



shellfish culture

shellfish culture newsletter | Summer 2016



Happy New Year from Shellfish Culture
Wishing you a productive and profitable 2016

Tackling water issues

Shellfish Culture is collaborating with the CSIRO on an investigative project into water quality. This issue was much in discussion among farmers at last October's Shellfish Futures conference, and it's a matter of concern to the whole industry.

For an organisation such as Shellfish Culture, it's an acutely important issue. Algal blooms and toxin occurrences make it imperative that we better understand the chemistry of water. Shellfish Culture wants to develop predictive tools to help overcome any adverse effects from such events by better understanding what is happening in the water.

To this end, the company is working closely with the CSIRO to build a comprehensive data base.

Sophisticated CSIRO probes have been placed in the water on SCL leases and nearby surrounds. These are measuring several components of the water chemistry regularly.

Samples are measured every 10 minutes and are downloaded together with the results. This information goes to SCL's Pipe Clay Lagoon hatchery for interpretation and analysis under a system designed by the CSIRO and SCL's Hatchery Team Leader, Andy Day.

It's a long term project which should ultimately allow predictions of algal blooms and give SCL the ability to link with US hatcheries where ocean

acidification has affected hatchery outputs and oyster quality and growth rates.

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SCL extends its hatchery

Key new appointments to Shellfish Culture

Customer Profile: Ironstone Oysters

Triploid breeding "powering along"



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Chairman's report

Shellfish Culture starts 2016 in good shape. We recently held our Annual General Meeting and I was able to reflect on a period over the last 12 months best summed up by the two words: consolidation and growth.

We returned a profit during last financial year, decreased debt, and delivered dividends. The common factor in our performance was our customer base. Some time ago, we adopted a strategy to place our customers' needs centre stage in all that we do. Our latest financial performance suggests customers are responding to this strategic direction.

This strategy permeates everything we do as an organisation. For instance, we have introduced a new company organisational structure which reflects our customer focus. This business strategy fits well with our own culture as well as apparently suiting our customers. After all, Shellfish Culture is an unlisted public company predominantly owned by oyster growers.

In recent years we have done much to bring ourselves in line with customer requirements and

expectations. We have, for instance developed a range of product sizes to meet market demand; worked to build our stock levels so that we can meet customer demand as and when they need it; and we have supported research which is aimed at making our industry stronger and more sustainable.

Last year, another building block in our customer strategy was put in place with the appointment of General Manager, Greg Bowers. Greg has just celebrated his first year with SCL. He joined us from Coca Cola Amatil and brought a strong focus on customer support and an expertise in the crucial area of supply chain logistics.

So we're working hard to align ourselves in such a way that we can provide solutions to the supply needs of Australian farmers. At our Annual General Meeting, the feedback was positive, and over the course of this year we shall be continuing to build on a strategy which I believe is good for our customers, good for Shellfish Culture, and represents a positive and solid contribution to our industry.

Finally, at the start of another year, I want to wish all our readers a productive and profitable 2016.



Chairman, Greg Goodman

From the General Manager

IT'S a busy year coming up at Shellfish Culture. In my first 12 months we've put in place a regular program of farm visits with more than 90 conducted in the past year in South Australia, NSW and Tasmania. This program continues this year.

Personally, these farm visits have given me a tremendous insight into the dynamics of our industry. Shellfish Culture has a much sharper appreciation of the challenges faced by the farming community, and the learnings we're taking away from these visits make us a much better organisation in responding to the needs of our customers.

It is clear that our on-farm presence is significantly improving both our service levels and customer sales, and the program has now been integrated into our normal service delivery offering to customers; and will continue again this year.

Another area in which I believe we've improved is our capacity to supply customers when they need it, and to the specifications they require. We can do this because we've put a lot of effort into building stock inventory in different sizes, and to expanding our farm operations.

For instance, I recently took a phone call from a farmer in South Australia. He had been short delivered in stock and required 500,000 oysters. Could we help? We were able to confirm a supply on the spot, and we had the extra stock to him within the week. This is an example of the type of service that we need to provide to our growers and we need to sustain this improvement.

I am very sorry to be losing John Stubbs from our team. John and I have spent many a day together visiting farms interstate and in Tasmania. As a former oyster grower in NSW, John has decided to return to his home state and family. Over his time with Shellfish Culture, he has given us an invaluable insight into the farmers' perspective of the industry. This in turn has helped us to further refine our practices and our customer interface. We wish John all the very well for the future.

Replacing John are two extremely capable and passionate colleagues who will continue to drive our customer focus. Elsewhere in this newsletter, you can read about Luke Kapitany, our new Customer Product Manager, and Dan Wicks, our Customer Operations Manager. They will work closely together, while Dan will have a particular focus on our SA farmers and Little



General Manager, Greg Bowers

Swanport Operation, with Luke concentrating on Tasmania and NSW.

I welcome them to the team, and look forward to joining them in the field in the weeks and months ahead.

Hatchery Extension

To continue its strategic direction of ensuring reliability of spat supply Shellfish Culture is undertaking a hatchery extension program over the next two to three years.

Work on the first of three phases commenced last month (December 2015) and will be finished by February.

This work will be completed without any interruption to the normal day to day tasks of the Hatchery. It was also timed to occur during the two quieter months for hatchery operations – December and January - thus ensuring no unplanned interruptions to the hatchery during this period.

These capital works are aimed at increasing the overall capacity of the hatchery while also improving efficiency: each phase of the work has a particular objective that culminates in an overall increased



Will Bartholomaeus, Hatchery Technician, working in the Pipe Clay Lagoon Hatchery. SCL is spending \$150,000 this financial year on upgrading its hatchery

reliability, a higher larvae and spat capacity, and significant biosecurity control measures.

This financial year \$150,000 has been allocated to the extension with similar amounts for the next two years.

Water treatment process improvements planned for the Bicheno Hatchery and these improvements at Pipe Clay Lagoon complement each other and will enable a sustained, reliable supply of larvae and spat to meet the industry and growers' demands.

Staff Profiles

Two new senior appointments have been made to Shellfish Culture. Luke Kapitany is the company's new Customer Product Manager, and Dan Wicks is the Customer Operations Manager. Dan will have a particular focus on our SA farmers and Little Swanport Operation, while Luke concentrates on Tasmania and NSW.

Luke Kapitany: Customer Product Manager



Originally from Gippsland in eastern Victoria, Luke studied Aquaculture at the University of Tasmania in Launceston before graduating with Honours. He returned to Victoria but a recent family holiday in

Tasmania convinced them that the state was an ideal place to live and work.

"I've always had a passion for fisheries' sustainability, and have been very keen to get back to the aquaculture sector in particular," says Luke.

Luke studied fisheries management at Deakin University in Warrnambool, before transferring to Launceston to study Aquaculture. Following this degree in Launceston, he returned to Victoria

where first he worked in genetic based research on zebra fish, an aquarium species. He then moved to Fisheries Victoria where he worked in the field of fisheries management ranging from marine coastal to freshwater inland fisheries.

"When I brought my family to Tasmania on holiday, we all thought it would be a great place to live. I was also attracted by the emphasis on sustainability that exists throughout the Tasmanian community."

Luke, his partner, three year old daughter - and "with one on the way" are now settling into a house close to the water and near to work. The aim over the longer term is to buy acreage.

The best thing about the move to Tasmania? The oysters, coastal life and fishing.

Luke says in Victoria he was used to eating oysters Kilpatrick. "As my Tasmanian industry friends quickly taught me, there is nothing quite like eating natural oysters straight from the sea. A sea change for the better you might call it," he says.

Dan Wicks: Customer Operations Manager



Dan is a Tasmanian who grew up at Eagle Hawk Neck on the Tasman Peninsula, and has lived in the region most of his life. Anyone who knows the Peninsula would be aware that water is never

far away, and it has always held an attraction to Dan.

He started his working life while still at school. At the age of 14 he was working in a kitchen after school, then became a cook and qualified as a chef in 2000, managing two kitchens at once.

By 2003, Dan wanted a change of scene, and took on work as a deck hand on a fishing boat before transitioning into the oyster industry through some casual work with Cameron of Tasmania.

"I've worked from the ground up in the oyster industry," says Dan. "I started working on intermediate oysters, then went on to work in the nursery section and progressed my skills and knowledge further in the oyster hatchery. So I've worked with oysters from their beginnings right through to the processing stage."

Dan has now worked 12 years in the oyster industry, but as he likes to remind people: "I can still cook a pretty good meal as well."

With a wife and two children, aged nine and six, Dan currently lives at Forcett. When he's not thinking about oysters you will find him diving or playing golf. There's another interest, too. "We've recently bought an old 1970's era caravan that we're going to restore. Should be a great project."

Dan enjoys the working environment that comes with a job in the oyster industry. "I spend a lot of time outdoors and on the water; and I work with knowledgeable people who inspire me to develop my own technical abilities in this fascinating industry sector," he says.

Customer Profile

Ironstone Oysters

Ironstone Oysters has its headquarters tucked away behind Sorell in southern Tasmania. From here, two major leases are administered, one on nearby Island Inlet in Lower Pittwater and the other at Boomer Bay, south east of Sorell.

Managing Director Scott Brooks says the company's oysters are distributed in conjunction with marketing business Blue Harvest to Queensland, NSW and Victoria.

The company's two leases cover 25 ha of water. Juvenile oysters account for 40% of production for other farmers to on-grow, while 60% are mature oysters for the mainland market.

"When I started with the company we had one shed, three plastic chairs, and a cheque book. A decade later we've got everything a modern oyster farm needs – and I can say with some satisfaction that I had a part in erecting every post out there in the water," Scott said.

Scott began his career in a seafood factory in Sorell - the largest oyster opening facility in the southern hemisphere. Then he went into oyster



Scott Brooks (left) with employees Simon, Site Supervisor, and Jason (right: farm attendant)

farming at nearby Cremorne before taking on his current role 10 years ago.

"Six years ago construction was completed here at Island Inlet, and 18 months ago we acquired the water at Boomer Bay".

The Island Inlet lease has good wind exposure, large tidal lows and the water is nutrient rich. Boomer Bay is similar. It enjoys Tasmania's East Coast tidal flow, and has its own micro environment. "It's a magic environment for growing oysters", says Scott.

Ironstone Oysters is an unlisted private company with independent shareholders.

"The relationship with SCL has grown over the last five years. Shellfish Culture has changed to become more communicative and more customer focused. In my view, relationships are as important as the quality of the stock supplied, and because SCL is communicating better about its strategy moving forward, then we both know how we can work better together."

Breeding program update

The latest batch of triploids have shown outstanding and consistent growth rates. The last batch - SPL15AT - features high survival rates, excellent growth, good shape and uniformity through the nursery. Grower feedback has included the comment: "they're really powering along."

SCL's breeding program for its spawnless oysters continues to return benefits. More than 15 years of tetraploid breeding with dedicated work from SCL's Andy Day and Dr Stan Allen of the Virginia

Institute of Marine Science have resulted in the best spawnless product the company has yet produced.

NSW growers on the south coast received this batch early in spring and have commented on its strong performance. This reflects what SCL noted from the initial spawn. This product will be available through summer to spring 2016 for South Australian and Tasmanian growers.

Additionally the breeding program has seen some positive traits. These have been as a result of discussions with growers who were looking for a darker and harder product.



6mm product ready for sale. SCL tetraploid breeding program kicks off again in January at our Pipe Clay Research hatchery facility under the supervision of Andy Day

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Tackling water issues

While it could take up to two years to collect the necessary data to allow predictions of blooms, already the data is proving beneficial in ensuring more reliable spawning. As the project collects greater amounts of data, Shellfish Culture will make the information available to its customers to assist them in their own management of these issues.

SCL Hatchery Technicians Alex Hickling (left) and Lochlan DeBeyer at Shellfish Culture's Bicheno plant maintaining the water quality monitoring system, in partnership with the CSIRO

