

Social and Economic Impact Monitoring Framework report - Summary

October 2018

Purpose of this paper

The Commercial Fisheries Business Adjustment Program (BAP) Social and Economic Impact Monitoring Framework report looks at ways in which the NSW Government can keep track of and manage the positive and negative impacts of the BAP. This paper provides a summary of the report.

Background

In May 2016, the NSW Government announced the NSW Commercial Fisheries BAP, including how shares would be linked to catch and fishing effort. The NSW Legislative Council commenced a Commercial Fishing Inquiry in November 2016. Many submissions to the Inquiry, especially from small scale fishers, talked about negative social and emotional impacts of the reform process. The Government supported the recommendations. As part of this, the Government has committed to "evaluating the impacts of the commercial fishing reforms and Business Adjustment Program" and to assessing "the social and economic impacts of the reforms on a range of stakeholders including small scale, indigenous and large scale fishers".

Report summary

The Commercial Fisheries Business Adjustment Program (BAP) Social and Economic Impact Monitoring Framework report has been completed by authors from the University of Canberra for the NSW Department of Primary Industries. The report:

- looks at who is impacted by the reforms
- identifies a range of potential impacts of the NSW commercial fisheries reforms
- examines how impacts may be different for different groups
- considers the assistance measures available to fishers, and looks at how well the Government is currently managing negative impacts through these assistance measures
- suggests ways that Government can strengthen its assistance measures
- identifies key impacts for the Government to monitor
- proposes that ongoing monitoring should be conducted through survey of fisheries stakeholders, including fishers, members of fisher households, businesses related to fishing, and those who have left the industry
- proposes that the questions and methods of such a survey should be developed and tested with fisheries stakeholders, because it is important that fishers can trust that the survey will be useful
- recommends that a first survey is carried out by an independent group, and the results are made public.

Report contents

Changes and impacts

The report identifies potential impacts of the NSW commercial fisheries reforms, based on submissions to the Commercial Fishing Inquiry and other studies, on:

- commercial fishers (small scale, indigenous and large scale), including fishers who have left the industry
- fishing households
- the seafood industry, including service and supply businesses and fishing cooperatives
- regional communities

It recognises that changes associated with the reforms will have different impacts on different people, with some fishers more likely to experience difficulties than others. It notes that understanding the nature and extent of impacts depends not only on understanding the specific effects of the reforms, but also the circumstances of the people experiencing them, including:

- actions they may have taken in anticipation of the reforms
- personal capacity and skills to cope with change (eg. health and wellbeing, stress, and understanding of reforms)
- household financial status
- business size and circumstances
- ability to access assistance measures

The report summarises categories of potential impact (both negative and positive) raised in submissions to the Inquiry. These include (Table 1, from page 11):

- increased or reduced uncertainty about the future
- impacts on customary/cultural fishing by Aboriginal people
- reduced or increased business profitability/viability/value
- reduced or increased fisher working hours
- justice and fairness of the process (eg. transparency and communication)
- loss of identity and social purpose
- poorer or improved mental health and wellbeing
- reduced or increased viability of fishing cooperatives
- reduced or increased viability of fishing service industries
- reduced or increased household income
- increased household working hours
- reduced or increased wellbeing and mental health of fishing households
- difficulties or success in gaining employment outside the fishing industry
- loss or retention of fishing knowledge
- negative or positive community economic impacts
- negative or positive tourism industry impacts
- increased conflict between commercial fishers
- more negative or positive interactions between commercial and recreational fishers
- negative impacts on staff delivering the reforms
- community social impacts, such as increased anti-social behaviour
- cumulative impacts, from many years of experiencing change in fisheries management
- difficulty accessing or positive impacts of assistance measures

Assessing existing measures

The report looks at how well the Government has been managing and mitigating potential impacts from the fisheries reforms. The report recognises a comprehensive and broad range of assistance measures, including (Table 2, from page 24):

- Commercial Fisheries Business Adjustment Hotline
- Fisher Care Line (telephone-based coaching session)
- Fishing business buyout (part of Adjustment Subsidy Program, up to \$20,000 or \$40,000)
- Professional advice grants (up to \$2,000)

- Retraining assistance (up to \$10,000)
- Access to Business Connect for exited fishers
- Workshops for fishers to assist in registering for subsidised share trading market
- Adjustment subsidy program (subsidisation of buying and selling shares)
- Fishing Cooperatives Assistance
- Low interest loans (up to \$80,000)
- Caps and waivers on fisher management, share transfer and other fees
- Two year rent waiver and negotiation of long-term leases for cooperatives on public land
- Community awareness campaign
- Introduction of electronic catch recording systems

The report assesses the likely effectiveness of these measures, based on ease of access, rates of access and usefulness of support received. It then recommends ways in which Government can strengthen the support that it provides, including:

- gather simple/rapid feedback from people who have used the Hotline, Fisher Care Line, or any retraining assistance
- ensure that people know that the Fisher Care Line is open to everyone in fishing households, look for ways that counsellors can make contact with fishers including meeting face-to-face, and ensure that Care Line staff have enough knowledge of the reforms to provide meaningful support
- identify who may have wanted to apply for an assistance measure, but did not, and why not
- make it clear that the fishing business buyout payment is in addition to the return achieved from sale of shares and assets
- provide a more comprehensive package of retraining assistance
- clearly communicate what subsidies were applied and how during the subsidised share trading market
- consider whether criteria for Fishing Cooperatives Assistance could be broadened to allow funds to be used for a wider range of actions beyond business advice
- increase funding, scope and running time for the community awareness campaign
- consider if there is a need for workshops or training in electronic catch recording systems

In addition, the report recommends that the Government add some forms of assistance. These are:

- work with banks (financial institutions) to see that fishers can use shares as property rights for financing
- support skills and training for fishers and businesses in market trading and online systems
- make sure that staff involved in implementing the reforms have support, such as counselling and training.

Keeping track of impacts

The report suggests things that the Government can keep track of (monitor) so that it can understand and better manage the impacts of the reforms. Because much of this information is not currently available, monitoring will need to be based on direct surveys of fishers and related businesses. It is important that fishers can trust that these surveys will be useful, and are willing to participate. While the report makes many suggestions about the types of questions and methods that could be used, it also strongly recommends that fishers (and other stakeholders) should be involved in the design of the survey.

Recommended methods to collect data include:

- analysis of DPI data (e.g. number of fishing businesses, catch information)
- survey of current NSW commercial fishers
- survey of fishers who have left fishing since 2014
- consultation with Aboriginal fishers
- survey of fishing cooperatives, and other processors/wholesalers
- survey of fishing supply and service businesses
- economic modelling of impacts on regional communities

The report recommends social and economic wellbeing indicators that could be monitored, who each indicator is important to, how it could be measured and what sort of survey questions could be asked (Table 3, from p.51). Suggested indicators are:

- confidence in the fishing industry
- confidence in future of fishing business
- levels of fisher distress
- levels of fisher wellbeing
- confidence in own ability to manage fishing industry business
- confidence in engaging with share market
- confidence in ability to invest in business
- investment in fishing business
- fishing business revenue
- spending on fishing goods and service providers
- profitability of fishing business
- change in debt level & ability to service debt of fishing business
- equity in fishing business
- debt collateral of fishing business
- change in volume of catch
- number of employees working in fishing business
- working hours in fishing & satisfaction with working hours
- ability to engage in cultural fishing practices
- ability to pass on fishing knowledge
- working hours outside fishing industry
- levels of distress of fishing households
- levels of income of fishing households
- financial wellbeing of fishing households
- downstream business performance
- downstream business employment
- downstream business fluctuation in supply
- employment or other status (of exited fishers)
- exited fisher satisfaction with new employment
- wellbeing of fisheries managers

In addition, the report recommends that a survey include questions specifically about fisheries management reforms and assistance measures that relate to:

- confidence in fisheries management
- thoughts about fisheries reform process & outcomes
- rating of fisheries management communication (transparency and effectiveness)
- stability of fisheries management
- cumulative effects of reforms over time
- types of reform assistance applied for
- types of reform assistance received
- usefulness of assistance received

The report states that assessing the impacts of fisheries reforms on NSW regional communities is possible, but requires careful consideration of how this may be done. Different methods are needed for understanding the social and the economic impacts of change on communities.

The Government can keep track of, and report on changes in:

- tourism revenue

Suggested indicators to monitor impacts on fishing communities through a survey are:

- direct employment generated by fishing industry in different communities
- indirect employment generated by fishing industry in different communities
- demographic change in local communities
- conflict between fishers
- interactions with recreational fishers