Hon Meg Webb MLC,
Legislative Council
Parliament House
HOBART TAS 7000

29 November 2019

RE: Skretting Australia Submission for Inquiry into Fin Fish Farming in Tasmania

Dear Meg,

Thank you for you for the invitation to participate in the inquiry into Fin Fish Farming in Tasmania.

As you are aware, Skretting Australia is a major supplier of aquaculture feeds to the Tasmanian salmon farming industry from our operations near Hobart. We supply feeds to all three Tasmanian salmon farms as well as numerous other aquaculture facilities across the state. More broadly, Skretting Australia is part of the wider, global Skretting Group, producing in excess of 2.5 million tonnes of aquaculture feed per annum around the world to all major salmon farming regions. While our core business is in the production of safe and sustainable food production for aquaculture species such as salmon and trout, additionally Skretting has been involved in research on the benefits of salmon consumption on human health.

We have provided in detail an explanation over the key aspects of Skretting Australia's operations that demonstrates the role our business plays in contributing to a sustainable aquaculture sector. An executive summary of those points is as follows:

- Skretting Australia has proudly supported the Australian and New Zealand aquaculture industry since the 1980s;
- Received Employer of Choice in 2016;
- Significant investment in our research and development program has yielded more productive and sustainable nutritional solutions for the aquaculture industry;
- Skretting's sustainability program is aligned to the United Nations Sustainability Development Goals (SDGs);
- Skretting Australia's practices are certified to various international standards validating the good systems we have in place here;
- Skretting's company-wide feed quality management program ensures customers and end-consumers have full confidence with regards to the feeds used by the aquaculture industry;
- We uphold a good level of transparency to all stakeholders through publication of sustainability reports, residue reports and website;
- Farmed salmon has continuously been shown to promote positive health benefits in human health studies.

We warmly welcome any member of the inquiry committee to our premises so as we can further demonstrate the depth and breadth of science involved in the manufacturing of Tasmanian farmed salmon feeds.

I hope the above information helps provide an understanding of our role in the Tasmanian aquaculture industry. If you have any further questions or any of the above needs clarifying, please feel free to contact me.

Kind regards,

Melissa Abbott
General Manager,
Skretting Australia

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Skretting Australia- Key Points

Supporting Tasmanian Workforce

Skretting Australia employs approximately 80 staff at our site in Cambridge, Tasmania. We offer a diverse range of career pathways in our business and our positions create an opportunity for our people to significantly enhance their professional development. Skretting Australia are part of a global Skretting network, with 18 other operating companies located throughout the world. This allows our staff to network with our global teams and ensure we leverage our global resources to deliver the best local outcomes for the Australian and New Zealand aquaculture industries. In 2016 our business received the Employer of Choice award, validating that our business was a desirable option for Tasmanians to choose as their workplace.

Research and Development

Innovation is a core value at Skretting and we continue to invest in our research and development programs to ensure that we can continuously improve on our offering to the aquaculture sector. The Skretting Aquaculture Research Centre (ARC) is the global research organisation for Skretting. For more than a quarter of a century, ARC's large, industry-leading team of scientists and experts specialising in fish and prawn nutrition and health as well as feed production technology has been delivering innovations that define and support the progress of aquaculture. Skretting Australia have Invested locally to grow our research capacity here in Tasmania with the commissioning of the Experimental Aquaculture Facility (EAF) in Taroona. The EAF is a three-way partnership between Skretting Australia, Huon Aquaculture and The University of Tasmania and demonstrates our commitment to delivering long term solutions to the Tasmanian Atlantic salmon industry. We have also commissioned a research facility in Okiwi Bay, NZ that will increase the research capacity for New Zealand *Chinook* salmon.

Quality Assurances

Consumers demand safe, healthy and delicious seafood, which means that trustworthy, high-quality fish and prawn feeds are a prerequisite for the aquaculture industry. As a leading supplier of these feeds and an essential link in the feed-to-food chain, Skretting has embedded strong quality assurances and controls into its organisational structure. All of Skretting Australia's feed ingredients used are approved under the Australian stockfeed and petfood regulation, governed by the Australian Pesticides and Veterinary Medicines Authority (APVMA).

Procuring raw materials of high quality is critical to feed formulation. Feeds are formulated to contain the correct nutrient profile to optimise growth and quality of the target aquaculture species. Sourcing raw materials that maintain the desired quality

specifications ensure us to manufacture high quality feeds to the market on a consistent basis.

International Certifications

Skretting Australia is certified and compliant to a variety of international and national certifications.
Skretting Australia's products are manufactured in accordance with;

i) Quality Management Standard ISO 9001:2015

Skretting have a documented quality system which complies with ISO 9001:2015 (Quality Management Systems). This Standard is designed to achieve continuous improvement and quality focus throughout the organisation. Some of the requirements of the Standard include; written standard operating procedures, a system for ensuring corrective and preventative action, an internal auditing program, an approved suppliers program, effective process control and an effective training program.

ii) FeedSafe™ (Stockfeed Milling Industry Code of Good Manufacturing Practice)

FeedSafe is the Stock Feed Manufacturers' Council of Australia (SFMCA) industry-wide Quality Assurance program. FeedSafe is a certificate awarded by SFMCA, to feed mills which comply with the industry Code of Good Manufacturing Practice (GMP). FeedSafe certification ensures that Skretting Australia has processes in place to deal with Food Safety issues, in particular those which are relevant to biosecurity for our customers and the Australian Stockfeed Industry.

Skretting Australia's supplies of poultry and mammalian products are derived from facilities that are AQIS (Australian Quarantine and Inspection Service) export accredited. They are a sustainable by-product of animals reared for human consumption and are treated according to strict processing parameters that maintain the integrity of the products.

iii) HACCP (General Principles of Food Hygiene)

HACCP are principles developed by the Codex Alimentarius Commission, which is a body set up by the Food and Agriculture Organisation (FAO) of the United Nations and the World Health Organisation (WHO).

Skretting incorporate certified HACCP principles to manage food safety risk. The Critical Control Points (CCP) in the manufacturing process have been identified and recorded in a CCP Summary Table. This table is then used in the workplace to readily assist Skretting employees in avoiding food safety non-conformance. Skretting's HACCP procedures are concerned with Food Safety issues that may affect fish or humans

iv) Global G.A.P

Global G.A.P. is a voluntary third party certification scheme that sets standards for production processes for agricultural and aquaculture processes worldwide. The Global G.A.P. standard is primarily designed to demonstrate to consumers where the food is made, how it is produced, ensuring minimal adverse environmental impacts and worker safety. Skretting Australia was first certified to the Global G.A.P. CFM standard in 2014.

v) Environment Management Standard ISO 14001

Skretting have a documented environmental management system which is certified t ISO 14001:2015 (Quality Management Systems). ISO 14001 is the international standard that specifies requirements for an effective environmental management system (EMS). It provides a framework that an organisation can follow, rather than establishing environmental performance requirements.

vi) Best Aquaculture Practice Feed Mill Standard

Skretting Australia has held BAP accreditation for its feed mill since 2018. BAP is an international certification program based on achievable, science-based and continuously improved performance standards for the entire aquaculture supply chain- farms, hatcheries, processing plants and feed mills.

vii) Aquaculture Stewardship Council Farm Standard

Skretting Australia are also compliant against the feed component of the Aquaculture Stewardship Council (ASC) farm standard. The Aquaculture Stewardship Council (ASC) is an independent, not-for-profit organisation that operates a voluntary, independent third-party certification and labelling programme based on a scientifically robust set of standards. The ASC standards define criteria designed to help transform the aquaculture1 sector towards environmental sustainability and social responsibility, as per the ASC Mission.

GMO-Free status

Skretting Australia's procurement strategy is to source our raw materials that are used in the manufacture of diets for Tasmanian farmed salmon as non-GMO (Genetically Modified Organisms). Skretting's feeds categorically satisfy the GMO free status as stipulated by The Food Standards Australian and New Zealand Code. This position is in line with the recent Tasmanian moratorium on the GMO free status within Tasmania that we feel is important to our customers and the end-consumer of Australian aquaculture products.

Sustainability

Skretting Australia and the wider Skretting Group are leaders in sustainability. Our mission that guides us is "*Feeding the Future*". Our ambition is to contribute to meeting the rising food needs in a sustainable manner. We do this by constantly seeking innovative ways to raise the efficiency and nutritional value of our products, the productivity of our activities and those of our customers, and to reduce the environmental impact of our value chains. Sustainability is in the nature of our business.

Skretting's commitment to sustainability is expressed through our Nuterra programme (https://www.skretting.com/en/sustainability/). Nuterra is a global sustainability program implemented across Nutreco, highlighting our dedication and commitment to sustainability. This identifies the key sustainability issues facing the aquaculture industry and the actions Skretting will take to address them.

In 2015, the United Nations introduced a set of 17 Sustainable Development Goals (SDGs) to end poverty, protect the planet, and ensure prosperity for all as part of a new sustainable development agenda. Each goal has specific targets to be achieved by 2030. Skretting's Nuterra program is aligned with the SDGs. For example, our Mission of 'Feeding the Future' is firmly aligned with fulfilling goal number 2; End hunger, achieve food security and improved nutrition and promote sustainable agriculture. Each of the four pillars in the Nuterra program: Nutritional solutions, Ingredients, Operations and Commitment – address several of the SDGs within specific areas. Therefore, to a large extent, our sustainability report describes how we work and what we have achieved to support the United Nations in its effort to establish a new sustainable development agenda.

Feeding the world's growing population in a sustainable way is at the core of Skretting's mission. This goal can only be achieved with the cooperation of all our supply chain partners. For that purpose, we have a Supplier Code of Conduct. It enables Skretting to engage with our suppliers on material sustainability issues relating to their operations, and to set minimum criteria that should be met. We will only source from companies that comply with the rule of law, and who conform to the criteria set out in this Supplier Code of Conduct or can demonstrate they are working towards them. Responsible procurement is a critical element of our sustainability. All Skretting's suppliers must sign our supplier code of conduct. Our suppliers are regularly audited against the code of conduct to ensure that they can demonstrate compliance against the supplier agreement.

Transparency

We publish annual, local Sustainability Reports (https://www.skretting.com/en-AU/sustainability/reports/), which outlines our ambitions, goals and achievements towards contributing to the long-term growth and financial viability of the aquaculture industry. Being transparent in our business is one of our key focus areas towards establishing positive relationships with all of our stakeholders.

Skretting Australia has compiled a list of the most frequently asked questions about aquaculture and aquaculture feeds to provide a better understanding of our industry and the measures we take to fulfil our mission

Residue Monitoring

Skretting runs an extensive residue monitoring program to minimise the risk of contamination and to monitor global trends and sourcing risks. The program consists of global analysis (shared results tested at specially selected overseas labs) and local analysis (additional tests that Skretting Australia chose to do). The global tests are decided each year by Nutreco's Food Safety specialists based on recent trends and current residue alerts.

Skretting tests many samples of feed and raw materials to establish a long term monitoring profile of residues. Hundreds of results are collected each year mainly focused on heavy metals, antioxidants, dioxins, PCB's and pesticides. We ensure that all of our ingredients meet the Australian standards. Results enable Skretting to purchase raw materials from low risk regions and suppliers, and have a thorough understanding of food safety risk in the aquaculture industry around the world. Skretting Australia publishes a Residue Report annually, which is available on our website report (https://www.skretting.com/en-AU/quality--safety/reports--brochures/). Results over the past decade show that Skretting Australia's feeds meet all Australian and European requirements and that levels of undesirable substances are substantially below the limits set by authorities.

Salmon consumption and human health

Farmed salmon is an excellent source of essential nutrients. People who regularly consume diets high in fish, including farmed salmon, tend to have lower risks of a range of conditions including heart disease, stroke, macular degeneration and dementia in older adults. For example, intake of fatty fish, mostly farmed salmon, improved cognitive performance in children (Handeland et al 2017; Øyen et al 2018). These studies included salmon fed a diet where the major oil source was canola oil. Intake of salmon during pregnancy had a positive effect on the mother's nutritional status as well as the quality of the breast milk (Urwin et al, 2012) and it had a positive effect on serum concentration of health markers related to metabolic syndrome (Hagen et al 2016).

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