

Intensive salmon farming in Tasmania

Briefing note – August 2016

Tasmania is home to a substantial aquaculture industry. Intensive salmon farming in particular has grown quickly, attracting growing concerns about the industry's impacts, how it is regulated and its financial contribution to the state.

The Australia Institute commissioned ReachTEL to conduct state wide polling, as a first assessment of Tasmanian attitudes to the issues around intensive salmon farming.

BACKGROUND

Growing industry

Intensive salmon farming has grown quickly in recent years, and its strong growth continues.

The Tasmanian Salmonid Growers Association (TSGA) reports there are 2,090 FTE ("full-time equivalent") jobs in the industry and that it contributes \$625.9 million to the Gross State Product (GSP).¹ For context, this is larger than other agricultural sectors in Tasmania, but smaller than tourism, which employs around 9,000 FTE in Tasmania.² A 2015 KPMG report, commissioned by TSGA, "calculated that aquaculture contributes 2.3 per cent of State GSP, and 1.2 per cent of State employment."³

¹ Tasmanian Salmonid Growers Association (2016) *History*, <http://www.tsga.com.au/history/>

² Tourism Research Australia (2013) *Tourism Employment in Australia*, p 4, https://www.tra.gov.au/documents/Tourism_Employment_Projections_FINAL_Oct13.pdf

³ Tasmanian Department of Primary Industries, Parks, Water and Environment (DPIPWE) (2016) *Salmon Industry Changes FAQs*, <http://dPIPWE.tas.gov.au/sea-fishing-aquaculture/marine-farming-aquaculture/changes-to-salmon-industry-regulation/salmon-industry-changes-faqs>

The industry reportedly wants to double output by 2024.⁴ The government often says that it supports plans to “double the value of Tasmania's salmon industry to \$1 billion by 2030”.⁵ Current growth is reportedly \$2 million a week.⁶

There are now three main companies operating in Tasmanian. Tassal and Huon are publicly listed on the Australian Stock Exchange. Together they made \$66 million in net profit in 2014-2015.⁷ Petuna is a private company now half owned by Sealord, a New Zealand company; Sealord is half owned by Moana New Zealand, a Maori company, and half owned by global company Nissui.⁸ Profit figures for Petuna are not available.

Controversy

As salmon farming has grown, so too have community concerns. These include:

- impacts on water quality, with water quality affecting aquaculture (both other salmon farmers and other sectors like shellfish),⁹ tourism attractions and shoreline communities;¹⁰
- the lack of availability of water quality information;¹¹

⁴ ABC News (2015) *Tasmanians salmon growers tell Senate inquiry in Hobart their environmental impact is localised*, <http://www.abc.net.au/news/2015-07-15/senate-inquiry-into-tasmanian-salmon-farms-to-begin-in-hobart/6620034>

⁵ Jeremy Rockliff (2014) *Tassal congratulated on major step forward for salmon industry sustainability*, <http://www.premier.tas.gov.au/releases/tassal-congratulated-on-major-step-forward-for-salmon-industry-sustainability>

⁶ Matthew Denholm (2016) *Tasmanian salmon industry facing a green tide of opposition*, <http://www.theaustralian.com.au/news/nation/tasmanian-salmon-industry-facing-a-green-tide-of-opposition/news-story/aeddbae707a524360790858ab94dd409>

⁷ Tassal (2015) *Annual Report*; Huon Aquaculture (2015) *Annual Report*.

⁸ Sealord International (2016) *Our business*, <http://www.sealord.com/our-story/our-business/>

⁹ See e.g. Hugh Kirkman (2014) *Review of Monitoring the Environmental Effects of Salmon Farming in Tasmania*, https://d3n8a8pro7vhm.cloudfront.net/marine/pages/369/attachments/original/1411539300/HKirkman_Review_of_monitoring_salmon_farm_effects_Sept2014.pdf?1411539300 and Tamara Glumac (2016) *Environmentalists ready to fight increase in salmon farming in Macquarie Harbour*, <http://www.abc.net.au/news/2016-04-29/environmentalists-ready-to-fight-increase-in-salmon-farming/7368882>.

Some research has come to different conclusions: Colin Buxton (2015) *Review of the Tasmanian Abalone Council Report on Risks to the Abalone Fishery from Further Expansion of the Salmonid Industry*, <http://dpiwwe.tas.gov.au/Documents/Salmon%20Abalone%20Report%20150706.pdf>

¹⁰ Jared Lynch (2016) *Bob Brown likens Tasmania's salmon industry to logging, mining*, <http://www.smh.com.au/business/bob-brown-likens-tasmanias-salmon-industry-to-logging-mining-20160331-gnvqrg.html>; ABC News (2015) *Huon Aquaculture faces \$260k bill for environmental study after exceeding nitrogen levels*, <http://www.abc.net.au/news/2015-12-16/huon-aquaculture-faces-bill-after-nitrogen-error/7034498>

- impacts on wildlife;¹²
- the lack of an independent industry regulator, or independent assessment of proposals prior to industry expansion;¹³
- the lack of disclosure of chemicals given to fish to help them grow and fight off disease, and to colour their flesh pink;¹⁴
- the fact that the industry does not pay rates to local councils;¹⁵
- the fact that taxpayers fund the industry's regulation while the industry's contribution to the state government is low – a point raised by the Department that currently regulates the industry.¹⁶

Many in Tasmania – including the government¹⁷ and environmental advocates¹⁸ – are concerned that these controversies could develop into a 'forestry style' battle.

Responses

Responding to these concerns, the Commonwealth Senate held an inquiry into the industry. The majority report strongly supported the industry and its growth. The Greens said the recommendations were “very weak”.¹⁹ There remain substantial concerns in the Tasmanian community. One of the shellfish farmers that made a submission to the inquiry, saying their yield was being damaged by Tassal's salmon farming, recently had their lease bought out by Tassal.²⁰

¹¹ Jared Lynch (2016) *Fish farmers disagree about hot water in key Tasmanian harbour*, <http://www.smh.com.au/business/fish-farmers-disagree-about-hot-water-in-key-tasmanian-harbour-20160329-gnt3da.html>

¹² *The Australian* (2013) *Tasmania's salmon trade casts deadly net*, <http://www.theaustralian.com.au/news/nation/tasmanias-salmon-trade-casts-deadly-net/story-e6frg6nf-1226667828180>

¹³ Jared Lynch (2016) *Bob Brown likens Tasmania's salmon industry to logging, mining*,

¹⁴ Conor Duffy (2009) *How green and clean is Tasmanian salmon?*, <http://www.abc.net.au/7.30/content/2009/s2766962.htm>

¹⁵ Kieran Jones (2016) *High Court backs West Coast Council's right to charge seabed rates*, <http://www.abc.net.au/news/2016-04-14/council-secures-right-to-charge-seabed-rates-in-high-court/7325730>

¹⁶ DPIPWE (2016) *Salmon Industry Changes FAQs*,

¹⁷ Kieran Jones (2016) *High Court backs West Coast Council's right to charge seabed rates*

¹⁸ Jared Lynch (2016) *Bob Brown likens Tasmania's salmon industry to logging, mining*, <http://www.smh.com.au/business/bob-brown-likens-tasmanias-salmon-industry-to-logging-mining-20160331-gnvqrg.html>

¹⁹ Jane Ryan (2015) *Senate inquiry backs Tasmania's salmon industry but Greens criticise 'very weak' findings*, <http://www.abc.net.au/news/2015-08-21/senate-inquiry-backs-tasmania-s-salmon-industry/6716076>

²⁰ Matthew Denholm (2016) *Tasmanian salmon industry facing a green tide of opposition*,

The Tasmanian government has recently responded to community concerns in a number of ways.

In August 2016 the government ordered a reassessment of plans by Tassal, a publicly listed salmon farming company, to build 28 new farms at Okehampton Bay near Triabunna. Environment Tasmania called this a “cosmetic tweak” and a “rubber stamping exercise” as the assessment process is not independent of the Minister.²¹

The government is currently changing how the industry is regulated. It is splitting operational regulation from the Department of Primary Industries, Parks, Water and Environment (DPIPWE) and giving this responsibility to the Environmental Protection Agency. DPIPWE will remain responsible for approvals and planning.²² The timeline and process for this reform are not clear.

Paying its way?

The DPIPWE website says “At present taxpayers fund management of the salmon farming industry”. On top of normal operational costs, the Tasmanian budget reports \$1.8 million in new spending over estimates, including a \$1.2 million new database.²³

While defending current regulations, the DPIPWE website says

Government is not resourced to manage industry expansion within industry’s desired timeframes. There is a pressing need for additional resources to assess and process industry expansion proposals and a need for suitably qualified personnel to assess and advise on the environmental aspects of industry expansion plans and proposals. In addition, the industry would benefit from tactical research and scientific projects to ensure truly sustainable growth.²⁴

DPIPWE reports the government received a total of \$1.1 million from marine farming leases and license fees in 2014–15.²⁵ Note this includes other forms of marine farming. This compares to the \$66 million profit made by just two of the companies in 2014-15 and a \$625 million claimed contribution to GSP.

²¹ Adam Langenberg (2016) *Concerns over East Coast fish farm review*

<http://www.examiner.com.au/story/4092767/fish-farm-review-concerns/>

²² DPIPWE (2016) *Salmon Industry Changes FAQ*

²³ Tasmanian Treasury (2016) *2016-17 Budget Paper No. 2 Volume 1*

[https://www.treasury.tas.gov.au/domino/DTF/DTF.nsf/LookupFiles/2016-17-Budget-Paper-No-2%E2%80%93Volume-1.pdf/\\$file/2016-17-Budget-Paper-No-2%E2%80%93Volume-1.pdf](https://www.treasury.tas.gov.au/domino/DTF/DTF.nsf/LookupFiles/2016-17-Budget-Paper-No-2%E2%80%93Volume-1.pdf/$file/2016-17-Budget-Paper-No-2%E2%80%93Volume-1.pdf)

²⁴ DPIPWE (2016) *Salmon Industry Changes FAQ*

²⁵ DPIPWE (2016) *Salmon Industry Changes FAQ*

The government is considering a levy on the industry.²⁶ The relevant legislation provides for a levy on fishing industries for the purpose of industry research or “any approved services” but only by consent of the industry.²⁷ TSGA says the idea of a levy is “reasonable if there is additional planning and assessments that need to be carried out to support the industry.”²⁸ The levy would bring in a further \$1.5 million over estimates, or \$400,000 a year.

Key questions include how the levy will be governed and whether \$400,000 a year is adequate to ensure thorough regulation and planning for the fast growing industry.

Tasmanians should also consider whether the fast growing and profitable industry should be expected to deliver general state revenue, beyond what is needed to fund its regulation and research.

In April 2016 the High Court ruled that councils are able to levy rates on marine farmers.²⁹ However, councils are yet to decide whether they will do this.

POLLING

To assess public attitudes to emerging controversies around salmon farming, The Australia Institute commissioned state-wide polling from ReachTEL.

The results show very strong support for measures to investigate and regulate the industry’s impacts, as well as for increasing its financial contribution to Tasmania through local rates. There was also strong agreement that salmon should be labelled with all chemicals fed to the fish.

Method

ReachTEL reports its methodology as follows:

ReachTEL conducted a survey of 1,310 residents across Tasmania during the evening of 9th and 10th August 2016. ...

This survey was conducted using an automated telephone based survey system among 1,310 voters. Telephone numbers and the person within the household

²⁶ Premier (2016) *Supporting the Growth of Salmon Farming* Press Release

http://www.premier.tas.gov.au/releases/supporting_the_growth_of_salmon_farming

²⁷ *Living Marine Resources Management Act 1995*

http://www.austlii.edu.au/au/legis/tas/consol_act/lmrma1995339/s279.html

²⁸ TSGA (2016) *Regulatory Review Sets the Salmon Industry up for the Future*

<http://www.tsga.com.au/regulatory-review-sets-the-salmon-industry-up-for-the-future/>

²⁹ Kieran Jones (2016) *High Court backs West Coast Council's right to charge seabed rates*

were selected at random. The results have been weighted by gender and age to reflect the population according to ABS figures. Please note that due to rounding, not all tables necessarily total 100% and subtotals may also vary.

Key Results

Should there be an independent watchdog on intensive fish farms?

- 70% agreed in total – 47% strongly agreed.
- 14% disagreed while 15% were unsure.
- There was agreement from 63% of Liberal voters, 63% of Other voters, 64% of Labor voters, 73% of undecideds, and 90% of Greens voters.

Should salmon packaging show all chemicals fed to the fish?

- 88% agreed in total – 72% strongly agreed.
- 7% disagreed and 5% were not sure.

Should there be an independent investigation into the impacts of the industry on other aquaculture, tourism and shoreline communities, prior to any expansion?

- 61% agreed in total – 39% strongly agreed.
- 20% disagreed and 17% said they did not know
- 50% Liberal voters agreed, 68% Labor and 83% of Greens voters

Should that intensive fish farms should pay rates to local governments?

- 70% agreed in total – 45% strongly agreed.
- 14% disagreed and 15% were not sture.
- Support was highest amongst older age groups.
- 63% of Liberal voters agreed and 74% of Labor voters.
- 70% of Greens voters strongly agreed, compared with 36% of Liberal voters.

Detailed Results

Do you agree or disagree that there should be an independent watchdog on intensive fish farms?

	Total	Female	Male	18 – 34	35 – 50	51 – 65	65+
<i>Strongly agree</i>	46.5%	47.8%	45.2%	42.9%	43.3%	52.1%	48.1%
<i>Agree</i>	24.1%	25.1%	23.0%	10.4%	26.7%	28.7%	31.5%
<i>Disagree</i>	10.2%	7.2%	13.5%	14.0%	12.8%	7.2%	6.2%
<i>Strongly disagree</i>	4.0%	4.4%	3.6%	6.8%	3.0%	2.9%	3.5%
<i>Don't know</i>	15.1%	15.5%	14.7%	25.9%	14.2%	9.2%	10.8%

	Total	Liberal	Labor	Greens	Other	Und
<i>Strongly agree</i>	46.5%	35.9%	49.0%	70.2%	44.3%	51.0%
<i>Agree</i>	24.1%	27.1%	24.6%	19.9%	18.8%	22.5%
<i>Disagree</i>	10.2%	15.2%	6.2%	3.1%	19.5%	2.9%
<i>Strongly disagree</i>	4.0%	7.6%	2.8%	.6%	1.3%	2.0%
<i>Don't know</i>	15.1%	14.3%	17.5%	6.2%	16.1%	21.6%

Do you agree or disagree that Atlantic salmon packaging should show all chemicals fed to the fish, including antibiotics, colourings and growth stimulants?

	Total	Female	Male	18 – 34	35 – 50	51 – 65	65+
<i>Strongly agree</i>	72.4%	75.5%	69.0%	62.5%	72.7%	80.4%	73.8%
<i>Agree</i>	16.2%	14.2%	18.4%	19.6%	17.5%	12.1%	15.4%
<i>Disagree</i>	3.7%	2.1%	5.4%	3.9%	3.8%	3.2%	3.8%
<i>Strongly disagree</i>	3.0%	2.4%	3.6%	5.7%	3.0%	.9%	2.3%
<i>Don't know</i>	4.8%	5.9%	3.6%	8.3%	3.0%	3.5%	4.6%

	Total	Liberal	Labor	Greens	Other	Und
<i>Strongly agree</i>	72.4%	59.2%	77.7%	82.6%	84.6%	74.8%
<i>Agree</i>	16.2%	26.0%	10.8%	15.5%	5.4%	10.7%
<i>Disagree</i>	3.7%	5.6%	4.1%	1.2%	0.7%	1.0%
<i>Strongly disagree</i>	3.0%	5.9%	1.8%	0.0%	0.7%	3.9%
<i>Don't know</i>	4.8%	3.3%	5.5%	0.6%	8.7%	9.7%

Do you agree or disagree that Intensive fish farms should pay rates to local government?

	Total	Female	Male	18 – 34	35 – 50	51 – 65	65+
<i>Strongly agree</i>	45.4%	43.6%	47.3%	42.1%	46.3%	49.1%	43.8%
<i>Agree</i>	24.4%	26.0%	22.6%	16.1%	25.1%	28.0%	28.8%
<i>Disagree</i>	10.9%	9.7%	12.2%	12.5%	12.3%	7.2%	11.5%
<i>Strongly disagree</i>	4.1%	2.5%	5.9%	4.2%	4.6%	4.6%	2.7%
<i>Don't know</i>	15.2%	18.2%	12.0%	25.1%	11.7%	11.0%	13.1%

	Total	Liberal	Labor	Greens	Other	Und
<i>Strongly agree</i>	45.4%	34.6%	47.5%	67.3%	51.0%	40.8%
<i>Agree</i>	24.4%	30.7%	24.3%	17.3%	16.8%	17.5%
<i>Disagree</i>	10.9%	14.7%	10.6%	6.2%	10.7%	3.9%
<i>Strongly disagree</i>	4.1%	6.9%	1.8%	.6%	5.4%	6.8%
<i>Don't know</i>	15.2%	13.0%	15.8%	8.6%	16.1%	31.1%

Do you agree or disagree that there should be an independent inquiry into the potential impacts of fish farms on tourism, other fisheries and shoreline communities before fish farms expand into the East Coast of Tasmania and onto Bruny Island?

	Total	Female	Male	18 – 34	35 – 50	51 – 65	65+
<i>Strongly agree</i>	38.7%	38.7%	38.6%	26.8%	40.2%	47.6%	40.0%
<i>Agree</i>	23.2%	24.3%	22.0%	18.2%	25.1%	24.2%	25.8%
<i>Disagree</i>	13.4%	10.9%	16.1%	14.9%	12.3%	12.4%	14.6%
<i>Strongly disagree</i>	7.7%	4.7%	10.9%	14.9%	6.8%	5.2%	2.7%
<i>Don't know</i>	17.0%	21.4%	12.3%	25.3%	15.6%	10.7%	16.9%

	Total	Liberal	Labor	Greens	Other	Und
<i>Strongly agree</i>	38.7%	21.3%	44.1%	71.4%	40.7%	38.8%
<i>Agree</i>	23.2%	28.6%	23.9%	11.8%	15.3%	26.2%
<i>Disagree</i>	13.4%	21.5%	10.8%	2.5%	14.0%	4.9%
<i>Strongly disagree</i>	7.7%	15.8%	1.1%	3.7%	8.0%	4.9%
<i>Don't know</i>	17.0%	12.8%	20.0%	10.6%	22.0%	25.2%