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Western Australia 6714

Enquiries: Justin.fromm@pdc.wa.gov.au

Mr Chris Adams
Chief Executive Officer
City of Karratha
Welcome Road
Karratha WA 6714

Dear Mr Adams

SUPPORT FOR THE PILBARA DEVELOPMENT COMMISSION'S EDIBLE OYSTER RESEARCH AND DEVELOPMENT PROGRAM PROJECT

I am writing to you to request your consideration of a cash contribution from the City of Karratha (CofK) for the Pilbara Development Commission's (Commission) edible oyster research and development (R&D) program project. The Commission is seeking a minimum of \$50,000 in the 2017/18 financial year.

At the recent oyster information session, a number of the industry experts expressed views that based on the natural assets of the Pilbara there is the potential for viable local oyster industry. The surface area of water of the Dampier Archipelago is equivalent in size to that of the entire South Australian oyster industry – and industry that generates \$30 million, supports 250 local jobs on oyster farms, 150 supporting local jobs and generates a further 200 jobs across the South Australian economy.

The Commission's Board has approved \$100,000 from its operational budget to initiate a R&D program for edible oysters. The aim of the program is to address a number of the critical risks and knowledge gaps to de-risk the development and commercialisation of edible oyster aquaculture in the region.

The Commission is applying for matching funding from the Fisheries Research and Development Corporation (FRDC). With the addition of a \$50,000 cash contribution from the CofK, the total cash component of the project could be up to \$300,000 (\$150,000 total matching from the FRDC). The addition of further in-kind contributions from the Commission, industry partner Maxima Pearling Company and Murujuga Aboriginal Corporation could bring the total project value up to \$640,000. Should the total cash contribution be reduced, the project will be scaled back to match the available funding. While this will reduce the amount of information gathered by the program, it will nonetheless provide critical information to potential investors.

The Commission's and the CofK's cash contribution would be paid to the FRDC who will manage the funds and the project on behalf of the Commission. The FRDC have well-established systems in place and are experienced in managing and supporting aquaculture R&D. They have well-established contracting arrangements and can fund project components

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such as purchase of capital equipment. This method of managing projects by the FRDC is a common occurrence and no major obstacles are foreseen with this model.

The FRDC funding application needs to be submitted by Friday 27 May. I understand this request may have come outside of the CofK budget cycle, however a letter of commitment will enable the Commission to include the contribution in the FRDC funding application. If this is not possible, a letter of support from CofK will assist the Commission's application and if CofK funding becomes available in the future, the Commission can seek further matching funding from the FRDC.

Should you require any further information regarding this matter please contact the Commission through Mr Justin Fromm on 08 6551 7513 or via email at Justin.fromm@pdc.wa.gov.au

Yours sincerely



Terry Hill
Chief Executive Officer

18 May 2017

Cc: Mr Ryan Hall, Director Development Services