



1<sup>st</sup> May 2015.

John Carter  
Inquiry Secretary  
Joint Select Committee on Northern Australia  
P O Box 6021  
Parliament House  
CANBERRA ACT 2600  
<http://www.aph.gov.au/jscna>

**RE: Opportunities for expanding the aquaculture industry in Northern Australia**

To the Committee Secretariat

Australian Prawn Farmers Association (APFA) welcomes the opportunity to have input into opportunities for expanding aquaculture in Northern Australia and has already contributed to the Inquiry into the development of Northern Australia – Pivot North. APFA will contribute statements to each of the Terms of Reference:

**1. The ability to commercialise new innovation:**

APFA partners with researchers are eager to commercialise project outcomes. Most notably of these is our successful domestication program. Each year more Australian hatcheries work towards achieving full domestication and some current farms contribute substantial funds to improving techniques, thereby making farms more sustainable by relying less on wild caught broodstock. One Australian farm currently stocks its farm completely with domesticated animals of tiger prawns – a world first.

The latest breakthrough from CSIRO on sustainable feed – known as Novacq will revolutionise prawn feeding and globally demand is expected to be enormous as prawn feed has traditionally been based on fish meal which is not sustainable long term and is more expensive to use. A partnership between CSIRO and the Australian based company - Ridley Aqua feed has been forged that aims to drive innovation and sustainable solutions that capitalise on the potential of aquaculture to feed the world in the future.

<http://www.csiro.au/en/Research/AF/Areas/Aquaculture/Better-feeds/Novacq-prawn-feed>

The above two examples show that Australia is a world leader in innovation and the ability to commercialise new research often depends on the industry involved being willing to uptake new R & D innovations.

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## 2. Develop new aquaculture projects and products:

APFA were pleased with the Pivot North final report recommendation number 35 and applauded the Committees understanding of Australia's current practice of exporting expert knowledge and practices developed here to assist overseas countries, then import food from those countries that competes directly with this industries product when those countries environmental conditions are vastly different.

### **Recommendation 35**

*5.115 The Committee recommends that the Australian Government facilitate the development of the aquaculture industry in Northern Australia by improving the regulatory framework.*

*5.116 In the evidence presented to the Committee, it was argued that there was a serious problem in the regulation of prawn aquaculture. Despite massive investment in science by governments to prove the economic viability and environmental sustainability of prawn aquaculture, and commensurate investment by the industry to comply with strict environmental guidelines, the industry is stalled in the approvals process on the cusp of a major expansion. The result is that it is easier to import prawns from overseas countries that have benefited from access to Australian research than it is to grow the prawns here.*

*5.117 The Committee notes that a lot of money has been spent on the science of Farming prawns, especially regulating nutrient levels in the water, and that Australia has developed best practice for the management of farming tiger prawns. Australia's high level of expertise in this area, however, has largely been exploited for the benefit of foreign growers.*

In our previous submission we highlighted regulatory restraints that unless addressed would prevent any proposed new development within the GBRMPA area from becoming a reality.

APFA contributed to Queensland Competition Authority Aquaculture Review in 2014 and firmly believes that there is potential in North Australia to expand and develop aquaculture operations.

Development can occur both as new farms and expansion of existing farms by providing a regulatory framework that supports new and existing farms. Current farms could farm more intensively but current operational environmental discharge regulations hog tie them from optimum growth. Current farms could produce 20 tonnes per hectare but this would increase their nutrient release and the current conditions would make this very difficult.

ABARES (Agricultural Commodity September Quarter 2013) reports that in 2011-12 Australia imported 37.5 tonnes, compared to 23 tonnes of wild produced prawns. Farmed prawns for that same period are estimated to be 4.5 tonnes.

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Australia imports around 70% of its seafood needs – if aquaculture was allowed to develop would we need to?

**Gross value of Australia's farmed prawns 2013-14**

QLD	3487 tonnes	\$61,700,000
NSW	287 tonnes	\$ 4,494,632
<b>TOTAL</b>	<b>3774 tonnes</b>	<b>\$66,194,632</b>

Australia's prawn industry is worth almost a billion dollars a year and at present **only 6%** comes from Australian aquaculture and a whopping 64% comes from imports.

We are expert at what we do and have always produced a top quality, environmentally friendly farmed product. We sell all we can produce, and will continue to do so if the industry is allowed to expand from \$70 million to \$412 million as we had planned for.

With world population predictions expected to reach 9.7 billion by 2050, if Australia does not look after supplying food for its own needs we may ultimately be in a predicament one day where countries from where we import will say they need the food for their own people.

**APFA – Stewardship Action Plan.** APFA is hopeful and encouraged, after a visit to Canberra at the end of March with our farmers and prawns seeking funds to undertake a Stewardship Action Plan. The plan will include expertise from industry in partnership with regulators from Queensland and Commonwealth governments, respected scientists, major retailers and the conservation sector. The purpose of the plan is to achieve improved and uniform outcomes to discharge water quality across the industry. The plan will be non-prescriptive but the outcomes will be measurable at all the individual producer levels and will create a vehicle for continuous improvement in environment performance across the industry over time.

It is hoped such a plan will break the regulatory impasse that has strangled new farm development for the last fourteen years and will create regulatory reform that will encourage future investment in any of the GBR regions. The plan will include a peer reviewed summary of the research and science as it applies to prawns farming, particularly in relation to water quality and discharge.

Investment in a new development in any GBR region will require guidelines for site selection based on assimilative capacity of waterways. An understanding of offset calculations and parameters needs to be transparent.

**Northern Australia Infrastructure** - APFA urges caution in rushing to expand aquaculture in Northern Australia and any recommendations must ensure that there is access to suitable labour and reliable electricity, and need to consider that getting product to market or supplying and getting supplies will be more expensive because of remoteness.

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This could be more of an issue in cyclone-prone areas, while farms have backup generators in place for times of power outages, cut roads make deliveries of feed or maintenance for energy repairs and access to staff difficult and costly. Farms need to make a living and profit from their production, not have it eaten away with exorbitant transport and energy costs otherwise any new business will not be feasible.

**Aquaculture Policy** - APFA recommends that for Aquaculture development in Northern Australia to be successful there needs to be a National Aquaculture Policy not a statement. The current Commonwealth statement is attached.

**Northern Australia Developments** – A large scale aquaculture project has already been identified and currently earmarked for the NT. Seafarms Group Limited – Sea Dragon project, has identified 10,000 ha of land for a new aquaculture facility to meet growing global demand for seafood.

<http://www.waresources.com.au/project-sea-dragon/>

### 3. Seek out new markets

Market forces would most likely determine the selling market. Using figures from a summary report from CSIRO if Australia was to increase its farming size to 5000 hectares and produced 30,000 tonnes (please refer to summary CSIRO research document attached) there would not be a need to import as many prawns. If the current Australian market can currently consume that amount why can't it be Australian?

Some farms have looked to export their prawns but overseas countries require larger volumes and a more continuous supply.

In reference to the Seafarms Group Ltd project mentioned above this is clearly a facility being built to cater directly to a global export market.

APFA looks forward to working with the Joint Select Committee on Northern Australia to ensure that proper planning, regulations, site selection and assimilative capacity guidelines for future investment are clearly outlined and understood.

Where there are conflicting environmental interests and requirements from State(s) and Federal government, these need to be resolved so that investors have confidence in applying for any new development.

Yours sincerely

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Executive Officer

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