

21 August 2025

## **Submission to Committee Inquiry into Algal Blooms in South Australia**

### **1. Introduction**

Yumbah Aquaculture Ltd (“**Yumbah**”) makes this submission to the Environment and Communications References Committee inquiry into the causes, frequency, scale and duration of recent algal blooms in South Australian marine and coastal environments.

We make this submission as a significant employer, investor and stakeholder dependent on the marine environment of South Australia for a significant part of our operations which have been adversely impacted by the algal blooms.

We note for the Committee that Yumbah is a member of the South Australian Government’s Harmful Algal Bloom Task Force Reference Group, and is party to submissions to this inquiry from Seafood Industry Australia and Seafood Industry South Australia.

The company is also Aquaculture Stewardship Council and Best Aquaculture Practices certified.

In this submission we outline a potential collaboration to reduce risk and increase both resilience and value in aquaculture, founded on the importance of sustainably produced seafood as a source of protein.

### **2. About Yumbah Aquaculture**

Yumbah Aquaculture Ltd is an Australian incorporated unlisted public company headquartered in Adelaide, producing and farming abalone, oysters and mussels in South Australia, Tasmania, Victoria and New South Wales for distribution in both the Australian and export markets. With its July 2025 acquisition of Clean Seas Seafood Ltd, Yumbah’s portfolio now includes yellowtail kingfish, and increases its business concentration in the waters off South Australia’s Eyre Peninsula.

Yumbah employs more than 500 people, and has an annual revenue target in excess of \$100 million. More than half its revenue and half its headcount are in South Australia.

Yumbah is an optimistic growth company. With vertical integration across its portfolio of species produced, it manages the inherent risk and variability in aquaculture by combining innovation with balanced production risk from operating in diverse geographies and species. Yumbah’s onshore and marine aquaculture systems are dependent on the natural marine cycles and water quality.

The business presents an investment grade aquaculture portfolio managed to unlock the advantages of Australia’s Blue Economy.

### **3. Impact of South Australia’s Harmful Algal Bloom**

Yumbah is a saltwater business, dependent on water quality and temperature for production of premium seafood both onshore and offshore.

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Yumbah operations at Kangaroo Island (abalone) and Port Lincoln (abalone, mussels, oysters, kingfish) have been dramatically disrupted by this Harmful Algal Bloom and the associated brevetoxin outbreak.

Direct financial impact on Yumbah to date is about \$5 million, considering lost harvest potential across species, enforced industry closure and urgent capital works required to mitigate risk.

On top of this is the financial impact on staff stood down or working reduced hours, concentrated at Port Lincoln and on Kangaroo Island.

For Yumbah the Harmful Algal Bloom event is a turning point. It is a warning that while climate-related events are increasing in frequency and impact, as a nation we are better prepared to respond to and mitigate more “traditional” onshore events such as droughts, heat waves, floods and bushfires.

This Harmful Algal Bloom is an ocean event. Its scale and longevity are new for Australia. Visible impact is largely limited to what can be seen from the shore. The situation below the waterline cannot be comprehensively anticipated or assessed.

Unlike terrestrial events, South Australia’s Harmful Algal Bloom has not activated the national disaster response system. Fish farmers like Yumbah and others cannot draw on support as can farmers in the more traditional sense.

The South Australian Government and the Commonwealth Government have provided some positive industry support, but this is structured to favour small commercial fishers, recreational/tourism businesses and biodiversity measures.

Yumbah has to date been ineligible for any such financial support.

This should not be read as Yumbah putting out its hand. Rather, it is noted to highlight the urgency of being better prepared and more resilient to meet the challenges of future events.

#### **4. Response to this Harmful Algal Bloom**

This Harmful Algal Bloom creates a precedent. It is a reason to act, to do much better before next time. Unfortunately, we should now expect such events, be it a continuation or recurrence in South Australia or elsewhere in Australian waters.

Stepping back from the algal disaster narrative, we urge an intense focus on industry transformation that supports sustainable aquaculture as an increasingly important provider of sustainable protein to the world.

With world population forecast to reach 9.5 billion people by 2050, supply of seafood in Australia must grow by 28 per cent to support current consumption in our region, and must increase globally by 22 per cent.

It’s well-recognised that aquaculture must play an increasing role in producing this food, as wild catch resources are forecast to be – at best - stable.

The Australian picture is positive: aquaculture generates \$2.7 billion annual revenue across 1100 businesses and exceeds the gross value of production from the wild-catch fishing sector.

## 5. Innovation and transformation to improve sustainability

### ***a. Innovation in financing our future food security***

Traditional Australian investors do not have a good understanding of aquaculture, despite its similarities to traditional agriculture.

Aquaculture requires patient capital. It has long capital and production cycles, high capital intensity and unique farming risks. Funding models are a factor of the nature of specific operations.

For example, there is limited ability to borrow against marine leases or the biomass – that is, the fish stocks a company holds.

Given the sovereign value of Australian aquaculture to future food production, Yumbah believes this can be leveraged to provide new funding models to help grow the sector and mitigate risk such as experienced in South Australia this year.

In August 2025, Yumbah began dialogue with a major Australian bank to re-imagine how innovation in aquaculture might be funded, secured and supported in a collaboration of industry, governments and financiers.

In our view governments benefit from our industry but do not share the risk, and a lack of Australian investment appetite for aquaculture represents a market failure.

If governments provided a sovereign value for marine leases, security may be increased in line with real property assets.

Further, provision of a “last resort” guarantee by government based on the marine lease value would enable credit providers such as banks to consider alternate funding options as the risk-balance changes. This sharing of risk between government and industry and their investors would assist in strengthening the investment thesis for aquaculture in the interests of future food security and provide resilience against threats such as algal blooms.

### ***b. Support industry transformation to deliver climate resilience***

To offset the new risk paradigms in aquaculture, highlighted by the Harmful Algal Bloom, Yumbah recognises the need for innovation and modernisation including:

- Recirculating Aquaculture Systems (RAS) that provide effective means of controlling the growing environment on-land with closed systems and water treatment
- Oxygenation systems that provide supplementary oxygen to fish to maintain health in higher stress environments
- Genetics; breeding for key risk-mitigation attributes such as thermo-tolerance

In a real-world example, Yumbah has assessed future investment needs in its recently acquired kingfish operations at Port Lincoln:

- RAS investment in fish nursery operations and expanded capacity to increase the size of fingerlings transferred to sea. This reduces the grow-out cycle at sea, improves productivity and reduces risk

- Modernisation of marine operations including bathing technology and supplementary oxygen to maximise fish health and survival rates
- Continued development of genetics focusing on growth, survival and thermo-tolerance

Whilst these are leading edge concepts in Australia, each is broadly tried and tested in the global aquaculture industry.

But to do any of this, we must unlock capital. And to unlock commercial capital, we need a mechanism whereby governments underpin some of the risk in innovation and assists our industry to be resilient and grow in the changing environmental landscape, thus securing our food production capability.

As we daily address South Australia's Harmful Algal Bloom and its knock-on impacts, Yumbah urges governments and banks to join it, to develop an industry transformation funding framework that scales to support the growth in sustainable seafood production Australia must pursue.

## **6. Conclusion: Blue Economy thinking**

Yumbah is a lead proponent for Australia to capitalise on its Blue Economy potential, developing globally competitive, sustainable offshore and inshore aquaculture in concert with mariculture and renewable energy.

Australia boasts an over-abundance of natural advantage in the Blue Economy, but our industry lacks a collaboration model to share risk and overcome the primary challenge to innovation in aquaculture: capital.

South Australia's Harmful Algal Bloom is an opportunity to bolster planning, management and investment to better identify, manage and mitigate climate risk for the benefit of communities, environment and business.

Thank you for the opportunity to make this submission.

If there are any matters you would like clarified please do not hesitate to contact me

Yours sincerely

**David Wood**  
**Chief Executive Officer**  
**Yumbah Aquaculture Ltd**