

TAMP and NOFF Submission, Attachment 1

Transcription: Hobart Mercury: Talking Point 25, 21 May 2021

Salmon job stats are a bit too fishy - Graeme Wells challenges big calls about the benefits of fish farms.

As we well remember, Donald Trump was somewhat disappointed with the turnout at his inauguration. The crowd wasn't as large as Obama's had been. So he sent out the hapless press secretary with alternative facts. In the alternative fact world, the crowd was huge. The problem was, it just wasn't visible to the naked eye.

The promoters of resource projects in Australia have a history of using alternative facts. In 2005 then minister Bryan Green claimed that forestry and wood products contributed 23 per cent of Tasmania's gross state product. That's roughly the same size as the entire public sector, comprising commonwealth, state and local government entities. Of course, the number didn't pass the pub test. A more plausible figure would have been less than one quarter of Mr Green's. It's a smaller number now. Federal government budgets also make claims as to the number of jobs to be created by various initiatives, but there seems to be little interest in assessing the claims after the event.

So, what about the recent claim that the salmon industry supports 12,000 Tasmanian jobs? Is there something fishy about the statistics?

There certainly is.

First, a bit of history. In 2015 the salmon industry commissioned a report from consulting firm KPMG. The report provided an economic impact assessment of the industry, including estimates of its contribution to gross state product and employment. At the time, it reported that the industry employed 1363 direct jobs. Allowing for indirect effects, in total, 2786 jobs were supported by the industry.

Like many studies of this kind, the KPMG report provides the conclusion that the total number of jobs is approximately double the number of direct jobs. As is well known, and as emphasised by the Australian Bureau of Statistics, the methods used by these reports tends to overstate the total number of jobs created by a particular industry. However, let's go with the multiplier of two for the moment, while bearing in mind that it is an overstatement.

By 2020 the salmon industry had grown, with the same three corporations involved. Using information available from annual reports and other corporate websites, it is possible to obtain an estimate of direct employment in Tasmania for each of Tassal, Huon Aquaculture and Petuna. After making allowance for their interstate operations, and fisheries other than salmon, I estimate that direct employment by these three firms was, in 2020, approximately 2200 Tasmanians. Using the approach adopted by many consulting firms, that gives a total of 4400 jobs supported in Tasmania.

That's a lot less than the 12,000 claimed in recent advertisements, but the exaggeration is par for the course for many projects when they have to defend their activities.

It has been said that if you repeat a lie often enough, it becomes the truth. The salmon industry's jobs claim is clearly an exaggeration. Let's hope it doesn't become the truth.

Dr Graeme Wells is a Tasmanian economist.

TALKING POINT 25

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Fish farm pens off Satellite Island in the D'Entrecasteaux Channel.

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