Submission to the

House Standing Committee on Agriculture and Water Resources

on the

Inquiry into the Australian aquaculture sector

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The Australian Prawn Farmers Association

The Australian Prawn Farmers Association (APFA) is the peak representative organisation for the Australian farmed prawn industry.

Established in 1993, APFA represents the common interest of members and promotes and supports all aspects of the industry.

APFA provides the link for communications between growers and related sectors including infrastructure suppliers, the finance sector, retailers and exporters, technologists, researchers and all levels of government.

APFA is a member of the National Aquaculture Council, Seafood Industry Australia and Wet Tropics Waterways.

Response to the Inquiry into the Australian aquaculture sector

The Australian Prawn Farmers Association (APFA) welcomes the opportunity to provide a submission to the *Inquiry into the Australian aquaculture sector* (Inquiry).

Aquaculture in Australia is a broad and complex area incorporating long standing aquaculture sectors alongside new and emerging ones which, if managed and invested in correctly, will contribute significantly to Australia's economy and food security. This needs to be considered carefully and in its entirety by the Standing Committee and APFA cautions that, due to the relatively short timeframe for submission to the Inquiry, the full opportunities and barriers to those opportunities in aquaculture may not be fully captured, understood or recognised. APFA have provided input based on key priority areas but would like it acknowledged that not all opportunities and barriers may be captured.

The **key points** included in this submission are:

1) Opportunities in the Australian prawn farm industry:

   a) Significant production growth and infrastructure expansion.
   b) Untapped investment opportunities.
   c) Large amounts of suitable marine connected land.
   d) Regional community investment.
   e) Upskilling and increasing regional community workforce.
   f) Strong reputation for a sustainable and quality product.
   g) Growing demand from consumers for high quality, fresh, sustainable seafood.

2) Challenges for the Australian prawn farm industry include:

   a) labour shortages.
   b) Inadequate and inconsistent biosecurity measures at the Australian border.
   c) Broodstock access and domestication programs.
   d) All weather infrastructure.
   e) Market development and access.
   f) Lack of coordinated and science based aquaculture policy by Governments and departmental personnel.
   g) Remoteness of farm operations.
   h) Access to capital and investment.
   i) Country of origin labelling.
   j) Regulatory burden.

The nature and current status of Australia's prawn farm sector

The Food and Agriculture Organization of the United Nations' (FAO) latest worldwide statistics on aquaculture shows world aquaculture production of 82.1million tonnes of aquatic animals with a value of approximately US $250 billion (FAO, 2018). The forecast is that aquaculture will supply the majority of aquatic protein in people's diets by 2050 (FAO, 2018).

As demand for seafood continues to rise and wild-caught fisheries reach ecological sustainable levels, any substantial growth in seafood production will need to be driven by aquaculture (DAFF 2021)

In 2019-20 Australia's aquaculture sector represented 48 per cent of Australia's total seafood production with a value of $1.64 billion dollars.

The Australian prawn farm industry is undergoing rapid and significant growth in production with the industry currently valued at over $130 million in 2019-20) (Lobegeiger, DPI NSW,2021). This is up from $80 million in 2018-19.

Strong ongoing significant growth is planned resulting in the industry becoming an important regional economic driver including in the areas of regional investment, labour, new skills and training, increased transport investment and increased feed manufacture investment, all contributing to improved social and economic outcomes for regional communities.

Many of the key opportunities and barriers are identified in the CRC Northern Australia aquaculture situational analysis 2020 and Inquiry is encouraged to review those findings.

Opportunities for the expansion of the Australian prawn farm sector

Enormous opportunity remains for new areas of development and growth in the Australian prawn farm industry including in grow-out, hatchery, processing, marketing, supply chain and service sectors.

The recent Cooperative Research Centre for Developing Northern Australia's Situational Analysis Report found aquaculture could produce five times the current volume of fish, prawns and other seafood if barriers are lifted and private sector investment encouraged (CRCNA 2020).

There are large amounts of suitable marine connected land that would support prawn farming; for example, in Queensland there is a significant proportion of relatively shallow and reasonably sheltered coastal areas with clean, unpolluted water that could support a range of marine aquaculture systems using existing engineering and management techniques (DAFF 2021). Other areas of Australia's coast would also be suitable.

With the significant expansion currently underway, particularly in the Mackay and Bowen region in Queensland, millions of dollars are being pumped into regional economies creating employment, investment in infrastructure, reduced welfare costs and better health outcomes.

This industry will require a capable and resilient workforce to take advantage of the growth and upskilling required as well as the digital transformation of the sector. Attracting new workforce participants to regional areas or retaining people from the regional area is an opportunity to provide significant social outcomes these local areas.

In addition, there are huge opportunities for indigenous communities through employment & training.

The opportunity to further promote Australia's seafood reputation for clean and green is a clear advantage in local and international markets. Although in the past, Australian prawn farms have traditional supplied the domestic market, export of some product is now planned by some farms as part of their expansion plans creating further opportunities.

Due to recent events, Australian consumers are learning to prepare seafood from home, and many are looking for product caught or grown locally. There is a growing demand from consumers to know where their food has come from and that it is sustainable. The opportunity for Australian prawn farms to increase supply into the domestic market is immense with an estimated 70 per cent of the edible seafood Australians consume (by weight) imported, predominantly from Asia (DAWE 2019).

Barriers to the expansion of the Australian prawn farm sector (including ability to access capital and investment)

Labour shortage

The combination of border restrictions and closures and the rapid expansion of industry has resulted in significant challenges to source both temporary and permanent labour required to continue and grow production in the industry.

In relation to border closures, although some larger farms are working through obtaining some assistance through the Pacific Labour Scheme (PLS) many smaller farms are either not financially able to support the PLS requirements or are in areas too remote for PLS attraction.

APFA is working with other sectors towards sharing arrangements with PLS workers if seasonal requirements fit in, however, many smaller farms are not in areas where that is viable.

The industry relies on both full time and seasonal workers with a backpacker workforce traditionally used for the few months of a year for processing and harvesting. Some farms are considering fallowing next year as they cannot source the workforce and suffered production losses and mental health issues this season due to unreliable and uncertain sources of labour. Extensive promotion to try and obtain local workers was undertaken but due to Job Keeper and other benefits local workforce was scarce. Those locals that did participate demanded higher wages and conditions above the award placing financial constraints on some smaller farms. Decisions need to be made now by those farms on whether to prepare to produce next year or not. Currently there is no solution for these farms to access a workforce with any confidence.

The APFA has recognised there is a need to attract, retain and develop the workforce as the industry experiences rapid expansion and upgrades in the next few years. It is expected that there will be a shift in skills of the prawn farming industry's workforce with businesses investing in advanced technology to automate many of their systems that are currently relying on hands-on technicians. This is not believed to minimise the number of people needed to work on farm, but rather move their roles to another position through upskilling. In addition, changes to regulations will increase the need for skilled workers in food safety, biosecurity, occupational health and safety and environmental compliance. It is important to encourage the current workforce that the changes are positive, will create more opportunities and will allow them to enhance their career.

It is important to better expose aquaculture as a career of choice by offering opportunities and possibilities to upskill within the industry. At the moment the industry is mainly attracting its workers through word-of-mouth and some sparse university courses. More often than not, people just "fall" into the industry in the absence of other choices. Aquaculture needs to be showcased as a more attractive career choice especially when competing with other industries such as mining.

While it is anticipated that future skills in the prawn farming industry will be shifted towards leadership, engineering, mechanical, electrical and modelling skills, there are still lots of unknown factors. The current educational system is not fit for purpose.

APFA are working on reviewing the workforce system to gain knowledge of what is needed now, what the current skills gaps are and what the potential future roles are needed. Support is needed to attract participation within the educational systems such as schools, VET providers, tertiary education and apprenticeship pathways.

Biosecurity

As seen on numerous occasions significantly impacting our industry – biosecurity is a significant barrier to growth. Please refer to our submission to the *Review of the biosecurity risks of prawns imported from all countries for human consumption* for further in-depth information. In summary, APFA is not supportive of stopping trade. APFA acknowledges the international WTO rules surrounding trade and also recognises there is a market for imported prawns due to the price point.

However, the application of appropriate sanitary measures applied to high risk imported goods particularly that which applies to bait and berley (going directly in the water in high quantities) is required.

The Queensland government has implemented cooking as the biosecurity measure which is recognised by the rest of Australia as meeting Australia's Appropriate Level of Protection (ALOP) however the biosecurity measures proposed under the Prawn IRA Review at the border are inconsistent with this.

The treatment of prawns out of the movement restriction area defines Australia's ALOP and should not be different to what happens at the border.

Any other control measures are needlessly complicated, prone to failure, more expensive and arguably increases barriers to trade.

Broodstock access and domestication programs

The need for wild broodstock to support the industry growth plans has initially put pressure on the demand for that resource which is capped.

Domestication programs are expensive and take years of generations before being in full production and only the largest farms are able to invest in such a venture leaving the majority of farms relying on wild caught broodstock.

Options may include a central domestication facility and/or supply and access of specific pathogen free broodstock from overseas (removing the need to wait generations before full production).

A shift away from wild caught broodstock to a more sustainable option is supported and acknowledged but assistance is required to ensure the path forward provides fair and equitable access to domesticated broodstock, economical efficiencies, biosecurity and other regulations and requirements are worked out.

Significant increase in productivity that can be obtained from a broodstock domestication program.

All weather infrastructure

Farms and most aquaculture are located in regional areas and significant challenges exist regarding communications, road and train transport and adequate storage facilities (including cold and feed storage) especially in times of weather events.

Telecommunication infrastructure that is fit for purpose in these remote areas is a priority along with weather proofed road and rail infrastructure. In times of weather events, significant disruption occurs to feed and farm supplies raises animal welfare issues.

Supplies such as feed cannot be stored in normal on-farm storage facilities for a long period of time and regular logistic supply is required. Appropriate storage and cold facilities in key remote areas would assist with this risk.

Market development and access

With the increase in Australian aquaculture and prawn farm production, market development and access analysis and strategy (including access to up-to-date data) is needed to inform future market strategy both domestically and overseas. Assistance is needed to work through adopting export capability, provenance tools, diversified markets and applying blockchain technology.

Science based aquaculture policy

There is a serious lack of coordinated, science-based aquaculture policy by both Federal and State governments and departmental personnel.

Aquaculture and the prawn farming sector is a unique environment that is heavily regulated and policy makers often misunderstand the science of aquaculture and lump it into the categories of sewerage, or try to apply policy adapted from terrestrial or plant based industries.

APFA and the industry supports regulation that manages the real risks to the receiving environment. Australian prawn farms have been operating under strict environmental licence since the first farm was established and little has changed.

Aquaculture and prawn farming is unique in that, apart from the strict regulation under which it is already operated, the discharge from prawn farms does not negatively impact on the Great Barrier Reef Marine Park. The nutrients, such as those trapped in algae, are rapidly assimilated in the receiving environment - in other words the catchment area.

To support this, there are over 40 peer reviewed research papers (including by CSIRO) demonstrating that aquaculture does not negatively impact the Great Barrier Reef Marine Park and farms do not release herbicides and pesticides into catchment areas - that is where the real harm rests.

Prawn farming is all about water - and the industry is heavily invested in making sure it is kept free of harmful chemicals and excessive nutrients and solids.

Prawn farms spend a considerable amount of money on water treatment infrastructure even while other industries on the same catchment areas are unregulated. Some farmers even have to treat incoming water to ensure it is suitable for aquaculture use.

Another challenge is that some policy makers view aquaculture the same way they do wild caught and although there are some synergies, aquaculture has more synergy with land based farming but is often not included at government led stakeholder consultations or roundtables, especially in Canberra.

Remoteness of farm operations

Although several challenges relating to remoteness have been highlighted in this submission, in summary the challenges include community infrastructure (housing and schools) to attract and retain workers and their families, transport infrastructure, appropriate storage facilities and lack of support for families moving to remote areas.

Access to capital and investment

There are a myriad of opportunities for investors in every part of the supply chain and prawn farming. These include (but not limited to) feed, farming technology, breeding technology, waste management and storage.

Priority access to capital and investment will assist in realising aquaculture and prawn farming's true potential and put Australian aquaculture on the global stage.

Country of origin labelling

The current pandemic has seen more Australian consumers seek locally sourced or produced food to support local economies and regional jobs. This in turn is encouraging a more direct relationship with the farmers and families who produce our food, including Australian farmed prawns.

Without Country of origin labelling (CoOL) legislation being expanded to include mandatory CoOL for Australian seafood sold in the food service sector, the consumer is not provided the necessary information to make an informed choice.

It is not about Australian seafood versus imported seafood or limiting the import of seafood, but a transparent labelling process to enable Australian consumers to make informed decisions when they dine out or purchase online.

Ultimately, consumer choice is the driver.

There is already a precedent set in many food services sectors with menus showcasing "Moreton Bay Bugs", "Hervey Bay Scallops", "Sydney Rock Oysters", "Tasmanian Salmon" and so forth. Food service venues have wine lists that show the specific origin of the produce.

An expansion of CoOL to cover all seafood sold in food service is crucial to safeguard the future of our industry and the thousands of Australian families who rely on the seafood industry as a source of income.

This would also tackle the threat of substitution which undermines the quality brand of Australian seafood and erodes industry value.

Opportunities to streamline and increase the effectiveness of the current regulatory frameworks that govern aquaculture activities in Australia

APFA and the industry supports regulation that is fit for purpose.

There are a number of unnecessary regulations which limits growth options in the prawn farm industry and Australian aquaculture. Reducing regulatory uncertainty is essential to attracting more investment.

Environmental regulation

Aquaculture relies on a healthy environment and healthy waterways. The Australian prawn farm industry invests a lot of funds in R&D to continually find new and innovative ways to continue to protect our environment.

As previously highlighted, there is a complete lack of understanding of aquaculture evidence-based science which has resulted in unnecessary and costly regulatory burden which stifles industry growth considerably.

Although regulatory burden has been reviewed on a number of occasions, the aquaculture sector and prawn farming industry is still left with a complex and misunderstood regulatory framework which urgently requires significant work to streamline and be effective in protecting our environment and allowing practical growth.

Agvet Chemicals

A national, harmonised and efficient system for Agvet Chemical Regulation is urgently required.

The current regulatory framework is unnecessarily complex, inappropriate and inefficient which in turn stifles growth, economic efficiency and by default, can lead to unsafe practices.

There is a lack of registered veterinary medicines for the unique aquaculture industry which is required for our aquatic animals.

APFA supports the Draft Report of the Independent Review of the Agvet Chemicals Regulatory System undertaken by the Independent Review Panel.

Aquaculture Development Areas

Land-based marine aquaculture development areas (ADAs) have been identified to promote and grow a sustainable aquaculture industry. The intent behind ADAs is a positive step to growth, however in practice, due to unrealistic regulatory requirements and complex and difficult approval processes, these ADAs fall short of delivering any assistance.

The ability for businesses to access and commercialise new innovations to expand Australian prawn farming.

The Australian prawn farming industry is strongly supportive of investing in R&D as a vehicle for a sustainable and profitable future.

In 2001 the Australian prawn farming industry became the first Australian seafood sector to implement a compulsory federal levy based on production, to fund research and development.

The Australian prawn farm industry recognises that new technologies and continued best practice are required to meet the sophisticated changing needs of the consumer, as well as keep Australian prawn farming industry competitive with global trends and improved overseas technology and contribute to Australia's broader economy.

Although strong investment is made in R&D, the APFA have identified the lack of support, assistance and expertise in developing the pathway to commercialisation (extension). This is a key challenge in expanding the industry.

Conclusion

There are significant opportunities for aquaculture and the Australian prawn farm industry to contribute to Australia's economy and food security with a large number of untapped opportunities especially if the identified barriers are removed.

The APFA recommends an aquaculture roundtable with key decision makers be held in Canberra to proactively find a way forward for contribution by both government and stakeholders and raise Australian aquaculture on the global stage as a strong sustainable food source for the future.

The APFA is committed to working with all stakeholders to enhance Australia's food security and ensure long term environmental and social sustainability and is happy to facilitate any further discussions involving its members and aquaculture stakeholders.

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