

We represent the men  
and women who work to  
raise the world's best  
salmon and who provide  
integral services to the  
industry.

*South East farm, D'Entrecasteaux  
Channel Tasmania*

Annual Report 2014/15



## Annual Report 2014/15

The Tasmanian salmonid industry (“industry”) is committed to the production and sale of premium quality Atlantic salmon and Ocean trout, along with complementary investments in other added-value, premium Tasmanian seafood products.

The industry conducts its operational activities, from salmon farming and processing through to sales and marketing in Tasmania with over 1,500 employees and 1,550 hectares of farming space. Its growing reputation is based on a quality product and an innovative approach to sustainable salmon farming.

We are a dynamic organisation operating in an industry of great importance to the Tasmanian economy and with an international reputation. Our purpose is to build on our potential and our opportunities for growth within the global salmon market through the production and sale of premium Tasmanian salmonids.



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**Mission:** to promote opportunities for fish farming in Tasmania by building public understanding and trust.

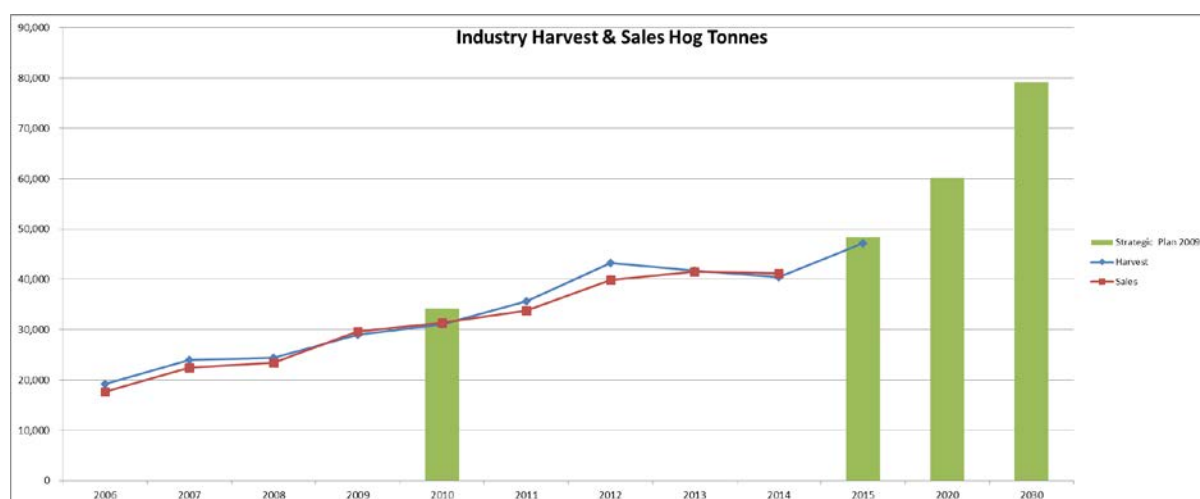
**Vision:** our farmers set the world standard for responsible fish farming, enabling Tasmania to be a major supplier of healthy seafood.

## EXECUTIVE SUMMARY

The Tasmanian Salmonid Growers Association Inc. (TSGA) is a not for profit organisation established by its grower members over 25 years ago to represent the industry by working with federal and state governments and their regulatory agencies.

Not only has farmed salmon become a staple of healthy, nutritious and affordable diets, but our industry has become an economic driver and social mainstay of coastal and rural communities all over Tasmania. Salmon farming employs thousands of people, inputs millions of dollars into local economies and provides leadership and training opportunities for young people so that they can work and raise families in their home communities.

In addition to the direct jobs created on the farms, hatcheries and processing plants, our industry generates indirect jobs in feed manufacturing, packaging, transportation, research, and veterinary medicine and the supply and service sectors as well as spin off jobs in retail and tourism. Continued development of salmon farming offers great opportunities to Tasmania.



From an initial 56 tonne harvest in 1986-87, in 2013-14, the Tasmanian salmonid farming industry:

- produced in excess of 43,000 tonnes of Atlantic salmonid and Ocean trout;
- with a Gross Value of Production (GVP) of approximately \$625.9M;
- provides direct employment for 1,365 FTE, and indirect employment for a further 1,838 FTE, largely in rural areas; and
- the majority of aquaculture jobs are full-time.

The Tasmanian salmonid industry is now:

- the largest single “fishery” sector in Australia by GVP;
- the second largest primary production sector in Tasmania;
- larger than all other aquaculture and fishery sectors in Tasmania combined; and
- a significant contributor to the Tasmanian “food bowl” concept.



Salmon hatchery, Huonville

TSGA members aim to sustainably grow the industry to meet increasing demand for products both domestically and internationally.

***“Aquaculture is crucial for  
supplying the world’s food needs  
for the next 50 years.”***

**Former United Nation Secretary General Kofi Annan  
AquaVision, June 2012**

During the past 30 years, salmonid farmers have learned how important it is to protect the waters on which we depend, to safeguard and develop our vital workforce and to develop markets to ensure that this quintessential Tasmanian industry can continue to enjoy long term success.

By growing healthy, nutritious fish in a responsible way, looking after the waterways and environment that is so important to the fish and our heritage, we increase our economic success and safeguard jobs, local economies and communities for future generations.

Salmon farming may well represent the most promising approach to help revitalise our coastal communities and reverse the trend of young people leaving rural areas to work and live in larger urban centres.

Salmon farming has come of age. It is now one of the most efficient protein producers in the world. Salmon farms fit within the natural systems, producing one of the healthiest foods with a minimal environmental footprint.



## CHAIRMAN'S INTRODUCTION



Salmon farmers in Tasmania have been working together for 30 years now to further the industry's interests. I am proud and honoured to represent this work, the people investing a great deal of their lives, and the companies leading the way. In my role I have come to know many of the people involved in salmon aquaculture in Tasmania, see the passion that people bring to their jobs on a daily basis, and reaffirm my belief in aquaculture's enormous potential. Together we will strive to communicate the passion and pride of everyone invested in this diverse sector, and demonstrate that salmon farming is an integral part of the state's socio-economic fabric.

Anyone writing a retrospective account of the development of the aquaculture industry in another 30 years' time will regard the 2010-2020 decade as a period of paradigm shift. From its genesis in the 1980s, aquaculture has emerged as the dominant method of fish production for human consumption. In Australia we are part of a future in which fish farming is taking its place alongside pig, poultry, and ruminant farming as a mainstream source of protein supply.

The global debate about the advantages and disadvantages of fish farming continue, but it's clear that industry and the scientific community are dedicated to continuous progress in farming methods and practices. This will take time, but in the last 30-40 years aquaculture has advanced in ways which took agriculture hundreds of years.



*Senate Inquiry visit to a salmon hatchery*



Since the beginning of the industry, progress in the science, technology and engineering of salmon farming has been significant and at every step wise change the Tasmanian salmon industry have been amongst the first adopters.

The relationship between Tasmanian salmon farmers and the media has not always been harmonious – but we have never shied away from answering tough questions. Over the past twelve months we have engaged the media in a number of proactive campaigns and also represented the industry when it counted during the senate inquiry and other ENGO generated campaigns. The appointment of Gerrathy&Maddison has been a positive step forward in regard to Communication and PR management for the TSGA and its member companies. Our strategy is to focus on playing offence rather than defence – it's time to score some wins for the farmers.

Our relationships with both the federal and state governments have progressed positively this past year, and are on a path that will see regular engagement with both. We have now, more than ever, established more inclusive, open, frank and deliberative dialogue with government and the community, to meet a range of needs and interests. Our goal is to show salmon farming as an essential plank in helping Government deliver on their promise of growing jobs and developing the economy.

## **TSGA MEMBERSHIP AND STRUCTURE**

The membership of the TSGA is comprised of four marine farming companies: Tassal Group Ltd, Huon Aquaculture Group, Petuna Pty Ltd, and Van Diemen Aquaculture Pty Ltd. The industry is vertically integrated (from egg to plate) and the industry's fish growing and processing operations are spread across the state, from the Tamar River in the north, to Macquarie Harbour in the west to Dover in the south.

As before one of the strengths of TSGA is that it has a good mix of directorial tenure. Many of the Directors are very experienced in business and, given the nature of the industry, have survived and lived through a number of different business cycles.

I would like to thank my fellow Directors who have given willingly of their time and energies to the business of TSGA during the year.

Dr Adam Main as TSGA CEO has robustly and effectively supported the Board and the industry during a somewhat hectic and chaotic year.

### **WHAT LIES AHEAD?**

Ongoing double digit growth is predicted for the next five year cycle, and to achieve this, the industry is committed to achieve global best practice. We cannot, however, meet market demand without ensuring enhanced sustainable production. We have worked hard to establish protocols within our own planning procedures and intend to strive even harder with the people and councillors of the communities where we operate to demonstrate the benefits of salmon farming. We must also allay any concerns of those who represent more traditional water activities and fisheries.

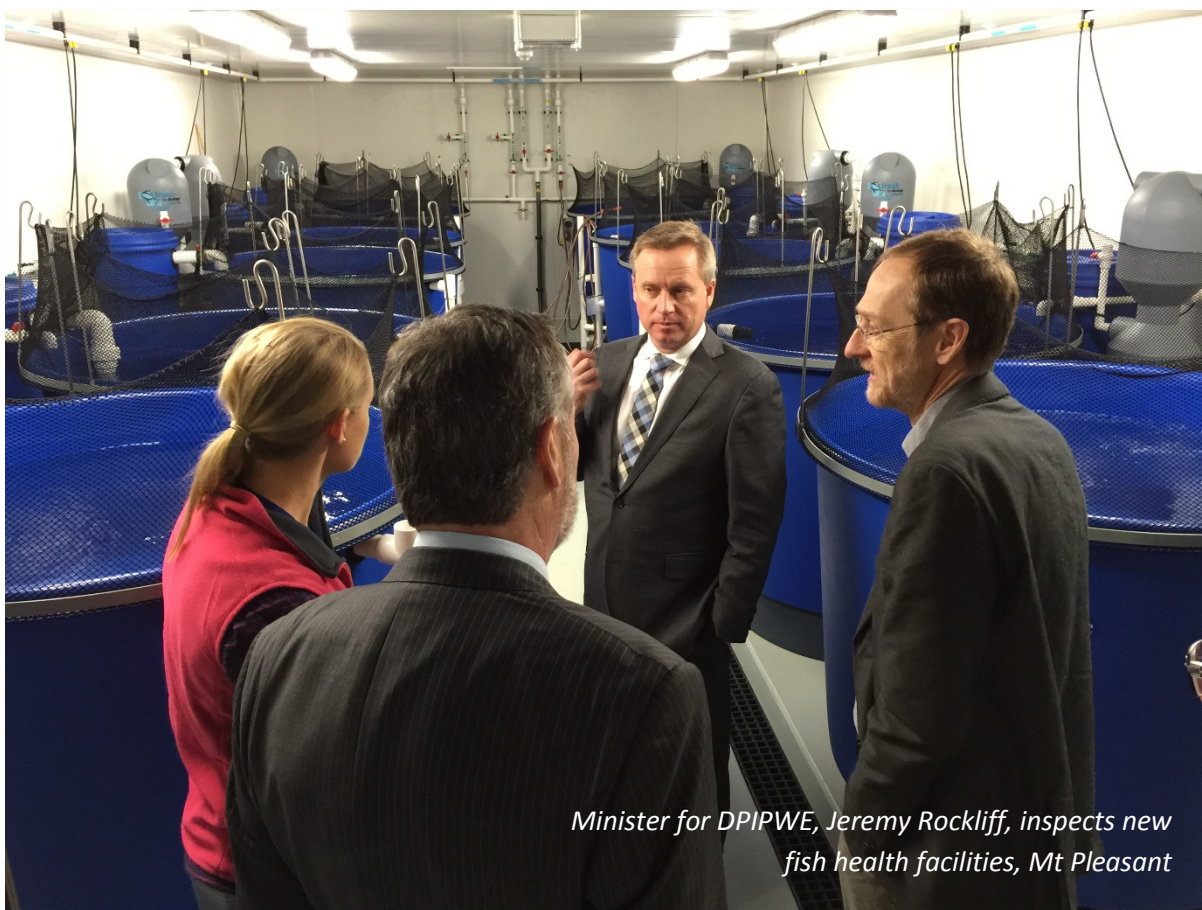
TSGA members see a real need for TSGA to provide leadership in protecting and establishing our credentials as an industry for socio-economic and environmental sustainability.

Premium production and premium quality are the hallmarks of Tasmanian salmon farming. Our products continue to win accolades both nationally and internationally and industry's reputation for fish management and welfare is second to none. Barring the unexpected, there should be challenging but rewarding times ahead



**Chris Dockray**  
**Independent Chair**  
**Tasmanian Salmonid Growers Association Ltd (TSGA)**





*Minister for DPIWPE, Jeremy Rockliff, inspects new fish health facilities, Mt Pleasant*

## KEY INITIATIVES

Over the past year TSGA and its Directors have been working hard to provide the best possible platform for the protection and promotion of the salmonid industry not just today, but for the longer term. These actions have included:

### SENATE INQUIRY

In 2015 the TSGA coordinated and implemented an industry wide strategy for the “*Regulation of the fin-fish aquaculture industry in Tasmania*” Environment and Communications References Committee Senate Inquiry. The TSGA worked with all member companies in the development and lodgement of a formal submission to the Committee Secretary, delivery of a field day for a number of the key Senators and their senior staff and representation at the formal hearing.

The senate inquiry process required a significant amount of investment of both time and resources, however the effort was well rewarded when the Senate published a very favourable report. It was very gratifying to have the efforts of industry acknowledged, particularly in regard to sustainability practices and accreditation, regional economic development and demonstration of international best practice.

## **TSGA TECHNICAL COMMITTEE (TSGA TC)**

In 2015 the membership of the TSGC TC changed with the introduction of new key member representatives, and as a result the committee has strengthened its capacity to deal with significant issues such as fish health, benthic & broadscale modelling and better understanding of dissolved oxygen dynamics.

The role of the TSGA TC is to provide strategic guidance to the Board with respect to all industry wide technical issues and Research & Development (R&D). The TSGA TC has had tremendous success and the presentation of a united industry front has assisted our industry in 'getting our message across' and in achieving more favourable outcomes than likely through a fragmented approach.

The focus of the TSGA TC in 2015 was twofold,

1. the development of significant projects in the south east to review the principles underpinning the existing management framework (with the inclusion of rocky reef habitat)
2. further understanding the benthic and pelagic processes in Macquarie Harbour

No 'open call' round for project proposals was initiated this year.

A guest speaker was invited to each of the TSGA TC meetings this year. Topics ranged from jellyfish to social licence. Primary investigators from FRDC funded projects were invited to present findings from their research to the TSGA TC. The committee valued the opportunity for researchers to brief the group on the progress of their project or provide a final outcome report for those projects drawing to an end.

## **COMMUNICATIONS AND PUBLIC RELATIONS**

The Communications Advisory Group (CAG) continued to develop key communication protocols and policy in 2014-15 and underpinning the progress of the group was the appointment of Gerrathy&Maddison to assist in the development of a communications strategic plan and communications program.

The key task for the communications program in 2014-15 was to re-engage the Tasmanian and wider Australian communities in relation to the Aquaculture Industry in the period immediately post the release of the Senate Inquiry.

The objectives of the communications strategic plan and communications program are to:

1. Counter the negative campaign waged by environmental activists by building and improving industry wide relationships;
2. Minimise misinformation in the community and build the industry's brand;
3. Encourage appreciation of the Aquaculture Industry and in turn build its reputation.

Although not completed, the Draft communications plan proved to be invaluable in assisting the TSGA successfully manage the media messaging and process during the Senate Inquiry process and subsequent 7.30 report and other ABC media events.



The TSGA appointed a casual Online Media Manager in early 2015 with instant success. The TSGA now regularly posts updates on Twitter, Facebook and on the TSGA webpage. Facebook followers continue to increase as word gets out about our online presence.

### **FRDC INDUSTRY PARTNERSHIP AGREEMENT**

A key factor behind the salmonid farming sector's strong growth is the role of research and development. In 2013-14 the Tasmanian government and Industry continued to contribute financially to salmonid research undertaken by the Commonwealth Fisheries Research and Development Corporation (FRDC). The salmonid IPA is the largest sector funded arrangement for FRDC nationally. A review of the IPA process and arrangement began with a strategic planning session early in 2014 and the final version of the IPA was released in November 2014.

The Salmon sub-program IPA is the only arrangement where funds are now allocated to both collaborative and enterprise level projects. This was an initiative of the TSGA and FRDC and the industry member companies have responded extremely positively.

The Australian Government matches complying industry contributions to FRDC up to 0.25% of the AGVP. This allocation was fully utilised by industry members and the TSGA in 2014-15; in fact the industry members actually oversubscribed to the funding round with project proposals and co-investment funding for projects.

The TSGA is now working with industry members and the FRDC toward securing a 0.5% of the AGVP matching contribution.

### **NATIONAL AQUACULTURE COUNCIL (NAC) AND TASMANIAN AQUACULTURE COUNCIL (TAC):**

TSGA continues to undertake an important role within NAC and TAC, which provides an essential role in lobbying and advocating on behalf of Australian aquaculture in general and in particular on behalf of the salmonid industry as one of its major members. Dr Main is the Deputy Chair of both companies.

NAC has secured its membership fees for 2015-16 but a revised strategic plan for NAC is yet to be agreed to. The membership of NAC is the highest it has been for the past 5 years and there is significant interest in developing a new business model. The TSGA remains one of NACs longest running and highest paying members.

## MACQUARIE HARBOUR DISSOLVED OXYGEN (MH DO) WORKING GROUP

In October 2014 the Macquarie Harbour Dissolved Oxygen (MHDO) Working Group provided industry with a final report on the dissolved oxygen (DO) reductions in the bottom waters of Macquarie Harbour and, to the extent allowed by available data, determine attribution.

5 recommendations were made in the final report. Each of these recommendations articulated additional R&D that was required to further understand the attribution, recharge and oxygen demand parameters in Macquarie Harbour. All recommendations are being addressed.

The MHDO Working Group continued to meet in 2014-15 and regular updates to the final report have been generated and published by Aqua-dynamic solutions. The update documents are a series of 'work in progress' reports for consideration by the MHDO Working Group and DPIPWE.

The MHDO Working Group continues to actively monitor DO levels in the harbour.

## THE FUTURE

While each of these initiatives are important in isolation they should be seen as part of a much broader strategic TSGA approach which aims at enhancing its role and expanding support for its members with a view to insulating them from the exigencies of politics and the market; to take advantage of commercial opportunities; and deal with the predictable and unpredictable challenges, commercially and otherwise, in the future.



## THE FINANCIAL RESULT

The TSGA finished the 2013/14 financial year with a small **\$2,679 deficit**, which was within revised budget expectations; noting the extra expense associated with the Senate Inquiry. Total revenues were **\$1,945,571** compared to \$2,038,914 in 2014.

The budgeted position for 2015/2016 appears sound, but there is little contingency funding available. Feed levies will account for all operating expenses and the income for Project Expenses will continue to be secured through invoices to each company for their predetermined share.



