

THE AUSTRALIAN

No heed to risk in failed abalone farm

PIA AKERMAN AND VERITY EDWARDS THE AUSTRALIAN AUGUST 07, 2009 12:00AM

WARNINGS about the risks of abalone farming at sites on South Australia's remote Eyre Peninsula were ignored by Australian Bight Abalone, of which ALP fundraiser and lobbyist Nick Bolkus is a director, in a rush for profit that has led to the company's collapse.

Environmentalists and concerned residents of the community at Elliston have questioned why the company was allowed to proceed with a multi-million dollar aquaculture project, and whether it should have been expected that mortality rates among the abalone would stifle investors' returns.

The company has gone into administration, leaving 1200 people who invested \$43.8 million across four sites in limbo.

The Australian has this week revealed several high-level connections between ABA and the ALP, chiefly linked to Mr Bolkus, a former ALP senator, and Labor-aligned lobbyist firm Hawker Britton, whose state director Stephen Halliday is a former chief of staff to SA Premier Mike Rann. One source close to the company said yesterday corporate greed had been allowed to take over, stimulating an "out of control" growth rate.

"If the environmental concerns were listened to, we probably wouldn't be in this situation now," an industry source said. "Elliston is just too rough; it's just not suitable for that method (of farming). It's a good location for growing wild abalone but not for growing them in a sea cage." John Haagmans fought the company in court after the Rann government granted development approval for the state's first offshore abalone farm at Elliston, 640km west of Adelaide.

Mr Haagmans and the Friends of Elliston claimed that Anxious Bay was unsuitable for aquaculture and the development would affect a colony of sea lions on nearby West Waldegrave Island.

The court ruled against the Friends of Elliston in January 2007. ABA has since taken Mr Haagmans to court in an effort to recover costs. Mr Haagmans yesterday claimed that he had seen broken baskets from the abalone farm on West Waldegrave Island earlier this week.

"Our concerns at the time were the environment around the Waldegrave Conservation Park and the effect it may have on the Australian sea lion colony," Mr Haagmans, a former abalone diver, told The Australian. "The other concerns were the area runs through a migratory path of whales as well as the sea lions."

ABA went into administration last month after its managed investment scheme attracted only enough applications to meet 20 per cent of the company's costs. The company had been trying to raise \$20m-\$25m.