

# 1. Executive Summary

Ocean Blue Treasure Pty Ltd is a Tasmania-based seafood export company specialising in the export of live Southern Rock Lobster. Our company exports approximately 100 tonnes of live lobster annually, primarily to the Chinese market, and works closely with local fishermen and supply chain partners across Tasmania.

China has historically been the most important international market for Australian rock lobster. The China–Australia Free Trade Agreement (ChAFTA), which entered into force in December 2015, has played a critical role in supporting the growth of this trade by improving market access and eliminating tariffs on Australian seafood exports.

For premium live seafood products such as Tasmanian Southern Rock Lobster, ChAFTA has helped strengthen Australia’s competitiveness in the Chinese market and has contributed to significant growth in export volumes and industry value.

However, exporters of live seafood continue to face operational challenges related to time-sensitive logistics, supply chain reliability, and regulatory processes. Addressing these issues would further strengthen the effectiveness of ChAFTA and support the long-term sustainability of the industry.

## 2. Industry Context – Australian Rock Lobster Exports

Australia’s rock lobster industry is one of the most valuable wild-catch fisheries in the country. Tasmania is a major producer of Southern Rock Lobster, which is widely regarded as one of the highest-quality lobster products in the global seafood market.

Prior to the implementation of ChAFTA, Australian rock lobster exports to China were already growing steadily, but exporters faced tariff barriers and more complex market access conditions.

Following the implementation of ChAFTA and the progressive removal of tariffs on Australian seafood products, exports to China expanded rapidly.

By the late 2010s, China had become the dominant export destination for Australian rock lobster, accounting for over 90% of Australia's live rock lobster exports in peak years.

According to industry data, Australian rock lobster exports to China were valued at over AUD 700 million annually prior to 2020, highlighting the importance of the Chinese market for the industry.

The sector supports thousands of jobs across fishing operations, processing facilities, logistics companies, and export businesses, particularly in regional communities such as Tasmania.

### **3. Impact of Market Disruptions (2020–2023)**

The events between 2020 and 2023 highlighted the vulnerability of highly specialised export industries that rely heavily on a single international market.

During this period, the effective suspension of the live rock lobster trade to China had a significant economic impact on the Australian seafood industry. Exporters, fishermen, and regional communities experienced major financial losses as the industry attempted to redirect products to alternative markets that could not match the scale or value of the Chinese market.

The gradual resumption of trade has demonstrated the continued strength of demand for premium Australian seafood products in China. The Chinese market remains essential to the long-term stability and prosperity of the Australian rock lobster industry.

### **4. Operational Challenges for Live Seafood Exporters**

Although ChAFTA has significantly improved market access, exporters of live seafood operate within a highly time-sensitive logistics environment.

Southern Rock Lobster must be transported rapidly through the supply chain to maintain survival rates and product quality. Even minor disruptions in transport or customs clearance can result in substantial commercial losses.

A key logistical challenge for Tasmanian exporters is the lack of direct international air freight services from Hobart. As a result, live seafood shipments must first be transported by domestic air freight from Hobart to Melbourne before connecting to international flights bound for China.

This additional step increases the risk of supply chain disruption.

For example, there have been instances where domestic flights from Hobart to Melbourne were cancelled due to weather conditions or operational issues. In these cases, shipments were unable to connect with scheduled international flights departing Melbourne. These delays extended transit times significantly and in some cases resulted in lobster mortality and financial losses for exporters.

Because live seafood is extremely perishable and high-value, even a delay of several hours can materially impact survival rates and commercial outcomes.

## **5. Opportunities to Strengthen Trade Facilitation**

The ongoing implementation and review of ChAFTA provides an opportunity to further improve trade facilitation for highly perishable seafood exports.

### **5.1 Establishing a “Live Seafood Green Channel”**

Given the time-sensitive nature of live seafood exports, consideration could be given to establishing expedited inspection and clearance arrangements for live seafood products.

A dedicated “Live Seafood Green Channel” could allow rapid customs processing for approved exporters and highly perishable products. This would significantly reduce delays and improve product survival rates.

## **5.2 Improving Regulatory Transparency and Stability**

Clear and predictable regulatory requirements are essential for exporters operating within complex international supply chains.

Continued regulatory cooperation between Australian and Chinese authorities could further enhance transparency around quarantine requirements, inspection procedures, and certification standards.

Stable and predictable regulatory conditions support industry confidence and long-term investment.

## **5.3 Supporting Regional Export Logistics**

Exporters operating from regional areas such as Tasmania face additional logistical challenges due to multi-stage transport routes.

Improving freight connectivity and supply chain coordination for regional exporters would reduce operational risks and strengthen Australia's ability to deliver premium seafood products efficiently to international markets.

# **6. Future Opportunities**

China continues to represent one of the most significant markets for premium Australian seafood products. Demand for high-quality live seafood remains strong, particularly in the high-end hospitality, restaurant, and festive dining sectors.

Australian Southern Rock Lobster has developed a strong reputation in China for quality, sustainability, and food safety.

Strengthening the implementation of ChAFTA and continuing to improve trade facilitation will help ensure that Australian exporters can reliably serve this important market while supporting regional economic development and employment.

Ocean Blue Treasure Pty Ltd appreciates the opportunity to contribute to this review and welcomes continued engagement with government and industry stakeholders.

Submitted by

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