



To The Commissioner

MARINE FISHERIES AND AQUACULTURE - PRODUCTIVITY COMMISSION

The Aquaculture Council of WA (ACWA) would like to provide some detail to correct the assertion on Page 213 of the “Marine Fisheries and Aquaculture - Draft Report” that Western Kingfish Ltd (WKL)...’went into liquidation in less than 18 months following a disease outbreak’. Whilst this is technically correct, it leaves the impression that it was the disease outbreak that caused the failure of the company.

There are many individuals who were closely involved with the efforts made by the company to farm Yellowtail Kingfish in WA at the time. The events leading up to and following the liquidation of WKL are however, not well understood by the broader community. We now hope to set the record straight, if that is possible retrospectively.

In our opinion, there is no doubt that the company was not established or managed professionally. WKL raised funds in the market place to commence farming operations but it soon became apparent to us on the periphery of the company, and to the newly appointed WKL General Manager that there were insufficient funds to complete the first full harvest cycle. The company had embarked on a new fund raising effort by the time the Global Financial Crisis (GFC) had an impact in mid-September 2008.

In late September 2008, an in-cage treatment to control gill flukes on the fish at their grow out site in Jurien Bay went badly wrong. Fluke treatment involves bathing the fish in a solution of hydrogen peroxide (with the cage contained within an encompassing tarpaulin). This is a delicate operation at best and a slight error in calculation or observation can result in a too weak, or a too strong a solution of peroxide in the bathing water. In this particular case it took a long time to remove the tarpaulin due to the use of an old and heavy tarp and inadequate vessels capable of removing it quickly. The fish were therefore held within the peroxide solution for much longer than was planned and significant damage to the gills of the fish resulted.

The combination of reduced rations at the time (due to saving measures and inability to feed the fish during adverse weather conditions), a reduced staffing level to extend the available funds and the subsequent damage caused by the treatment contributed to a range of health conditions that resulted in the death of a significant number of the first cohort of WKL fish. A publication in the Australian Veterinary Journal by Stephens and Savage in 2010 documented the subsequent fish health and mortality issues¹.



The loss of 75% of the first cohort was certainly a contributing factor to the company's demise, though not the major factor, as the second cohort of WKL fish were doing well at the time. The WKL fund raising efforts were always going to be difficult due to the ongoing evolution of the GFC and the company was subsequently wound up.

Several members of the Aquaculture Council of WA are experienced and professional operators who although they were closely involved in activities associated with WKL, were separate from the company and can confirm that the above account is accurate and correct.

We would kindly request that the section regarding the WKL demise in the DRAFT Report is amended appropriately to reflect the fact that the company failed due to inadequate funding and the inability to raise new funds due to the GFC. The assertion that the failure of the company was due to a disease outbreak is not only incorrect, but reflects badly on the ongoing viability of the industry in Western Australia.

1 Stephens, F.J., and Savage, A., Two mortality events in sea-caged yellowtail kingfish *Seriola lalandi* Valenciennes, 1883 (Nannopericidae) from Western Australia. Australian Veterinary Journal, Volume 88, No 10, October 2010.

Other Comments

We agree with the report that the combining of the WA State Fisheries Regulatory role with a Development role is far from ideal. This presents certain conflicts that can be detrimental to both roles. This is particularly evident when it comes to aquaculture development where it can conflict not only with wild fisheries derived regulations, but also with fishermen protecting what they perceive to be 'their patch'. In a small dedicated agency such as the WA Department of Fisheries these conflicts can be very difficult to manage. Perhaps, in other states that have large primary industry agencies, these conflicts can be better managed by the pseudo-separation of functions.

Yours sincerely

Tina Thorne (on behalf of the ACWA Committee of Management)

EXECUTIVE OFFICER

12 October 2016