



-HUON-
TASMANIAN SALMON
Premium Salmon from Pristine Waters



Seafood Directions 2008

People in Industry

The Challenge of Rapid Expansion for
Human Resource Management in a
Regional Aquaculture Enterprise

The Huon Aquaculture Experience



Tasmanian Salmon Industry

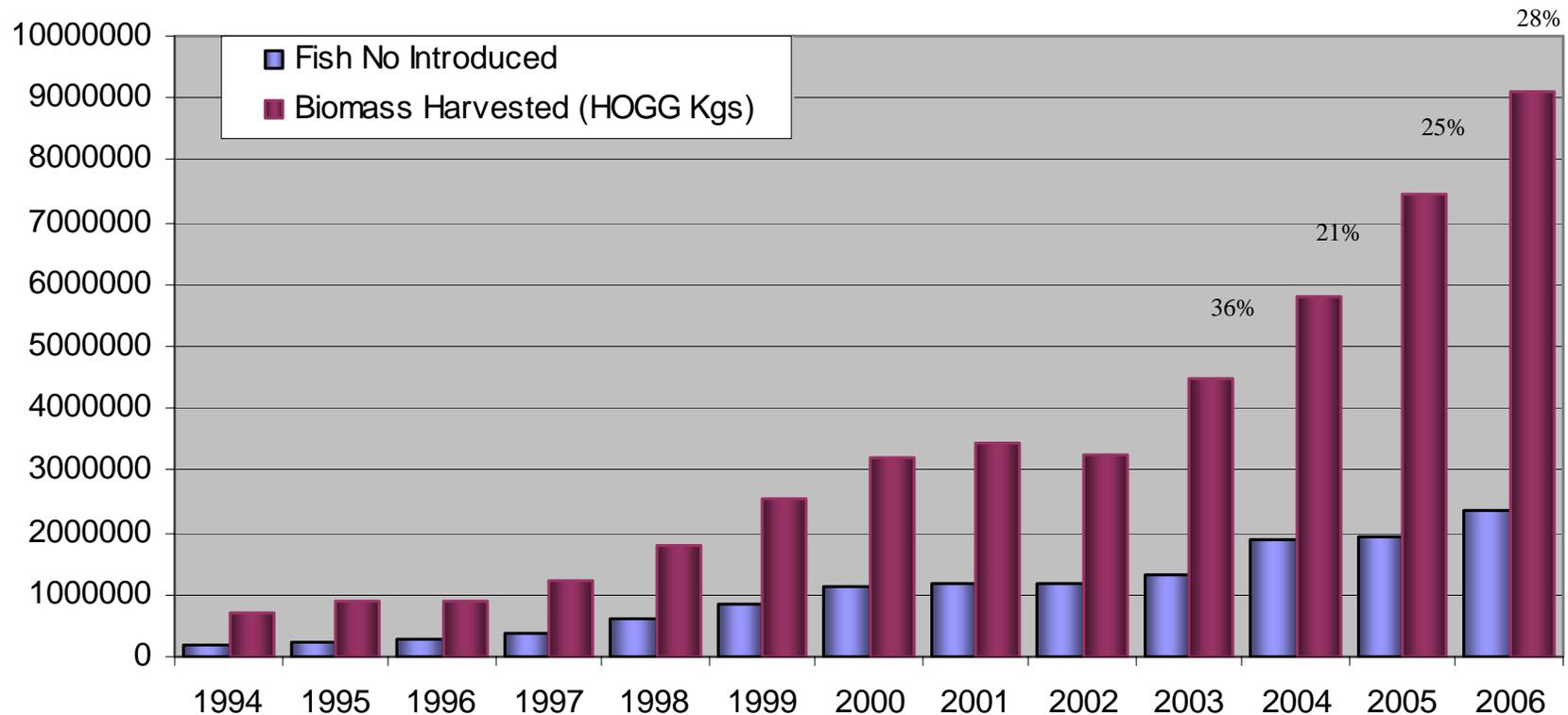
- Commenced in 1986.
- Originally 14 “players” including Huon.
- Only 2 main players left producing Salmon.
- Huon Aquaculture is the largest privately owned salmon farming company.

The Conditions for Growth

- The domestic market for Tasmanian salmon has grown at more than 15% per annum for the last two years.
 - Calendar 2007 v 2006 is running at 20% ytd.
 - Calendar 2006 v 2005 recorded a 15.3% increase.
 - Calendar 2005 v 2004 recorded a 21.5% increase.
- Our business has grown on average 28% per annum for the last 4 years.
- We plan to match market growth rate at a minimum of 15% for the next five years.

198% increase in biomass harvested in the last four years.

Huon Aquaculture Growth

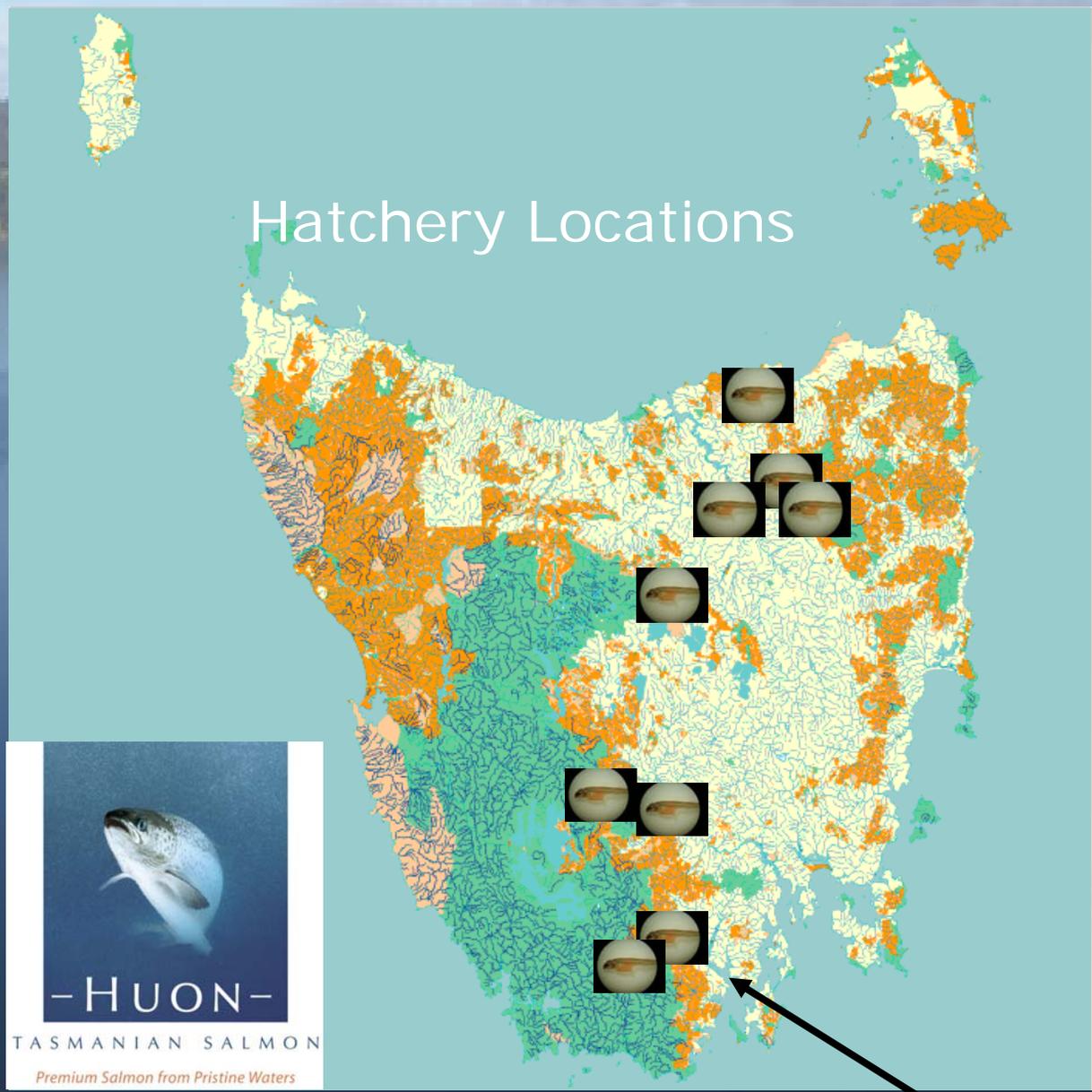


Growth of Huon business

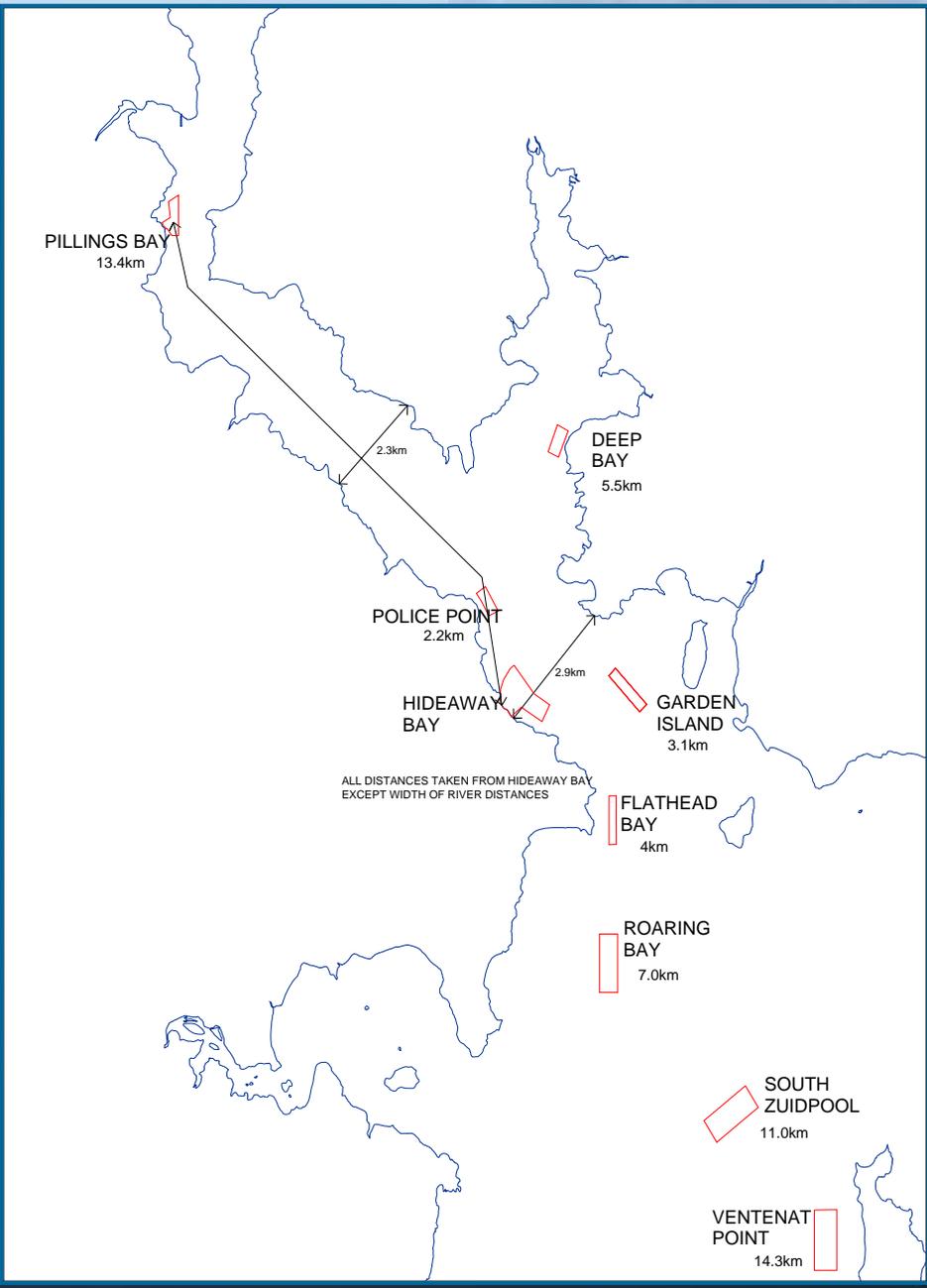
In the last two years, Huon has ...

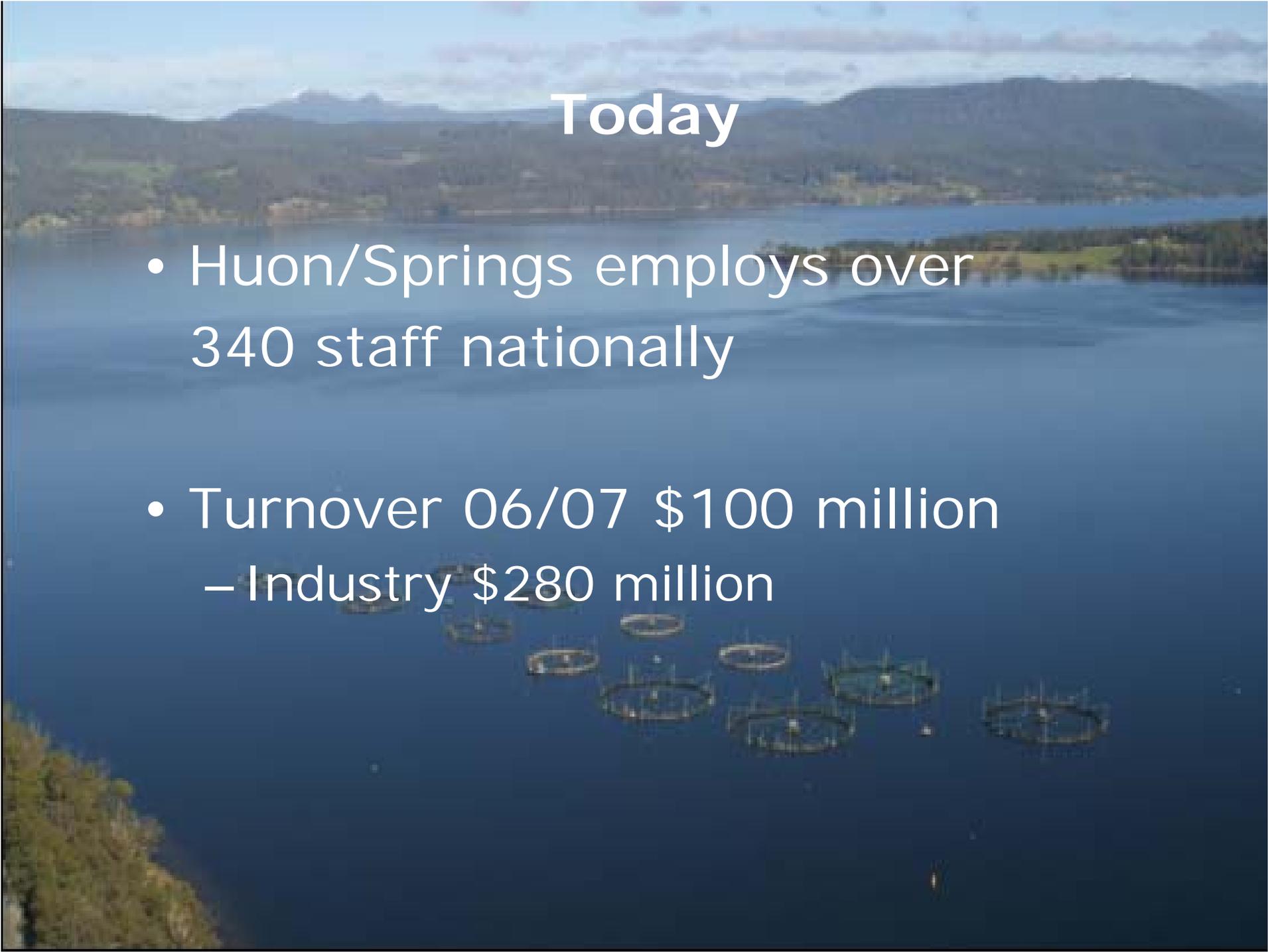
- Purchased Springs Smoked Seafoods, a value added processing factory in Adelaide, South Australia.
- Secured control over three hatcheries and a further three under a Joint Venture.
- Commenced processing operations in the Huon Valley.
- Increased Market share through
 - Increased Stock numbers
 - Better growth
 - Lower mortality

Hatchery Locations



Marine Farm Locations



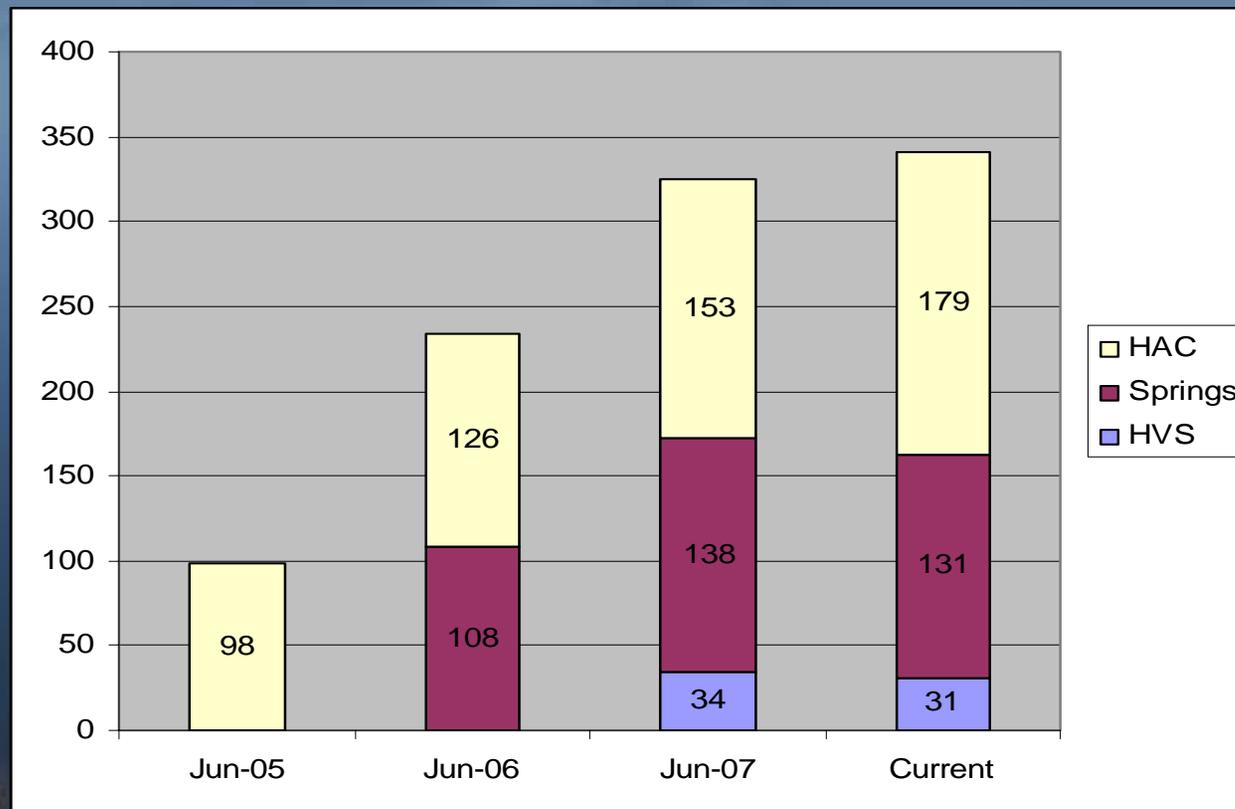


Today

- Huon/Springs employs over 340 staff nationally
- Turnover 06/07 \$100 million
 - Industry \$280 million

Increase in Employees

Since June 2005 we have employed 243 more staff
an increase of 248%



The Challenge of Rapid Expansion for Human Resource Management.

What have we learnt?

The business becomes production focused.

Systems for managing staff

- Recruitment
- Employment practices
- OH&S Management
- Workers Compensation and Rehabilitation Management
- Training and Staff Development

Can diminish in importance and break down quickly during rapid growth.

Recruitment

As the business expands and the workload increases employees make discretionary effort. This can mask the need for extra staff.

Results in:

- The sudden recruitment drive.
- The need to get people to work quickly.
- Increased risk of inadequate selection, induction and training.
- Decreased productivity, increased injury rates, increased cost to the business and the employee.

The solution:

- Develop a business strategy and plan for an increase in employee numbers.
- Invest in best practice systems for recruitment and the management of employee practices (selection, induction, performance management).
- Provide adequate resources in people and time to manage this increase in numbers and these systems.

Regional Recruitment

Unemployment low.

Skill shortages high.

Remote locations means a smaller labour pool and an unwillingness to travel for those further away.

The solution:

Pay premium packages.

Facilitate vocational education and training links with local schools and training organisations.

Alternative recruitment solutions – advertise training instead of jobs.

Recruit from overseas.

Occupational Health and Safety

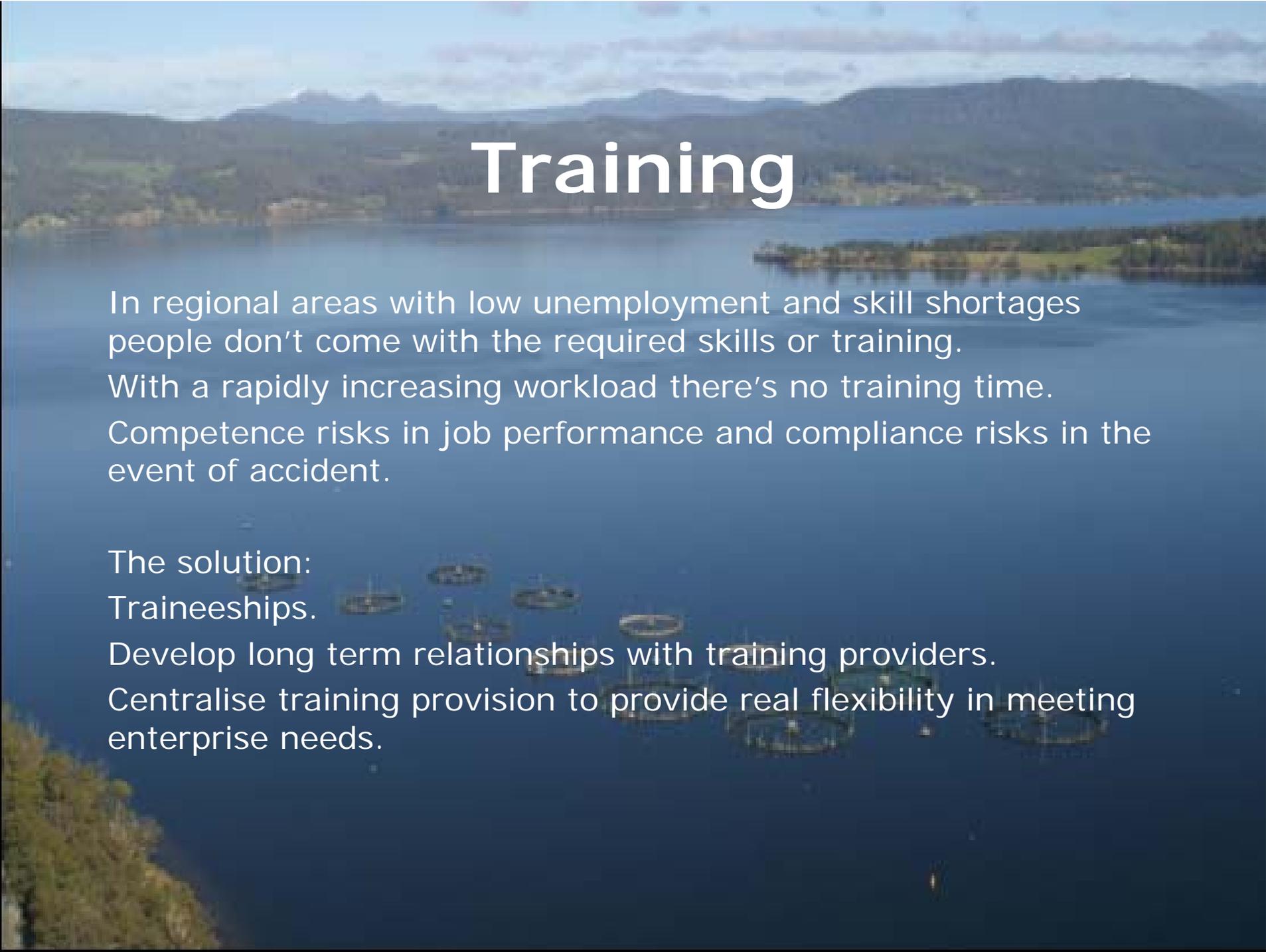
Can readily become a “nice to have” rather than an essential.
Increased injury rates with new employees with inadequate induction and training.

The solution:

The problem is not the injury or workers compensation claim but the failures of the OH&S Management system.

Must invest in best practice OH&S Management systems.

Must invest in adequate training.



Training

In regional areas with low unemployment and skill shortages people don't come with the required skills or training.

With a rapidly increasing workload there's no training time.

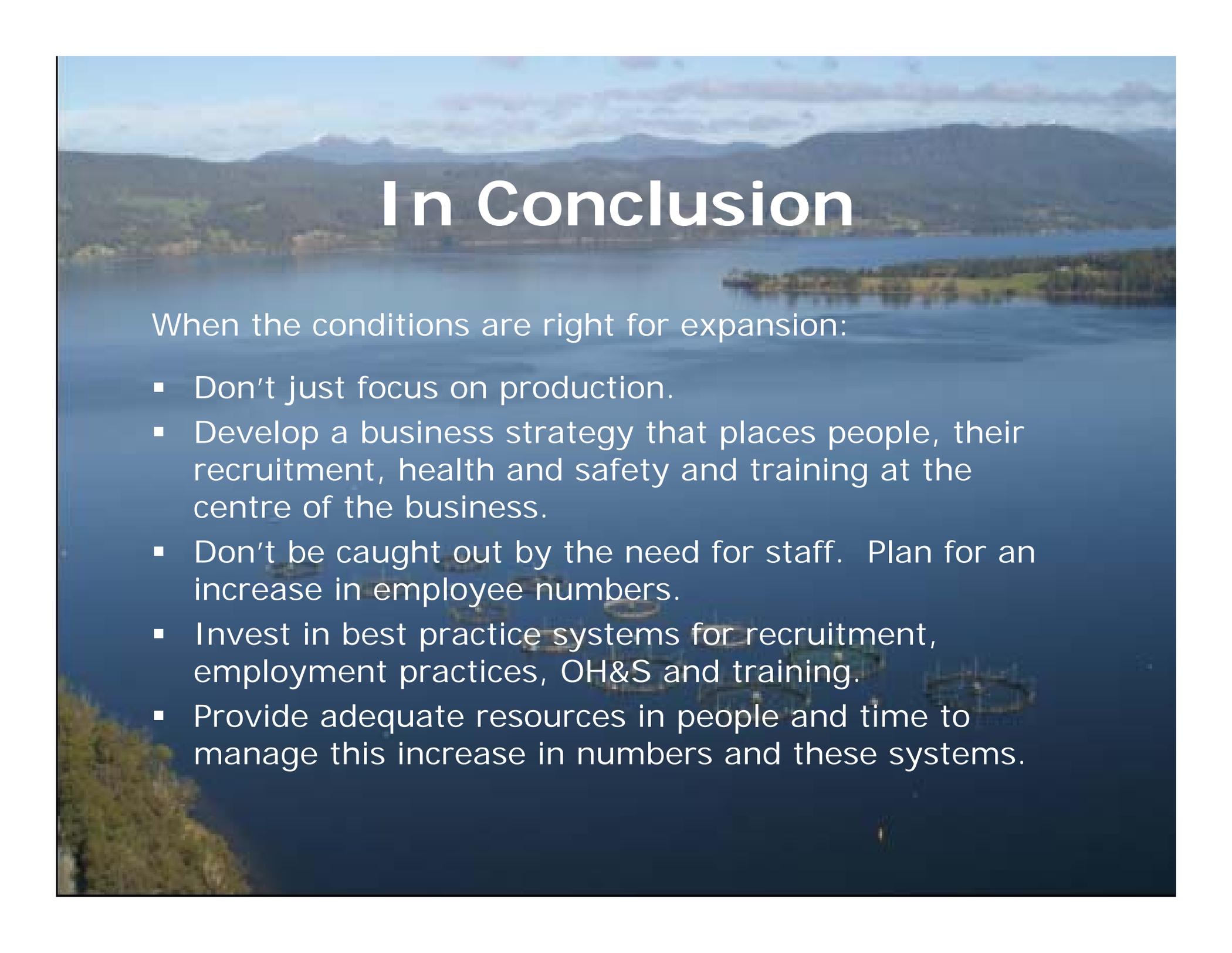
Competence risks in job performance and compliance risks in the event of accident.

The solution:

Traineeships.

Develop long term relationships with training providers.

Centralise training provision to provide real flexibility in meeting enterprise needs.



In Conclusion

When the conditions are right for expansion:

- Don't just focus on production.
- Develop a business strategy that places people, their recruitment, health and safety and training at the centre of the business.
- Don't be caught out by the need for staff. Plan for an increase in employee numbers.
- Invest in best practice systems for recruitment, employment practices, OH&S and training.
- Provide adequate resources in people and time to manage this increase in numbers and these systems.