



THE SHIRE OF BROOME SUBMISSION – INQUIRY INTO OPPORTUNITIES FOR EXPANDING THE AQUACULTURE INDUSTRY IN NORTHERN AUSTRALIA

The Shire of Broome welcomes the opportunity to provide this submission to the Joint Select Committee on Northern Australia to examine opportunities for expanding the Aquaculture industry in Northern Australia.

The ability to commercialise new innovation

The Shire of Broome is ideally placed to realise economic growth in domestic and international markets in the area of aquaculture.

There is significant appetite to achieve development of this industry and in August 2014 the WA Minister for Fisheries announced the Kimberley Aquaculture Development Zone located in Cone Bay, about 215 kilometres north east of Broome. This is the first aquaculture development zone to be established in Western Australia.

A proven location for the culture of barramundi, this area is subject to good water flow through the sea-cages in which the fish are grown due to large tides causing substantial water flushing which is essential for high productivity and low environmental impact.

This strategic proposal will create large scale opportunities for existing and future aquaculture operations due to a more streamlined assessment and regulation process related to project proposals. With a policy being developed by the Department of Fisheries in 2015 it will be possible to grant further aquaculture licences and leases, increasing licence volume and driving investment in aquaculture as well as downstream industries such as transport, logistics, security, stock, hatcheries, education / training and ice works / refrigeration infrastructure.

Innovation and knowledge in the area of aquaculture is likely to be spiked in regards to these initiatives and developments. There would be the substantial opportunity to diversify the current supply of barramundi with other species and other offerings. Such initiatives will also drive growth in aquaculture technology and production techniques allowing Australian providers to capitalise on the lessons learnt and position itself as a world leader in this developing field.

The ability to commercialise innovation in aquaculture would however require greater investment in infrastructure, particularly road, port and transport related. The sealing of the Cape Leveque Road for example would be paramount in accessing the opportunities in the waters around the Shire.

Develop new aquaculture projects and products

New investment in aquaculture projects has great potential for further enhancing economic growth in the region and to achieve flow on benefits in downstream industries and post “farmgate” infrastructure. Development of new Aquaculture projects would also supply jobs in the more regional areas of the Broome along the Dampier Peninsula of which there is likely to be significant capacity in the future. The Shire of Broome workforce is expected to grow between 15,000 and 25,000 workers by 2036.

There is the strong possibility that the Kimberley Aquaculture Development Zone can expand on the current aquaculture products (such as Barramundi) which already have strong domestic reputations to include crayfish, prawn and other finfish species. The Australian product is likely to be seen as a premium brand abroad due to its comparative pristine growing environments and as such there would be significant opportunity for product and brand development for Australian aquaculture projects and products.

There is an existing on ground aquaculture centre in Broome run by the Kimberley Training Institute (the Broome Aquatic Centre) that has the opportunity to expand supply and there are ample opportunities for Broome in relation to industry land in close proximity to export infrastructure such as the Broome Port run by the Kimberley Port Authority being available for development if investment can be attracted.

The Kimberley Training Institute's Broome Aquaculture Centre (BAC) was built in 2000 and provides state of the art hands on training and research in its dedicated tropical aquaculture facility. The BAC has a suite of dedicated infrastructure to support training, research, production and development to meet the industry's needs.

BAC specialises in the production of marine finfish such as barramundi and ornamental fish but has also worked with and produced many species including tiger prawns, mud crab, cherabin, tropical abalone, and trochus.

In addition to these commercially important and interesting species the BAC has also provided a critical support role for a number of aquaculture ventures. Some of these include community based indigenous projects wishing to increase the capabilities of their workforce through to commercial aquaculture ventures with specific projects requiring specialist assistance and advice.

Knowledge developed from within the industry such as training and education, technical skills related to hatchery operations and knowledge developed within supply chain operations could also be expanded over time to create products within themselves.

The Kimberley Training Institute in Broome already offers certificate and diploma courses in Aquaculture providing an example of the training and education products that could be developed and promoted within the aquaculture industry.

Seek out new markets.

The aquaculture industry is a strong avenue for growth due to proximity to Asian markets from Northern Australia – world wide agrifood demand in 2050 will be 77% higher than in 2007 – the Kimberley region comparative advantage can come from providing a higher margin, higher quality product.

Most of the increase in food demand in international markets will come from Asia, driven by population growth, the expanding middle class and subsequent greater affluence.

To respond to world food demand, the gross value of Australian agricultural / food capacity will need to grow by 45% by 2025 (FAO,2012). This is unlikely to be achieved without improvements in productivity and bringing new production areas and products such as aquaculture on stream.

Another advantage of aquaculture is that Australia's comparative advantage is likely to be realised in supplying high quality product (as opposed to scale). This will respond to increasingly middle class consumption patterns (including a greater demand for calories and protein) throughout Asia.

These potential new markets can drive investment in logistics and supply routes through Northern Australia and within the Shire of Broome which is already considered a strong strategic location for development of a logistics industry due to proximity to Port and Indian Ocean sea lanes, access to the Pilbara region and Kimberley hinterland and proximity to the offshore Browse Gas Basin.