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By email: rrat.sen@aph.gov.au

Senate Rural and Regional Affairs and Transport

Inquiry into Fisheries References Committee Quota Systems

Dear Committee

In 1985 I established Lonimar Australia Pty Ltd (now known as Kansom Australia Pty Ltd) as a processor and marketer of Australian Abalone products. Our business owned no quota and relied on buying from quota holders. Since that time, we have exported over \$350 million of Victorian Seafood and provided consistent jobs for hundreds.

The Victorian Fisheries Act 1986 established the Fisheries Co-Management Council. I chaired this all-sector Authority for six years between 1996 and 2001. I have also sat on many Industry committees/bodies/associations and am currently a board member of the Apollo Bay Fisherman's Co-Operative.

Without owning quota to provide our business with security of access, our margins were squeezed between quota owners and the market to a point where only the most efficient could survive. When buying raw material from quota owners we were faced with constant price fluctuations. Eventually we were able to progressively secure quota at substantial cost to the company.

What did owning quota do for us?

- We were able to stabilise supply of raw materials.
- We were able to stabilise our raw material cost.
- We were able to confidently invest in new technology, equipment and product development to design new products for a changing market.
- We were able to invest in the circular economy converting waste into value added products.
- We were able to stabilise our selling prices to give retailers and end users consistent prices.

Australian Primary Industry is a victim of its short history.

We do not have a healthy post-harvest sector (processing, value adding and marketing) to maximise the value of our quality raw materials. Why is that so?

Australia's short history is founded on primary producers being the first entrants into the business of primary production who had no choice but to take the path of least resistance as the only option for entry to the market. Some simple and limited processing was required such as freezing or canning. The weakness was and remains that the simple processing was done by the primary producers

themselves. They had no-one else to do it for them and they did not and do not have the expertise or the capital to VALUE ADD and maximise benefit to the Australian economy.

Australia desperately needs a healthy post-harvest sector, certainly in the Seafood Industry as well as in most of our primary industries. For this to happen we need security of supply and the means to provide consistent pricing to consumers. Any system that denies these critical conditions consigns Australia to a low value, inefficient artisanal Industry.

Our company invites you to visit us to experience firsthand the subject of Quota Ownership with all its consequences. There may be a better system out there but at this stage we see ownership of quota as the only way to bring security of supply and consistency of pricing.

We believe we can add value to your process. Our Company history is a case study in what is possible. I have argued that our Seafood industry should safely triple its value with the same resource.

Reactionary policy generally produces compound problems.

Kind Regards,

Kaz Bartaska

Executive Chairman



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