



20th November 2014.

Joint Select Committee on the Australian Fund Establishment

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The Australian Prawn Farmers Association (APFA) welcomes the opportunity to provide input into this inquiry. Under the terms of reference APFA will respond to:

- (a) the need for a fund to assist rural and manufacturing industries in crisis and support communities affected by natural disasters.
 - (i) emergency or ongoing financial relief
 - (ii) a loan to such a business
 - (viii) grant funds to such a business for the purpose of purchasing new technology to make it more economically viable and competitive or restructuring it

From the APFA's point of view Australia's prawn farms are drought resistance but where farms are currently located in regional areas along the Queensland coast means that from time to time farms are located in the pathway of cyclones and extreme rainfall events that do affect farm operations.

All comments in this submission relate to what happened after Cyclone Yasi back in February 2011. A cyclone does not destroy a prawn farm but it does disrupt electricity supply, heavy rain causes low salinity and major highways are often affected which means that for farms to get feed for the animals trucks use alternative routes – which increases freight costs as much as fourfold and then if harvesting farms cannot get the product to market on time unless they are willing to pay additional freight costs.

No power means that farms have to keep crops of animal's alive using generators to keep aeration going and it is often difficult to get diesel to keep them going. In times of cyclones or flood events fuel is most often prioritised for human need so unless a farm has a good supply of diesel on hand backup generators can be rendered useless.

Cardwell took the brunt of Cyclone Yasi which left residents with no power, not much infrastructure and all prawn farms in this and surrounding areas having to rely on backup generators to keep large crops of animals alive until power was restored. Finding fuel to keep these generators operating was challenging and allowing staff time to look after and protect their families and working to keep animals alive was a balancing act.

Thankfully Queensland Farmers Federation (QFF) were able to get funding to enable 15 Industry Recovery Officers (IRO) to hit the ground in each major sector and provide and advice and updates on available relief packages. APFA were fortunate to have a dedicated IRO for our affected members.

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At the time of cyclone Yasi the following issues were raised by members from the aquaculture industry and others more broadly:

- Immediately after Cyclone Yasi the area was inundated with Government Ministers and staff assessing the damage and promising assistance. Unfortunately once these officials and the media disappeared, reality set in for the locals and it seemed that nothing happened and no-one cared. A month or so after the cyclone I attended a meeting in Cardwell with the APFA IRO and can still recall one lady not from our industry, just off the street, attending our meeting in tears – she was just grateful that someone cared enough to come and talk about recovery. This is not so much a financial element apart from ensuring regular contact in communities that have been severely affected and to support that three months post Yasi it was reported that considerable ‘on ground’ assistance is needed.
a (i) Ensure that emergency and ongoing financial relief support people are on hand many times post the disaster event not just straight after then disappear.
- It is necessary for government agencies offering assistance packages to get to the affected communities to meet and respond to “how to questions” - claim, how much, who can help me fill in the paperwork? What do I need to prove before I get any assistance? It’s great to have all this on line but often these townships are cut off from power so an internet is useless.
a (i) Relief personnel should have this type of information on hand before entering a disaster area – this is not always available immediately – perhaps there is a way to collect names and numbers for follow up once details are known.
- The Wage Assistance Scheme (WAS) was a critical element for laid off staff to be paid while recovery efforts and businesses were clearing debris, rebuilding operational facilities or waiting on assessors and insurance claims. WAS needs to be available under extreme circumstances for dedicated staff in any affected regional area where it can be difficult at the best of times to attract and retain a reliable workforce.
It should be noted that post Yasi wage assistance for employers, including primary producers to the equivalence of up to 13 weeks Newstart allowance was available.
- Post Yasi Cardwell lost a lot of infrastructure and one major prawn farm in that region suffered considerable losses that were not able to be covered under any available assistance schemes apart from the minor grants that ranged between \$5,000 to \$20,000 at the time for recovery, essential services, or freight subsidies. Freight costs increased fourfold during cyclone Yasi and a \$5,000 claim would have

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met the costs of one shipment only at the time. Having the Bruce Highway cut caused freight to be shipped inland or there was so much demand once the roads were opened that transport struggled to meet demand.

- Payments that were available fell short of costs incurred when transport fees rose fourfold to get feed or product to market.
- There was a call for a definitive list of what costs were eligible for reimbursement under the available grants as people did not want to make outlays if there was a risk a claim would get rejected when submitted.
- Those who did try to get bigger loans under the NDRAA concessional loans on offer at the time found it difficult to provide all the necessary information required so simply gave up.
- All emergency relief offered under the NDRRA Category D assistance packages were reportedly poorly constructed for the aquaculture industry and underestimated the significant position that aquaculture holds in rural and remote regions of Queensland and the dependence of local communities on these aquaculture facilities.

The IRO reported at the time – *“the above underestimation combined with a poor understanding of the operational needs and financial capital requirements of aquaculture, compounded the ability of already inappropriately constructed assistance packages to deliver a maximal recovery outcomes to industry.”*

a (i) (ii) financial relief often does not meet the added costs industries are burdened with simply to keep going.

- Available housing became an issue once recovery teams were sent in as what was available became expensive to rent, good staff were lost because of expensive housing and it is not easy in that particular area to find staff especially if rents are exorbitant.
- Queensland is usually hit at least once a year with a severe cyclone or heavy rain event – the IRO’s who were employed at the time were only employed for one year. During that time they gained a lot of valuable information from those affected on the ground. Once their contract was finished in most cases they sought other employment taking with them valuable knowledge that could have been used in future events.
- The Bruce Highway is a major infrastructure that connects North Australia to the rest of Australia. Each year at least one extreme weather event will cut the road somewhere and while considerable funding has been allocated and upgrades may have started freight continues to be an impediment and cost for businesses who rely on it for all inwards and outward supplies.

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a (viii) Cheaper and reliable transport must be more accessible for example a better rail network or sea freight options.

- Once a region has been hit by a cyclone it is a common sight to see the electricity poles laying on the sides of roads like match sticks and restoration of this essential service takes priority for communities. Unfortunately once these essential services are repaired the same pole type system goes up ready to be knocked down again next time. Is there a better way?

a (viii) Perhaps this is an area where new technology or systems should be explored to make repairs not only more economically viable but resilient for future events.

APFA commends this submission to you.

Yours sincerely

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