Submission to the Queensland Productivity Commission

on the

Impact of the Australian Government's 2025 environment protection reforms on Queensland

Call for Submissions

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Executive Summary

The Australian Prawn Farmers Association (APFA) welcomes the opportunity to provide this submission to the Queensland Productivity Commission.

APFA represents Australia's farmed prawn industry and supports environmental regulation that is practical, evidence-based and capable of delivering measurable environmental outcomes while enabling sustainable food production, regional employment and investment.

Queensland prawn farming provides high-quality Australian seafood, supports regional communities and has invested heavily in environmental stewardship, research and innovation. However, the cumulative effect of successive environmental regulation has significantly increased the cost and complexity of operating and expanding aquaculture businesses.

In particular, the implementation of Regulation 41AA under the *Environmental Protection Regulation* 2019 and the practical expectation of nil net discharge has created a regulatory threshold that cannot currently be achieved at commercial scale using available technology. The consequence has been reduced investor confidence, constrained expansion opportunities and a decline in industry value. The sector's production decreased by 18.3%, from 9,603.5 tonnes in 2023–24 to 7,846.9 tonnes in 2024–25. This resulted in a 19.8% decrease in production value from $211.6 million in 2023–24 to $169.8 million in 2024–25 (Lobegieger Report 2024-2025).

The Australian Government's 2025 EPBC reforms risk compounding these challenges if additional Commonwealth requirements duplicate existing Queensland approvals or last-minute federal paramountcy or establish standards that are not technologically achievable.

This submission demonstrates that environmental protection and productive aquaculture are complementary objectives when regulation is proportionate, science-based and capable of practical implementation.

The Australian Prawn Farmers Association

Established in 1993, the Australian Prawn Farmers Association (APFA) is the national peak representative organisation for Australia's farmed prawn industry.

APFA represents the common interests of Australia's prawn farmers, promoting and supporting all aspects of the industry while advocating for policies that enhance sustainability, profitability, biosecurity, research, innovation, market development and responsible environmental management. The Association is committed to ensuring Australia's prawn farming industry remains resilient, competitive and internationally recognised as a world leader in sustainable aquaculture.

APFA provides the principal link between prawn farmers and the broader seafood supply chain, facilitating communication and collaboration with infrastructure providers, feed manufacturers, processors, retailers, exporters, researchers, technology providers, financial institutions and all levels of government. Through this role, APFA coordinates national industry responses to policy, regulatory and research matters and delivers industry-led research, development and extension (RD&E) initiatives that improve environmental performance, productivity and industry capability.

The Nature and Current Status of Queensland's Prawn Farming Industry

Queensland is the centre of Australia's farmed prawn industry, producing all of the nation's farmed Black Tiger Prawns and the Mackay/Whitsunday region remaining the largest aquaculture jurisdiction for prawn production. The industry farms prawns indigenous to Australia and was valued at $169.8 million in 2024–25 (Queensland Department of Primary Industries, 2024–25), making it the highest-value aquaculture sector in Queensland. It also represents the largest

employer within the state's aquaculture industry, supporting approximately 420 full-time equivalent (FTE) jobs, or 58% of the sector's total workforce, while underpinning significant economic activity across regional coastal communities.

Queensland's favourable climate, established aquaculture infrastructure, access to suitable coastal environments and world-leading biosecurity systems have positioned the industry as a global leader in sustainable prawn aquaculture. Australian prawn farmers have consistently demonstrated a commitment to innovation and continuous improvement, investing heavily in advanced production systems, biosecurity, genetics, water quality management, feed optimisation and environmental stewardship to ensure the industry remains internationally competitive.

The industry is widely recognised for its strong environmental performance and rigorous regulatory compliance. Producers operate under a comprehensive framework of Environmental Authorities, Fisheries legislation, Reef protection regulations, biosecurity legislation, planning laws and, where applicable, approvals under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act). Over many years, farms have collectively invested millions of dollars in settlement ponds, water treatment infrastructure, water quality monitoring, biosecurity systems and research and development to meet continually increasing environmental expectations.

Queensland's prawn farmers have also been pioneers in industry-led research and innovation. The Australian Prawn Farmers Association (APFA) established Australia's first compulsory seafood Research, Development and Extension (RD&E) levy, demonstrating the sector's long-standing commitment to investing in scientific research, environmental improvement, animal health, production efficiency and long-term sustainability. This investment continues to deliver advancements in disease preparedness, environmental management and farm productivity that benefit both industry and government objectives.

As custodians of coastal environments, prawn farmers rely on healthy estuarine ecosystems, wetlands, mangroves and marine habitats for their operations. Consequently, the industry has a direct commercial and environmental interest in protecting natural resources, maintaining water quality, restoring habitat where appropriate and ensuring the long-term health of Queensland's coastal ecosystems. Environmental sustainability is therefore fundamental to both the industry's social licence and its commercial viability.

Despite these significant investments and demonstrated environmental performance, the Queensland prawn farming industry is currently facing increasing regulatory complexity, duplication between State and Commonwealth approval processes, and escalating compliance costs. Over recent years, these factors have reduced investor confidence and constrained opportunities for industry expansion. In particular, increasingly complex environmental approval pathways, combined with cumulative regulatory requirements, have contributed to an estimated $40 million decline in the value of Queensland's prawn farming industry, limiting growth despite strong consumer demand for Australian seafood and the industry's proven environmental credentials.

The Australian Prawn Farmers Association considers that future environmental policy should build upon the industry's demonstrated commitment to sustainability while ensuring regulatory frameworks are practical, evidence-based, proportionate and designed to facilitate responsible investment and regional economic growth rather than creating unnecessary barriers to expansion.

The Queensland Productivity Commission Inquiry

The Queensland Productivity Commission has been directed to examine the impacts of the Australian Government's 2025 reforms to the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act), with a particular focus on regulatory burden, economic impacts, implementation risks and opportunities to improve regulatory efficiency. APFA supports this inquiry because Queensland's prawn farming industry provides a practical case study of how

cumulative environmental regulation can constrain investment without necessarily delivering additional environmental outcomes.

This submission focuses on the cumulative interaction between Queensland and Commonwealth environmental regulation. While the Commonwealth reforms are the immediate subject of the inquiry, they will operate alongside an already extensive State regulatory framework. The Commission therefore has an important opportunity to examine whether further regulatory layering will improve environmental outcomes or simply increase cost, delay and uncertainty for regional industries.

Existing Regulatory Burden on Queensland Prawn Farming

Queensland prawn farming is one of Australia's most highly regulated food production industries. Before a new farm can be established or an existing farm expanded, proponents may require approvals under Queensland planning legislation, Environmental Authorities, Fisheries legislation, vegetation management, water legislation, coastal management requirements, cultural heritage obligations, biosecurity legislation and, where relevant, the EPBC Act.

Following commencement of Reef water quality reforms, operators have experienced a significant increase in environmental monitoring, reporting and compliance obligations. These obligations include water quality monitoring, discharge management, environmental reporting, auditing and adaptive management. APFA supports evidence-based regulation but notes that cumulative compliance costs reduce productivity, particularly for small and medium-sized regional businesses.

Table 1. Illustrative Cumulative Regulatory Framework

Regulatory Area	Primary Legislation	Illustrative Impact
Environmental Authority	Environmental Protection Act	Monitoring, licensing, reporting and compliance
Reef Regulations	Environmental Protection Regulation	Water quality and discharge obligations
Planning	Planning Act	Development approvals and assessment
Biosecurity	Biosecurity Act	Disease prevention and movement controls
Commonwealth	EPBC Act	Additional assessment where MNES may be affected

Case Study – Regulation 41AA and the Practical Requirement for Nil Net Discharge

The Queensland Government, *Review of Nutrient Release from Aquaculture Activities: Final Report* states pond aquaculture contributes approximately 1% of the total anthropogenic nitrogen load to the reef catchment (Department of Environment, Science and Innovation, January 2024).

APFA considers Regulation 41AA to be one of the clearest examples of how regulatory design can unintentionally constrain investment. While the objective of improving Great Barrier Reef water quality is strongly supported by the industry, the practical implementation of the regulation has resulted in expectations that new or expanding aquaculture developments demonstrate nil net discharge or an equivalent outcome.

At present there is no commercially proven technology capable of consistently achieving nil net discharge at commercial production scale for any aquaculture or prawn farming operations. Although research continues into water treatment technologies and innovative production methods, these technologies are either not commercially available, prohibitively expensive or not yet demonstrated under Queensland operating conditions.

The result has been significant regulatory uncertainty. Investors are reluctant to commit capital where approval requirements cannot realistically be satisfied. Proposed expansion projects have stalled, opportunities for regional employment have been lost and Queensland risks losing investment to jurisdictions with more proportionate regulatory settings such as Western Australia.

Environmental regulation should encourage continual improvement and innovation. It should not establish approval thresholds that exceed current technological capability. Where government expects new environmental outcomes, it should work collaboratively with industry to develop achievable transition pathways supported by research, demonstration projects and realistic implementation timeframes.

Economic Impacts, Productivity and Investment

The Queensland prawn farming industry has historically demonstrated strong growth potential driven by increasing domestic demand for premium Australian seafood, advances in aquaculture technology and ongoing investment in research and development. However, APFA submits that cumulative environmental regulation has progressively constrained that growth potential.

Industry participants report that increasing regulatory complexity, lengthy approval pathways and uncertainty regarding environmental performance expectations have become significant considerations in investment decisions.

In particular, uncertainty surrounding Reef water quality requirements, including the practical expectation of nil net discharge, has reduced investor confidence in new farm developments and major expansion proposals.

APFA estimates that the Queensland prawn farming industry has experienced an approximate $40 million reduction in annual industry value over recent years compared with its anticipated growth trajectory. While a range of market factors influence industry performance, regulatory uncertainty has been a significant contributor to reduced capital investment and constrained expansion opportunities.

Table 2. Illustrative Economic Effects of Increasing Regulatory Burden

Observed impact	**Likely consequence**
Longer approval timeframes	Delayed investment decisions
Higher compliance costs	Reduced business productivity
Uncertain environmental thresholds	Reduced investor confidence
Duplicated approvals	Higher project costs
Technologically unachievable requirements	Projects deferred or abandoned

Food Security, Regional Employment and Sovereign Capability

Queensland prawn farming contributes far beyond farm gate value. The industry supports skilled regional employment, processing, transport, engineering, feed manufacture, equipment supply and research. Expansion of domestic aquaculture also contributes to Australia's sovereign food production capability by reducing reliance on imported seafood produced under highly variable environmental and labour standards.

Where environmental regulation prevents sustainable expansion of Australian aquaculture without delivering commensurate environmental gains, the practical consequence can be increased reliance on imported seafood. This shifts environmental impacts offshore rather than improving global environmental outcomes while reducing Australia's food security and regional economic resilience.

Environmental Outcomes versus Regulatory Burden

APFA supports strong environmental outcomes. However, effective regulation should be measured by improvements in environmental performance rather than by the volume or complexity of compliance requirements.

Where regulatory obligations exceed current technological capability, the outcome is often reduced investment rather than improved environmental performance.

The Commission's inquiry provides an opportunity to examine whether additional Commonwealth requirements under the 2025 EPBC reforms will deliver incremental environmental benefits or simply duplicate existing Queensland regulatory processes. APFA submits that future reforms should be proportionate, evidence-based, technologically achievable and recognise the environmental stewardship already demonstrated by responsible aquaculture operators.

Key Messages

- Environmental outcomes and food production should be complementary objectives.
- Regulatory settings should encourage innovation rather than prevent investment.
- Commonwealth reforms should not duplicate existing Queensland approvals.
- Environmental standards must remain achievable using commercially available technology.
- Recognition should be given to existing stewardship undertaken by Queensland prawn farmers
- Recognition should also be given to the fact that Queensland prawn farms operate under global third party accredited standards.

Commonwealth–State Regulatory Duplication and Bilateral Agreements

APFA supports the intent of the EPBC Act to protect Matters of National Environmental Significance. However, the Association submits that the practical implementation of the 2025 reforms should avoid creating additional assessment layers where Queensland has already undertaken rigorous environmental assessment. The Commission's inquiry specifically seeks opportunities to reduce duplication through bilateral agreements. APFA considers this one of the greatest opportunities for improving regulatory efficiency while maintaining environmental standards.

Queensland aquaculture projects are commonly required to satisfy extensive State environmental assessment before Commonwealth processes commence. Where the information requirements, impact assessments and mitigation measures are substantially the same, duplication increases cost and delays without improving environmental outcomes. APFA supports expanded use of accredited assessment processes and stronger bilateral agreements so that a single, robust assessment can satisfy both jurisdictions wherever appropriate.

Table 3. Opportunities to Reduce Regulatory Duplication

Current Issue	Impact	Potential Improvement
Separate State and Commonwealth assessments	Longer approvals	Greater reliance on accredited bilateral assessments
Different information requests	Higher consultant costs	Common data standards
Sequential approvals	Investment delay	Parallel assessment pathways
Changing standards	Regulatory uncertainty	Early publication of guidance and transitional arrangements

Environmental Stewardship Already Delivered by Queensland Prawn Farmers

Queensland prawn farmers have invested in environmental stewardship for decades because healthy coastal ecosystems are fundamental to successful aquaculture. Industry initiatives extend well beyond minimum regulatory requirements and include water quality monitoring, settlement ponds, wetland management, mangrove protection, biosecurity planning, responsible feed management and industry-funded research through APFA's compulsory RD&E levy.

Future reforms should explicitly recognise and incentivise demonstrated environmental stewardship. Recognition could include streamlined approvals for operators with strong compliance histories, greater use of outcome-based regulation and mechanisms that reward continual environmental improvement rather than relying solely on increasingly prescriptive regulatory controls.

Environmental Offsets and Efficient Delivery

APFA's previous submission to the Queensland Government on the Environmental Offsets Framework highlighted concerns regarding the accumulation of approximately $129.2 million within the Offset Account while comparatively little has been delivered through on-ground environmental projects. APFA submits that improving the delivery of existing offset obligations should be prioritised before increasing future offset costs or introducing additional regulatory obligations.

The Association supports reforms that improve transparency, accountability and measurable environmental outcomes. Offset systems should provide certainty for proponents, recognise coastal restoration opportunities and avoid circumstances where industry effectively bears the cost of historical delays in government delivery.

APFA Recommendations

Recommendation 1: Ensure National Environmental Standards remain technologically achievable.

Recommendation 2: Strengthen Commonwealth–Queensland bilateral agreements to eliminate duplicated assessment and strengthen transparent decision-making processes between jurisdictions.

Recommendation 3: Undertake cumulative regulatory impact assessments before introducing additional obligations.

Recommendation 4: Recognise existing environmental stewardship by Queensland aquaculture operators.

Recommendation 5: Review the practical impacts of Regulation 41AA and nil net discharge expectations on investment.

Recommendation 6: Prioritise delivery of existing environmental offsets before increasing future offset liabilities.

Recommendation 7: Provide greater regulatory certainty through early publication of guidance and transition arrangements.

Recommendation 8: Support research and innovation that enables continual environmental improvement.

Conclusion

The Australian Prawn Farmers Association supports environmental regulation that protects Queensland's unique natural assets while enabling the continued production of sustainable Australian seafood. Queensland's prawn farmers have consistently demonstrated their commitment to environmental stewardship through significant investment in

biosecurity, water quality management, research, innovation and continuous improvement. These efforts should be recognised and supported through regulatory frameworks that are practical, proportionate and capable of delivering measurable environmental outcomes.

The Queensland Productivity Commission's inquiry presents an important opportunity to ensure that the implementation of the Australian Government's 2025 EPBC reforms does not inadvertently add further regulatory burden to an industry that is already subject to extensive State environmental oversight. Future reforms should reduce unnecessary duplication between jurisdictions, provide greater regulatory certainty, recognise existing environmental performance and ensure that environmental standards remain technologically achievable.

A productive and environmentally sustainable aquaculture industry is essential to Queensland's regional economies, Australia's food security and sovereign food production capability. Regulatory settings should encourage investment, innovation and continual environmental improvement rather than create barriers that constrain responsible industry growth and have demonstrated no real impact on the environment.

APFA appreciates the opportunity to contribute to this inquiry. The Association is committed to working collaboratively with governments to develop practical, science-based regulatory frameworks that deliver strong environmental outcomes while supporting sustainable aquaculture, regional employment and future investment. APFA would be pleased to provide any additional information or participate in further consultation as the inquiry progresses.

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