"SEAFOOD QUEENSLAND"

A DISCUSSION PAPER

FRDC PROJECT 2012/512

fishwell CONSULTING

FRDC FISHERIES RESEARCH & DEVELOPMENT CORPORATION

Background

There is significant support amongst the Queensland seafood industry and wider stakeholders to explore potential options for a new organisation to unify and support the industry into the future. The Fisheries Research and Development Corporation (FRDC) funded an independent project to consult with a broad range of the Queensland seafood industry to scope potential options, processes, funding models and structures that might best suit the needs of the seafood industry. As part of this process, we have developed this discussion paper to outline some of the issues and help grassroots industry make an informed decision about what they think is best for their industry.

Following the distribution of this paper, a broad consultation process will take place with the industry during early 2014. Meetings will be held at major Queensland fishing regions to discuss the options paper and get the views and feedback from the broader fishing industry about how to proceed.

These meetings will culminate with a facilitated workshop with industry participants to correlate and discuss the responses from industry meetings and survey responses. Based on this, a decision can be made whether we proceed with the development of a peak / representative body or not, and if there is support to proceed, what options are available in terms of structure, function and funding.

As you all know, operating in the seafood industry is not getting any easier. Administrative burdens are increasing, costs are rising, and the expectations and impacts from other stakeholders are an ongoing issue that will not go away. Some of these burdens (e.g. logbooks, personnel, day-to-day operations, BAS etc) you just have to wear as part of your individual business. Other high-level broader issues that you may need help with (e.g. government policy, MPAs, access, labour laws, food safety etc) are where a larger organisation could meet the needs of many small businesses or associations such as your own. This is what this project is focusing on. Are you or your association (if you are in one) in need of an organisation that takes care of these high level burdens? If so, what organisation structure would best suit your needs? How will it operate? How will it be funded? This is what we are trying to find out in this project.

For the sake of using a name, we have termed this potential new association as “Seafood Queensland” throughout the rest of the document.

The only way that “Seafood Queensland” can be successful is if it provides ‘good value’ to its members. This value may be different for different people and may change over time but if people think they will not get good value, there will be no support and it will ultimately fail. This background paper, in conjunction with a range of meetings and questionnaires, is solely focussed on getting the best understanding about what the people and businesses of the Queensland seafood industry see as the most important issues for such an association, and how this association can be best structured, operated and funded to meet their needs. To do this, we need the input from as many people in the seafood industry as possible.

A brief look back

This project is mainly focused on moving forward and not dwelling on the mistakes or problems of the past. Nevertheless, there can be some lessons to be learned by considering the current situation in which the Queensland peak industry body, the Queensland Seafood Industry Association (QSIA) finds itself. The greatest issue facing QSIA at the moment is that it is only representative of a small portion (10-20%) of the Queensland seafood industry. This is recognised by the QSIA board as a problem and was one of the major drivers for them pushing to get this project up and running. The reasons behind that low level of member base and representation of QSIA is complex and is variously attributed to loss of compulsory levy, unsuccessful internal communications, lack of unified voice, fractured industry relationships, ineffective governance, conflicts of interest and lack of independence. This project is focused on improving from the current situation and offering better services and leadership to the Queensland seafood industry.

A long look forward

Regardless of what has happened in the past, in looking forward to a new organisation we need to ensure “Seafood Queensland” has all the qualities of a good organisation including sound and transparent governance, clear roles and responsibilities, a culture that is attractive to old and new members alike, a sound funding base and a structure and membership that is appropriate to its goals. These are discussed below.

Governance

Governance plays an important role in determining how many organisations function. It can be defined as the processes, structures and organizational traditions that determine how power is exercised, how stakeholders have their say, how decisions are taken and how decision-makers are held to account. Important elements of good governance include: transparent management; cohesive policies; creating a vision; securing resources; defining clear roles and responsibilities; establishing benchmarks for performance and monitoring them; and accounting to key stakeholders for the organization’s direction and performance. Hallmarks of poor governance include: lack of independence for the chair and majority of the board; no CEO key performance indicators or review, board concentrating on operational issues rather than strategic thinking and development; non-ethical decision making, bad media reports and dysfunctional board, and poor or no surplus.

Roles and Responsibilities

Seafood Queensland will have some key roles it can undertake for its members and a number that it probably should not. The most effective mix of these roles will be determined by the issues facing the seafood industry and may change over time. Some of the current issues are highlighted below. Potential roles of Seafood Queensland might be: lobbying government; representation and advocacy; policy analysis; program development; stakeholder communication; research; consultation; information dissemination; sector development and resource allocation advice.

Access
- MPA Displacement
- Marine Bioregional Planning
- Access and allocation rights
- Sustainability
- Native title

Business
- Occupational Health & Safety
- Labour
- Training
- Fish price

External
- Catchment and coastal management
- Seismic survey activities
- Pollution
- Port facilities

Management
- Regulatory complexity
- Fisheries Management
- Fisheries Policy
- Environmental legislation

Product
- Industry & product promotion
- Food safety
- Biosecurity
- Perception of industry

Changing culture

Over the last decade there has been a number of generational, cultural and economic forces that have culminated to make maintaining membership of any peak association extremely difficult. With large numbers of skilled and affluent Baby Boomers[1] now starting to retire, membership and leadership of many peak industry organisations is transitioning to Generation X and Y. Many Baby Boomers are resistant to change, especially when it requires them to give up some of the control they have spent their entire careers trying to attain and this can be a big factor restricting associations from making the changes required to successfully attract and retain young members. Generation X and Y members have very different expectations from peak associations and also different drivers for them to get involved. To justify their investment of time and/or money, they want to see very clearly defined, tangible and compelling value from an association – both to join and to stay involved.

For an association to thrive into the future, it needs to:

- Be an organisational culture that is diverse, welcoming, engaging and attractive to all generations;
- Proactively engage, encourage, nurture and involve younger members and future leaders now;
- Clearly understand what value it can deliver to younger members; and,
- Understand the best means of communicating that value to motivate them to join and engage

Funding Options

Many peak organisations derive a significant amount of their funding from contributions by their members or member associations. The question about whether these contributions are voluntary or compulsory is as equally vexed as it is critical to the organisation's operation.

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[1] Baby Boomers - born between 1946 and 1964; Generation X (1965-76); Generation Y (1977-1994)

Around Australia, both types of funding models are in existence for primary industry associations. Certainly, many of the larger peak organisations have compulsory contributions that support paid board directors, large administrative structures (often including various committees) and many paid staff. The value of this is that the peak organisation has a solid and guaranteed financial footing on which to base its operations and plan into the future. The risk to members is that their funds may not be spent in exactly the manner they would have chosen if they were in charge of the funds themselves. As such, peak organisations that operate with compulsory contributions must have clear objectives, sound governance, and open communication channels between them and their members in order to reflect the wants of their members.

These qualities should also be striven for by peak organisations that operate with voluntary contributions, but their achievement may be more difficult through lack of sufficient or guaranteed funds. Many of the smaller primary industry associations rely on a mix of funding from members' voluntary contributions, various government funding, and project funds. In such cases, limited funding often determines that board members work on a voluntary basis and therefore have some potential conflict of interest or lack of independence in some aspects of the peak organisations functions. It also may mean that administrative structures and paid staff are minimal. The risk with depending on funding from members' voluntary levies is that it may be withdrawn if the members disagree with a particular decision of the peak organisation.

In considering compulsory or voluntary contributions, the trade-offs between the autonomy, resilience and independence (financial, political and conflict of interest) must be recognised. There may also be formal regulatory provisos required before compulsory contributions can be considered, such as majority support for the scheme (membership or GVP). Hybrid schemes have also been developed where compulsory contributions are made but there is an opt-out clause that allows members to withdraw their financial support in any one year.

Structure and Membership

There are a range of different structures and membership arrangements to peak industry organisations and no such thing as a "one size fits all". Generally, they have a membership consisting of smaller organisations but they have their own directors, staff, governance and financial arrangements separate from those of its member associations. Consideration of what sectors/groups are allowed to have membership is an important decision. QSIA membership currently captures only a small section of the entire seafood industry. Membership of Seafood Queensland could be expanded to include a far broader cross-section of the seafood industry such as wild catch, charter boat operators, aquaculture, processors / wholesalers, marketers and importers. The opportunity for Seafood Queensland to have different levels of membership is also a possibility, with affiliate membership available for associated industries and service providers, retail and support professionals.

With an understanding of the membership, the most appropriate structure of Seafood Queensland can then be determined. This might depend on the types of functions you expect from Seafood Queensland and the types of issues you want it to deal with. If it is a body that is to explicitly include the seafood supply chain, a sector-based structure may be suitable (Figure 1). If many of the issues that need to be dealt with are regionalised then a region-based structure may be more appropriate

(Figure 2). Alternatively, if most of the issues relate to specific catching methods, then a harvest-based structure may be the most suitable (Figure 3). There are numerous permutations of these structures and no “right” solution; there will be positives and negatives for all. With input from a broad group of stakeholders, however, we may be able to come up with a structure that has reasonable support from across the industry. Importantly, none of these structures necessarily negates the need to retain the existing industry associations but there will need to be work done to agree on how Seafood Queensland communicates and works with these bodies over time.

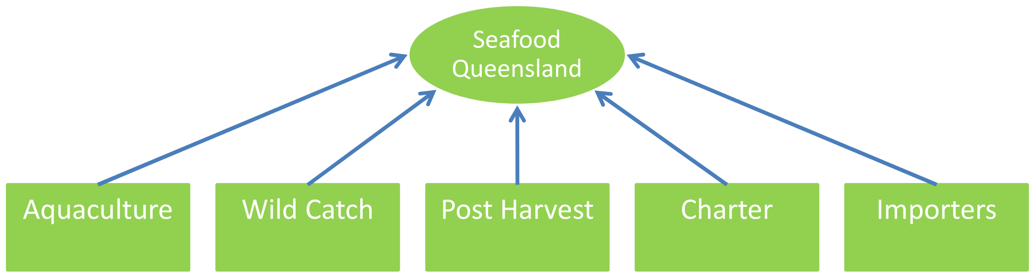

Figure 1. Example of Seafood Queensland with a sector-based structure.

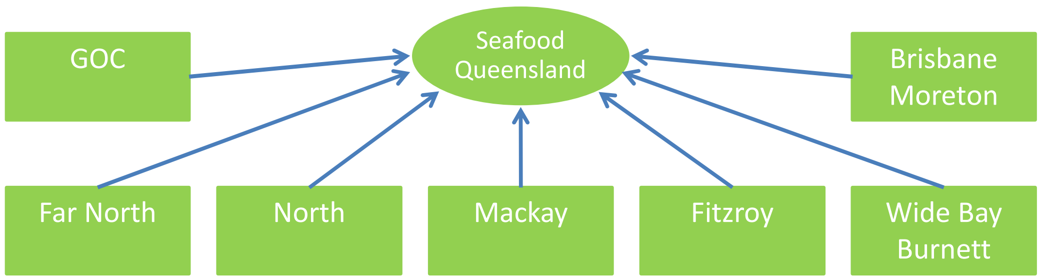

Figure 2. Example of Seafood Queensland with a region-based structure.

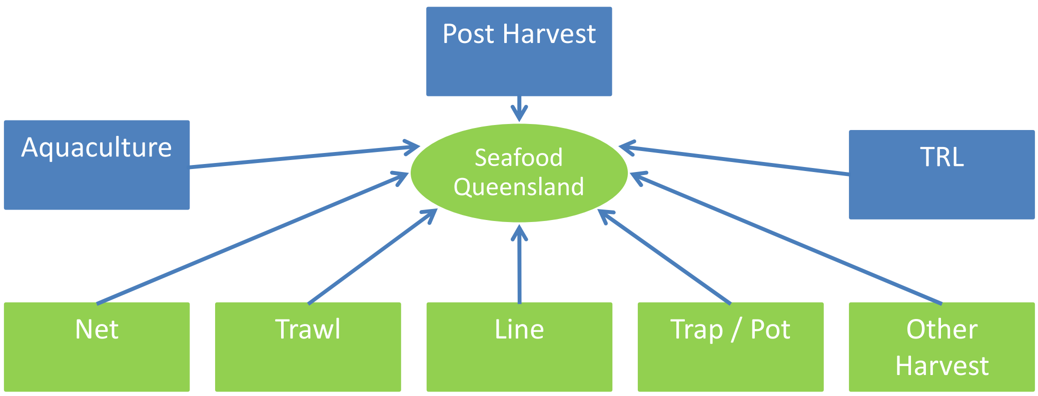

Figure 3. Example of Seafood Queensland with a harvest-based structure.

This paper has been prepared to help us understand ***what you think*** are the issues, ***what you want*** out of a peak industry association, ***how you feel*** it could best operate. Please use it in conjunction with the questionnaire and meetings to ***have your say*** about the future of the Queensland seafood industry. Now, go online and fill out the survey.

https://www.surveymonkey.com/s/seafoodqueensland