 and Jun 2017. A further 831 seals had already been relocated in Jul and Aug 2017.
 - Tassal were also found to have illegally held 20 seals in a fish pen for more than five days in 2016. When this was reported in the press, Tassal were granted a temporary permit by the state government to allow this illegal practise to continue which avoided non-compliance which would presumably have led to an ASC non-conformance.
 - Tassal had a "seal problem" because they had not invested in appropriate barrier technology.

The PPT presentation and supporting documents including media statements are available from Huon.

Subsequent to the presentation in Utrecht there was a number of email communications between Huon, ASC and GSI which are broadly outlined below:

- 31 Oct 2017 – Email from Steve Percival (Huon) to Michiel Fransen (ASC), Van Roetert (ASC) and Sophie Ryan (GSI) – Subject: "Follow up information to our recent meeting in Utrecht"
 - Indicating the importance of ASC certification to Huon and our attempts to communicate with ASC in a proactive and constructive manner.
 - Providing copies of the power point presentations and supporting information that was presented in Utrecht.
- 2 Nov 2017 – Email from Steve Percival (Huon) to Michiel Fransen (ASC), Van Roetert (ASC) and Sophie Ryan (GSI) – Subject: "Some additional information on seal issues"
 - Forwarding an email sent by Huon to the Secretary of the DPIPWE in Tasmania on 25 Oct 2016 following adverse media in the Australian newspaper regarding the holding of multiple seals.
 - This was another example of lack of transparency – Huon was questioned by the media in regard to holding of multiple seals over multiple days in large holding cages, but knew nothing about what Tassal had been doing in this regard until the article in the newspaper was seen by Huon staff.
- 3 Nov 2017 – Email from Steve Percival (Huon) to Michiel Fransen (ASC), Van Roetert (ASC) and Sophie Ryan (GSI) – Subject: Update on Dissolved Oxygen levels in Macquarie Harbour"

- Included information communicated by Huon to government agencies and research organisations about DO trends and water temperature in MH.
- 23 Nov 2017 – Email from Steve Percival (Huon) to Michiel Fransen, Van Roetert and Bertrand Charron (ASC) – Subject: “Update on DO levels and disease issues in MH”
 - Included information communicated by Huon to government agencies and research organisations about DO trends and water temperature in MH
 - Included notification that POMV had been confirmed in Tassal’s 17YC smolt that had been mixed with previously infected 16YC stock. The index pen had been completely culled, but there were three other pens with elevated mortality awaiting PCR confirmation of POMV.
- 19 Jan 2018 – Email from Steve Percival (Huon) to Michiel Fransen (ASC), Van Roetert (ASC), Contessa Kellogg- Winters (ASC), Bertrand Charron (ASC), Duncan Leadbitter (ASC) and Sophie Ryan (GSI) – Subject: “Update on Macquarie Harbour in Tasmania”
 - Response on the need to ensure no mixing of year classes in the ASC Standard with supporting information on POMV in MH and Tassal and Petuna Submissions for Storm Bay
- 21 Feb 2018 – Email from Steve Percival (Huon) to Michiel Fransen (ASC), Van Roetert (ASC), Contessa Kellogg-Winters (ASC), Bertrand Charron (ASC), Duncan Leadbitter (ASC), Sophie Ryan (GSI) and Avrim Lazar (GSI) – Subject: “Update on Macquarie Harbour in Tasmania”
 - Further supporting information for not allowing mixing of year classes in the ASC Standard.
- 7 Mar 2018 – Email from Steve Percival (Huon) to Duncan Leadbitter (ASC), Michiel Fransen (ASC), Van Roetert (ASC), Contessa Kellogg-Winters (ASC), Bertrand Charron (ASC), Sophie Ryan (GSI) and Avrim Lazar (GSI) – Subject: “Update on Macquarie Harbour in Tasmania”
 - Email to Duncan Leadbitter in response to questions in regard to the Email of 19 Jan and 21 Feb 2018

Failures of the ASC auditing process

With reference to Macquarie Harbour – scope of audit and the exclusion of degraded leases.

The ASC Standard defines the unit of certification as “...a farming site, which in practice means a cluster of cages located together in an operational unit.” Critically, however, the standard allows that “...a company that owns multiple grow-out sites will be subject to compliance only at the particular site(s) for which they choose to undergo certification”.

Tassal’s Franklin lease (MF266) was previously part of a cluster of three farms for the purposes of ASC auditing and certification and all three farms had achieved certification as a cluster. However, following the total benthic degradation of the Franklin lease (MF266), resulting in a marine dead zone extending 500m from the lease and in to a World Heritage Area, this lease became non-compliant with Tasmanian marine farm licence conditions. The regulator, the Environmental Protection Agency (EPA), then ordered the complete destocking and fallowing of the lease until it returned to benthic compliance. As MF266 was being destocked at the time of the audit the audit report states “the Franklin lease (MF266) has been destocked and is not part of this re-assessment...the Franklin farming lease was not included because the lease has been destocked and will not carry any stock until Tassal has been advised by the EPA that they may do so and the lease is back in compliance.”

The result, in this case, is that in a cluster of 3 farms and managed as one operational unit, one farm that has had severe environmental impacts can be excluded from the scope of certification while the other two leases (which also had significant environmental non-compliant impacts) can potentially achieve “gold standard” ASC certification that is intended to reward environmentally responsible aquaculture.

The ability to exclude the degraded MF266 from cluster certification does not meet the following stated intents of the ASC standard:

Stated intent of ASC Standard	Consequences of excluding degraded MF266
“...to minimise or eliminate the negative environmental and social impacts of salmon farming”	Negative environmental impacts are not minimised but can be facilitated if the exclusion of environmentally non-compliant farms is allowed.
“The ASC programme promotes the best environmental and social performance to minimise or eliminate any environmental and social footprint of aquaculture.”	By allowing the exclusion of degraded adjacent sites from certification the ASC standard actually promotes poor environmental performance at individual sites provided others nearby may comply.
“the ASC’s aquaculture programme and logo recognise and reward responsible aquaculture”	Irresponsible aquaculture is rewarded by excluding degraded adjacent leases from certification.
“Although the ASC salmon standard is creating farm-level requirements they are intended to help protect and maintain ecosystem function...”	Ecosystem function is not protected or maintained.

This creates the farcical situation whereby significant environmental impacts at one operational site are not taken in to account and it is still possible to achieve “gold standard” environmental certification at nearby adjacent leases under the same management control.

More broadly, this will undermine the value and credibility of the ASC standard as a brand that the consumer can believe produces the best possible environmental outcomes where farms become certified in regions where significant environmental impacts at nearby farms are well publicised.

The achievement of ASC certification should demonstrate the environmental credentials of the company achieving certification and provide some assurance against the claims of environmental interest groups. However, exactly the opposite occurs in a circumstance where one lease with significant environmental impacts in a cluster can be excluded from certification. The value and credibility of the ASC standard can then be readily attacked by environmental interest groups as meaningless as it allows a company to be certified even if it has caused major environmental damage nearby.

The ASC should review the scope of audit and unit of certification so that a cluster of sites under the same management control must be included in the scope of the audit and/or consider an Association Policy for the standard.

Inconsistency and lack of rigour in the audit process.

There are numerous issues with inconsistency in the interpretation and application of the ASC Salmon Standard and ASC Certification and Accreditation Requirements and the rigour with which they are applied that completely undermine any confidence in certification to the standard and in some cases, allow ongoing certification despite extended non-compliance over long periods of time. Examples of this are discussed below using evidence from ASC audit reports from both Tassal and Huon Aquaculture.

The most recent ASC audit of Tasmanian salmon farms is the audit of Tassal's Southern Zone (a cluster of four marine farms) with the final audit report published in October 2019. There are numerous problems with this audit report which highlight the manifold failures in the ASC audit process and one example of which, relating to wildlife interactions, encapsulates many of these failures and will serve here as our starting point.

ASC Salmon Standard 2.5.6 relates to interactions with wildlife including predators. It is clear and explicit and requires meeting a precise metric for compliance. It states that the maximum number of lethal incidents of marine mammals and birds over the prior two years must be less than 9 lethal incidents with no more than two of the incidents being marine mammals.

In discussing the evidence to determine compliance of Tassal's Southern Zone the October 2019 audit report states the following:

“Over twelve months one accidental seal mortality occurred during July 2018 and two in January 2019 at MF201; in MF 185 GTB1 one accidental mortality occurred during February 2018, one in January 2019 and one in February 2019; MF 203 GTB 2 one bird mortality occurred during March 2019; MF 78 Lippies one accidental bird mortality occurred during May 2018 and two accidental seal mortalities occurred during March 2019.”

Remarkably, the audit report deems this as compliant.

Clearly there are a number of issues with this:

- The standard requires two years of data to be assessed but the auditor does not comply with this and only provides figures for a twelve-month period.
- Even over this period, two of the leases (MF 201 and MF 185) are non-compliant with three seal mortalities.
- The figures provided for MF 78 are incorrect, with Tassal's own Sustainability Dashboard stating that there were three accidental seal mortalities in March 2019 at MF 78 and not two as quoted by the auditor, meaning that three out of the four leases were non-compliant.
- Evaluating these as compliant flies in the face of the publicly available facts, is simply wrong and allows certification to proceed when clearly a major non-conformance should have been raised given that the non-conformance occurred across multiple leases and was therefore systematic which is the ASC standard's own criteria for a major non-conformance.

More broadly this example raises a number of wider failures in the ASC audit process.

- The audit process is inconsistent, lacks rigour, is dependent on the (in)competence of the auditor(s), and outcomes including the grading of non-conformances is reliant on the particular subjective interpretation of the standard that the auditor applies.
- There was clearly no review of the audit report by the certifying body or the ASC that would have picked up these obvious errors.
- Certification is allowed to proceed despite obvious non-conformance and in some cases certification has been ongoing in the face of non-conformances that have continued for years.

Let's consider each of these in turn.

The audit process is inconsistent, lacks rigour, and is characterised by subjective, inconsistent interpretations of the standard and other irregularities.

Examples of this are many and varied in the ASC audits conducted on Tasmanian salmon farms operated by Tassal, Huon Aquaculture and Petuna and are considered below. Almost all these audits have been conducted by the same certification body and the same auditors.

Returning to wildlife interactions; if we compare the first audit reports for Tassal's Dover region which included their Bruny Island (Southern) region leases with Huon's first audit report for the Zuidpool Rock lease (which were both conducted by the same certifying body and indeed the same auditors) we note that Tassal recorded three seal mortalities and 61 bird incidents in the previous two years. This was graded a minor non-conformance on the basis that there were more than two mammal mortalities and more than 9 lethal incidents over the previous two years. For Huon's Zuidpool lease, no seal mortalities were reported for the previous two years but 33 bird mortalities were reported. In this case this was graded as a major non-conformance "...because bird mortalities were shown to occur over a long period of time."

The first thing to note here is there is clearly inconsistency in the way these non-conformances were graded (even though the audits were conducted by the same personnel from the same CAB) and they should have both been graded consistently as either minor or major. Indeed, an argument could be mounted that Huon's non-conformance was more minor as they were compliant with the mammal mortality requirement and the bird mortalities were just over half of Tassal's. Nonetheless, under the certification requirements of the time, Tassal's minor non-conformance would simply be reviewed for compliance at the next surveillance audit and certification could proceed whereas Huon's major non-conformance had to be closed out in 90 days before certification could proceed.

A second example concerns the requirement in the standard for Area Based Management or what is referred to in Tasmania as an Area Management Agreement. In Tassal's first audit report for the Dover region they received a minor non-conformance for not having Area Based Management or an Area Management Agreement. At the subsequent surveillance audit this minor non-conformance was closed through the presentation of a range of regulatory documentation from Marine Farm Development Plans and Licence Conditions through to the Tasmanian Salmonid Growers Association Biosecurity Program which apparently demonstrated meeting the intent of the standard and showed progress towards an AMA even though there was no actual AMA.

Accordingly, at our first audit for our Zuidpool lease, which occurred after the closing of Tassal's non-conformance, we submitted exactly the same documentation that was sufficient to close Tassal's non-conformance for no ABM in the expectation that in the same way it would demonstrate equivalent compliance to Tassal. However, at our audit this was deemed insufficient to meet the requirements of the standard and we were issued with a Major Non-conformance for not having an AMA.

A third example concerns community complaints. The ASC Salmon Standard requires the presence and evidence of an effective policy and mechanism for the presentation, treatment and resolution of complaints by community stakeholders and organisations. At the ASC audit of Petuna's Table Head farm it was noted that the company did have a complaints and grievance procedure but that this was a brand-new policy that had not been implemented yet, that staff had not yet been trained on it, that the farm had not yet followed the policy because it was brand new, and it was therefore not currently effective because it had not yet been distributed to relevant staff. Nonetheless this was deemed to be conforming with only an observation raised.

By contrast, in Huon's ASC audit of our Flathead Bay lease it was demonstrated that Huon did have a clear mechanism for fielding and responding to complaints and a log of complaints and responses indicated that the procedure was being followed, however, this was raised as a Major Non-conformance on the basis that some complaints were not permanently resolved. Leaving aside the fact that the standard does not require the "permanent" resolution of complaints, resolution cannot be equated with appeasing complainants and some complaints cannot be resolved as they do not have a proper basis or are vexatious. In those instances, permanent resolution is unachievable. Nonetheless, there is a stark contrast in the way the standard is interpreted and applied to different companies, with one company without a functioning complaints policy that was ineffective being deemed complaint while another company with a functioning policy and procedure is deemed to have a Major Non-conformance.

Clearly in all the examples discussed above there would appear to be double standards in the way each of these indicators are evaluated for different companies. It is interesting to note that in each of the above cases it was the same auditing body for each company and almost precisely the same auditors. It is also interesting to note that Huon fared worse in the grading of all the above non-conformances despite the evidence being either the same or more conforming than that supplied by other companies. This clearly calls in to question the objectivity of the audit process. Moreover, from all the above evidence a reasonable person could easily conclude that audit outcomes were based not on objective evidence but on favouring one producer over another and smoothing the path to certification while prejudicing another by placing significant hurdles in the path to certification.

A couple of other irregularities in the auditing process should also be noted.

The social auditor for the majority of Huon's audits had previously served on Tassal's Sustainability Report Advisory Committee. We questioned the CAB as to whether this could be a real or perceived conflict of interest but were assured that it was not. Nonetheless, in all other audit processes that Huon engages in auditors are truly independent third parties without any possible perception of links to industry players and it would be preferable if the ASC followed this approach so they could be free of any such perceptions.

The final irregularity in the ASC audit process is the inclusion of hearsay information from stakeholders well outside the scope of the audit and well after the fact.

Following our ASC audit of our Flathead Bay lease in mid-April 2016 we were contacted by the lead auditor exactly one month after the conclusion to the audit who advised that he had been contacted by WWF Australia with concerns regarding an incident in Macquarie Harbour that he requested we follow-up and which was subsequently documented in the audit report as quoted here:

"WWF understands there was a report of a seal being shot in the month of April from a boat which contained employees from Huon and Petuna, and a local resident who was not affiliated with the farming operations. The local authorities have begun an investigation. WWF encourages the CAB to follow up on this incident given such activities are not permitted under the ASC criteria. In the event that it is determined that the employees were not on duty, WWF is still very interested in how the company responds to the actions of their employees when such events are both illegal and in conflict with the ASC standard. This goes to the culture of the organization in terms of the value of compliance."

This is unsubstantiated hearsay evidence but Huon had already investigated these allegations and found that there was:

- no evidence whatsoever that the Huon employee had touched a firearm;
- no evidence whatsoever of a seal shooting;
- no evidence whatsoever that the vessel entered salmon leases; and
- no further action was deemed necessary by either the police, DPIWPE or Huon, all of whom fully investigated the alleged incident.

Several points need to be made about these unsubstantiated allegations, including:

- The incident occurred in Macquarie Harbour on the west coast of Tasmania so was well outside the scope of an audit of the Flathead Bay lease located in SE Tasmania and should not have even been raised in this audit at all.

- The issue was raised well after the conclusion to the audit and there should be some limit on the time in which stakeholders have to make comment for inclusion in an audit which cannot be an open-ended process.
- The incident involved two Petuna employees and only one Huon employee but WWF Australia did not feel the need to raise this in any of the Petuna audits including the audit of their Macquarie Harbour operations, creating the perception that WWF Australia was clearly showing bias against Huon and clearly intended to create an issue for Huon only.
- The unsubstantiated allegations still appear as quoted above in the audit report despite correction by the auditor which is prejudicial to the reputation of Huon Aquaculture and such false allegations should be removed from any audit report in which they appear.

Variability in technical review processes for audit reports prior to release

In all other audit processes that Huon engages in the initial audit report as drafted by the auditor(s) is subject to subsequent technical review by the Certification Body to ensure no errors in fact, interpretation or determination of compliance are made. However, the ASC audit process would appear at times to be completely devoid of technical review as demonstrated by the errors in auditing of wildlife mortality from the most recent ASC audit of Tassal's Southern Zone in October 2019 as quoted above. Indeed, there are other instances in this audit report that indicate that there was either no technical review of the draft report or if there was it was manifestly inadequate. A suitable example relates to requirements around viral disease related mortality.

The ASC Salmon standard has a requirement that viral disease-related mortality on farm during the most recent production cycle is less than 10%. Regarding this criterion, the audit report for Tassal's Southern Zone from October 2019 determines that Tassal is compliant and states:

“The most recent completed production cycle is 16 YC. According to the Senior Manager of Fish Health and the Zone Manager there were no viral disease-related mortalities on the four farms. However, POMV has been reported for 16YC and 17YC.”

POMV is Pilchard Orthomyxovirus, a viral disease of salmon in Tasmanian waters. The above statements would therefore appear to be contradictory as you cannot claim to have no viral disease-related mortality if POMV, a viral disease, has been reported in the relevant year class, unless of course you are also claiming that despite the presence of the virus no mortality has been attributable to it. Unfortunately, in other parts of the audit report the auditor clearly highlights that there has been viral disease-related mortality at these leases in the 16 year class when he states in relation to the standard's requirement for a mortality reduction program:

“From 15YC to 16YC there has been a decrease in the contribution under the “Environmental” category and in losses to POMV except MF-203 GTB2 and MF-78 has high quantity morts of POMV.”

So, despite the claims of Tassal's managers that there has been no viral disease-related mortality at these leases during the 16 year class here is a clear and categorical statement that at least two of these leases have experienced a high quantity of mortalities from POMV, a virus, and mortality rates to POMV should have been included to determine compliance to the requirement for less than 10% viral mortality. In the worst-case scenario, this is deliberate falsification or covering up of viral disease mortality, at best it demonstrates negligence and incompetence on behalf of the auditor. In any case, it clearly shows that no adequate technical review was conducted on the initial audit report that would have picked up and rectified such glaring errors.

By way of complete contrast, in Huon's case our audit reports have been through thorough review to the extent that this has eventually prevented certification proceeding. An example relates to the ASC audit of our Zuidpool lease conducted in mid-April 2017. The draft report for this audit was posted on the ASC website for public comment in mid-August, four months after the audit. A month later in mid-September we were contacted by the lead auditor to advise that the CAB certification board had raised some queries about some of the findings of the audit thought their technical review and a request for further information was made. Finally, at the end of October, some six and a half months after the audit, we received notification that the CAB certification board had decided against certification of the farm and that *“based on comments received by the ASC and the certification board at SCS, the reports now contain two major NCs and several new minor NCs, all due to required upgrades.”*

There are several points to be made about this.

- At the time we were notified that certification would not proceed we had not yet received the revised audit reports and no idea what the new major and minor non-conformances were.
- We were given no opportunity to respond to these new non-conformances and denied procedural fairness and a right of reply.
- As it turns out one of the new non-conformances related to not having site-specific information on our website for wildlife mortalities which it indeed did have if the reviewer had simply selected a drop down box that specified by site. Accordingly, this non-conformance should not have been raised.
- Apparently, the ASC itself reviewed these audit reports but they had clearly not reviewed Tassal's report or picked up on any of the obvious errors they contain.
- By the time this decision was made more than six months had passed and we were therefore outside the six-month limit on audit data specified by the ASC Certification and Accreditation Requirements and any corrective action to address the new non-conformances would require a full desk-top audit incorporating the last six months' data to determine compliance.
- The CAB retains the right to delay or postpone its decision on certification to take proper account of new or additional information but in this case this option was not exercised by the CAB.

Clearly there is a wide range of variability and inconsistency in technical review processes for different producers from the apparently non-existent to one that takes more than six months and includes the involvement of the ASC itself. This again creates variability in the outcomes of audit processes that would appear to ease the way to certification for some industry players and create significant barriers to certification for others. The ASC should establish clear and objective rules for the technical review of audit reports that can be consistently, objectively and transparently applied in all instances.

The above example of also highlights yet a further failing of the ASC audit process and this concerns the length of time it can take to get an audit outcome. In the above example this took over six months but the ASC Certification and Accreditation Requirements are quite clear on this, specifying that draft audit reports should be submitted to the ASC within 30 days and posted to the ASC website five days after this. Stakeholders then have 15 days to comment and the CAB then has 20 days to submit the final report to the ASC which must be posted to the ASC website five days after that. As the above example demonstrates this process can stretch out much further than this and in our experience these timeframes have never been abided by. In our worst-case scenario, the CAB has held audit reports for 17 weeks with no input required by Huon and no apparent progress. In all cases the ASC should enforce the timelines specified in its own Certification and Accreditation Requirements to ensure consistently timely outcomes for audits for all producers.

A further example of how the ASC does not enforce its own rules relates to the timing of surveillance audits. The ASC Certification and Accreditation Requirements require that following initial certification, which runs for a three-year period, all certified farms are required to undergo an annual surveillance audit to confirm ongoing certification every 12 months. In practice this is never adhered to, in part because of the length of time it takes to finalise audit reports and it is common that there is perhaps only one surveillance audit in a three-year period. Again, in all cases the ASC should enforce the timelines specified in its own Certification and Accreditation Requirements to ensure consistently timely outcomes for audits for all producers.

The ASC has been unsuccessful in achieving its stated aims.

On certain measures the ASC has been unsuccessful and ineffectual in achieving its stated aims of improving the performance of salmon producers against the criteria of its standard. Nonetheless certification has been allowed to proceed despite obvious non-conformance and in some cases certification has been ongoing in the face of non-conformances that have continued for years. Three examples will suffice.

Wildlife interactions.

It was noted above that in the very first ASC audits of Tassal in 2014 the company was non-compliant with requirements for wildlife mortalities and in the most recent audit of the Southern Zone in October 2019 it is still non-compliant with mortalities in excess of requirements, so no change has been achieved over a five-year period and yet ongoing certification has been allowed to continue for one producer for this entire period.

Area Based Management.

It was noted above that in the very first audits of Tassal in 2014 the company was non-compliant with requirements around Area Based Management as there was no AMA. This was closed out by the provision of various regulatory and TSGA documents and in the most recent audit of the Southern Zone in October 2019 similar documents are still being provided in attempt to demonstrate compliance but there is still no evidence of a signed, effective Area Based Management Agreement. Again, no change has been achieved in a five-year period yet still ongoing certification has been allowed to continue for one producer for this entire period.

Macro-invertebrate surveys for smolt suppliers.

The ASC Salmon Standard requires that macro-invertebrate surveys conducted downstream from a smolt suppliers fresh water hatchery effluent discharge should demonstrate benthic health that is similar or better than surveys upstream from the discharge. Since 2014 one Tasmanian smolt supplier has continuously failed to meet this requirement and a major non-conformance for this has been in place since this time. During this time the timeframe for achieving compliance has been continuously extended to allow the implementation of a "Client Action Plan" involving the installation of drum filters to hopefully fix this problem. In a surveillance audit report for Tassal's Southern Zone in December 2017 this non-conformance was closed by the CAB as the "Client Action Plan" was being finalised but critically had not yet been completed. Unfortunately, at the most recent audit of the Southern Zone in October 2019 the hatchery remained non-compliant to this requirement and a Major Non-conformance was again raised.

Clearly it is unsatisfactory to close a major non-conformance based on a partly implemented "Client Action Plan" when there is no concrete evidence that the implementation of this plan has been effective in improving downstream health. Moreover, the fact that this has been a major non-conformance at two successive audits raises the question, at what point does this become a critical non-conformance that precludes certification. But yet again no change has been achieved in a five-year period and still ongoing certification has been allowed to continue for one producer for this entire period.

The numerous failures with the ASC audit process highlighted above need to be resolved if the standard is to have any credibility.

Failures of the ASC Variation Request Process

On 27 February 2018, Duncan Leadbitter (ASC) provided Huon with the link on the ASC website with a copy of the “Request for Interpretation or Variance” from SCS Global Services on behalf of Tassal:

[.http://asc.force.com/Certificates/servlet/servlet.FileDownload?retURL=%2FCertificates%2Fapex%2FASCCertDetails2%3Fid%3Da0124000008RwkAAAS&file=00P24000005UXnUEAW](http://asc.force.com/Certificates/servlet/servlet.FileDownload?retURL=%2FCertificates%2Fapex%2FASCCertDetails2%3Fid%3Da0124000008RwkAAAS&file=00P24000005UXnUEAW)

Huon’s response to Duncan Leadbitter et al. below which is contained within the above email of 7 March 2018 was:

“Tassal through SCS auditors Request for Interpretation or Variance

I hadn’t seen the actual request previously but just have a few comments. I’m not sure what the process is within ASC for assessing these requests but information within the “Request” is either irrelevant or doesn’t make sense from a veterinary or biosecurity perspective.

- *Paragraph 2 – Mixing year classes (200 meters is not even close to being sufficient distance) is important as a biosecurity measure regardless of the number or biomass of fish on the site. Leases in Norway would not be allowed to mix year classes regardless of fish number or biomass.*
- *Paragraph 3 is completely irrelevant to the merits of not mixing year classes for biosecurity reasons. Older year class fish are a potential source of infection for the new younger year class regardless of whether they are maturing or not.*
- *Paragraph 4 talks about a range of protocols and plans around biosecurity and fish health to limit the spread and impact of diseases yet the request is asking to remove what is a commonly accepted and regulated important biosecurity measure internationally*
- *Paragraph 5 – same as para 4*
- *Paragraph 6 is nonsensical – endemic disease organisms such as bacteria and viruses (ie. those occurring naturally in the environment) behave in exactly the same way regardless of whether it is the northern or southern hemisphere. In fact, the risks of infection are increased in Tasmania due to higher temperatures generally and more specifically in Macquarie Harbour due the poor environmental conditions and poor flushing characteristics of the harbour.*

One of the concerns Huon has is that the Variance Request was accepted by ASC without any referral to Huon for comment even though Huon’s business was going to be put at risk and has now been significantly impacted. I’m not sure whether the same applies to Petuna. This doesn’t appear to be consistent with the openness and transparency aims of the ASC standard.

Of greatest concern is that Tassal has used a variance accepted by ASC in regard to mixing of year classes to justify, knowingly mixing year classes where it was known that the older year class had previously suffered an outbreak of the known serious viral disease POMV and would therefore likely be carrying the disease. Particularly when this occurred because Tassal had been ordered by the Environmental Protection Authority to vacate the lease where the smolt should have been going because of major benthic non-compliance.

Tassal often talk about having a greater appetite for risk, which is fine if that risk is confined to impacts only on Tassal. However, Huon believes it is unacceptable when the impacts of that risk flows on to have serious impacts on other businesses without any consultation.

In summary, Huon believes that:

- *The original intentions of Criteria 5.4.1 should be maintained and the current variance revoked.*
- *Any request for variance to an ASC standard should include notification and consultation with potentially affected stakeholders.*
- *Within a region like Macquarie Harbour, it should not be possible for a company to maintain certification on some sites when other sites are clearly in breach of the standard. This is*

particularly the case when variances to important Standards criteria are need to meet the Standard.

There will always be discussion and debate between companies and regulators as to what is acceptable or not across a range of issues. Huon is obviously having robust discussions locally with other companies and government about these same matters and is not asking ASC to directly participate or support Huon in that regard. However, the matters raised in this submission are very important because the attainment of ASC certification is used by stakeholders to justify or support their position within those local discussions and debate. Therefore, the criteria and processes of ASC need to be robust.”

Membership of Marine Farming Planning Review Panel

WWFA recommend that fish farming scientists must be totally independent of commercial interests.

- Firstly, who would actually be acceptable to WWFA and then how much actual experience and expertise would they hold to be a meaningful member?
- Why is it only fish farming scientists who have to be independent of commercial interests?
- WWFA's own recommendation should make them ineligible to be a member because they are totally compromised by commercial interest.

Huon supports the need for panel members to be independent of industry but surely like on a jury, members must be impartial, and not be biased or negative towards the very industry they are assessing.