

INQUIRY INTO COMMERCIAL FISHING IN NEW SOUTH WALES

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The Director
Inquiry into Commercial Fishing in New South Wales
Upper House Committees
Parliament of New South Wales
Macquarie Street
SYDNEY NSW 2000

Dear Sir/Madam,

This letter and the attached report are my submission to the Parliamentary Inquiry into Commercial Fishing in New South Wales. Based on research colleagues and I have recently completed on the social and economic contributions of professional fishing to coastal communities in NSW (see report attached), I address my submission to the following items in the Terms of Reference for the Inquiry:

- 1 *(b) the value of commercial fishing to the NSW economy...*

(e) the New South Wales Government's Commercial Fisheries Business Adjustment Program and its aims, including... (iii) the impact on industry and regional communities to date, including economic, cultural and social impacts.

In addition, I would like to share some of the experiences we had doing the research that are relevant to the Inquiry more generally.

From 2014-2016 I led a team of economists and social scientists in a study funded by the Fisheries Research and Development Corporation (FRDC) to evaluate the contribution of professional fisheries to NSW coastal communities. We conducted over 160 interviews in towns all the way along the NSW coast, including over 90 with commercial fishermen and women and family members, as well as an additional 30+ with co-ops, fishing representatives and businesses directly reliant on the NSW fishing industry.

Although our project was not to investigate the Commercial Fisheries Business Adjustment Program, interviewees inevitably shared with us their feelings and opinions about the reform. This was, at times, extremely distressing for the interview participants. They expressed to us their response to the uncertainty associated with the reform as well as their concerns about the financial implications of the reform recommendations. We heard expressions of fear, anger, despair, confusion and extreme stress and anxiety. We were left with an overwhelming sense that many fishing families' wellbeing has been negatively affected. Many of the problems associated with the current reform program are

exacerbated by the fact that it comes on top of two decades of other regulatory upheavals including the introduction of recreational fishing havens, marine parks, and restructures for some fisheries. These processes have resulted in a strong sense within the industry that they are under siege.

We also found that the industry was deeply divided and suffering what could be termed 'lateral' violence reflecting their marginalized position.¹ For example, our research project was called for by some industry members through the FRDC Research Advisory Committee (then called the Fisheries Research Advisory Board), but other industry members felt the project could be detrimental to them. In the early stages of the project some industry members distrusted the research team, argued against completing the economic questionnaire distributed for the project and sought to have the project cancelled. Many assumed the project was linked to the Business Adjustment Program, despite our assurances it was separate. Most of the people who had opposed the research initially changed their mind by the end of the project, but this example illustrates how divided the industry is.

One factor that has contributed to this internal division is the different value systems that exist within the NSW fishing industry. Our analysis revealed that NSW professional fishers tend to fall into two categories with quite different needs, aspirations and fishing practices, which is of relevance to both fisheries and business management. 'Group A' are larger-scale, specialist fishers. 'Group B' fishers are smaller-scale, largely inshore, multi-method, multi-species fishers, many of whom seek to maintain non-commercial aspects of fishing in preference to business growth or expansion. This is likely to be of particular relevance to the Business Adjustment Program and may underpin the different response to the Program from different sections of the industry. Our report recommends greater consideration of the psychological and/or social factors which influence fisher motivations, values, networks, communication preferences and business management approaches in the development of fisheries management models and effective engagement strategies. This recommendation is of relevance to the current Inquiry.

Based on these experiences we would urge the Inquiry and the Government to take note that **prolonged uncertainty is hurting an already distressed industry**. An industry reform program that creates prolonged uncertainty will inevitably be harmful and possibly ultimately ineffective due to ongoing conflict. Our findings concur with those of Tanya King and colleagues in the *Staying Healthy* report (King et al. 2014), that fishers are at increased risk of mental ill health, and that regulatory uncertainty is a key stressor. The Commercial Fisheries Business Adjustment Program has already been going on for some years. We won't comment here on whether

¹ Lateral violence is when marginalized people perpetrate violence against their peers. The types of violence include verbal and psychological as well as physical, and are similar to bullying, but the term lateral violence implies the violence is a direct result of the experience of being marginalized.

the Business Adjustment Program is a good idea or not, because that was not the question our research addressed. But we would like to say that it is important for the Government to end the uncertainty as soon as possible and give the industry a period of stability so they can recover and build strong foundations for moving forward. This is especially important in light of recent announcements from peak recreational fishing lobby groups that, regardless of the outcome of the Business Adjustment Program, they intend to pursue additional restrictions on fishing ground access for professional fishers throughout the state. We have considerable concerns that, unless further closures in the short to medium term are ruled out, some fishers will move from one traumatic process to another within a short period of time.

Comments on points from the Inquiry Terms of Reference

1 (b) the value of commercial fishing to the NSW economy...

Our research directly addressed the question of the value of professional fishing to the NSW economy. Below is pasted a paragraph from the report's Executive Summary summarizing the value for NSW as a whole:

The Project indicates that professional fishing has a Gross Value of Production (GVP) of \$81.7m; total direct and indirect impacts of \$219.1m; \$104.8m of added value; household income of \$50.8m; and provides 1,403 full-time jobs, of which 403 are fishing industry suppliers. The fishing and the secondary sector in 2012–13 had a likely direct and indirect output of \$436m–\$501m; added value of \$215–\$248m; household income of \$117–\$137m; and provided between 3,291 and 3,857 full-time jobs across NSW.

For further details about the economic analysis see the full report attached.

1 (e) the New South Wales Government's Commercial Fisheries Business Adjustment Program and its aims, including... (iii) the impact on industry and regional communities to date, including economic, cultural and social impacts

As far as we are aware a Social Impact Assessment (SIA) was not carried out for the Business Adjustment Program. We understand that an economic assessment was carried out in late 2014. One of the reasons our research project was called for was because there has been no systematic data collected on the social aspects of the professional fishing industry in NSW, or of the economic aspects beyond the gross value of production based on prices at the first point of sale. One of our project objectives was to establish a methodology for ongoing data collection and reporting for social and economic aspects of professional fisheries in NSW.

Our project in itself **cannot be used** as an SIA for the reform because it addresses a different question. We asked the research question: what is the **contribution** of professional fishing to the community? An SIA should ask the question: what is the social **impact** of this policy **on** the industry/community? Our project does provide a baseline for economic, cultural and social assessments, and if our recommendations about ongoing data collection and reporting are implemented it should be relatively easy to conduct such assessments in future.

Our research also provides a framework by which the economic, social, and cultural impacts of the Business Adjustment Program could be assessed. Based on the scholarly and policy literature on quality of life and wellbeing, and on the interviews we conducted with industry and community members, we devised seven domains of wellbeing to which professional fishing contributes:

1. A resilient local economy
2. Community health and safety
3. Education and knowledge generation
4. A healthy environment
5. Integrated, culturally diverse and vibrant communities
6. Cultural heritage and community identity
7. Leisure and recreation.

For further details on how professional fishing contributes to these domains of wellbeing and how that may be assessed see the full report attached.

In addition, regulatory uncertainty is one of the significant areas that should be considered in assessing impacts of the Business Adjustment Program. Our interviews revealed that many business holders had for some years been unsure whether they could afford the additional costs associated with share trading and been reluctant to spend money on maintenance or upgrades or business expansion due to unknown future costs associated with share purchases and increased fees. A number of business holders had made the decision to invest in additional shares and these fishers were also feeling under significant stress in regards to whether their investments would be sufficient. The effects of the stress of regulatory uncertainty on the health and wellbeing of fishing families mean that this constitutes a social as well as an economic impact.

In summary, we submit a number of recommendations for the inquiry's consideration:

1. That all efforts be made to expedite the completion of the Business Adjustment Program and to ensure consideration in this process of the health impacts of extended uncertainty on fishing families in NSW.
2. Following completion of the reform process that the NSW Government undertake that, excepting some unforeseen urgent circumstances, there will be no

further regulatory upheaval introduced into the commercial fishing industry for a long period, such as 10 years, including additional recreational fishing areas. Over the last 10-15 years the NSW commercial fishing industry has had numerous shifts to the 'goal posts' and needs a period of respite to recover from the losses to wellbeing this has entailed, to enable them to develop their commercial viability and rebuild trust in regulators.

3. That consideration be given to undertaking a Social Impact Assessment of the Business Adjustment Program as a matter of urgency, with an emphasis on assessing the differential impacts of the Adjustment Program across the industry and wider community impacts. The domains of wellbeing identified in our report could help guide such an assessment. We are aware that this recommendation runs counter to our first recommendation about not prolonging the uncertainty, but it is also important that significant policy shifts such as this be based on sound understanding of the social impacts, and revised as necessary.

Yours sincerely,

Kate Barclay, Michelle Voyer, Alistair McIlgorm and Nicole Mazur

Reference

King, T. J., et al. (2014). *Staying Healthy: Industry Organisations' Influence on Behaviours and Services used by Fishers*. Canberra, Report to the Fisheries Research and Development Corporation. Project No. 2012/402.