



**ECONOMIC AND SOCIAL INDICATORS
FOR THE QUEENSLAND EAST COAST
TRAWL FISHERY IN 2019/20**
A Report for Fisheries Queensland

20 September 2022

Prepared by

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ABBREVIATIONS

ABARES	Australian Bureau of Agriculture and Resource Economics and Science
fte	full-time equivalent
GOS	Gross Operating Surplus
GVP	Gross Value of Production
GSP	Gross State Product
GRP	Gross Regional Product
PWI	Personal Wellbeing Index
QLD	Queensland

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GLOSSARY

Active Business: refers to a fisher operating a fishing business which fished at least one day during the relevant period.

Beach Price: refers to the unimproved price received by commercial fishers when landing their catch at the beach, wharf or port (also referred to as wharf price and comparable to farm gate price), and is generally expressed in terms of \$/kg or \$/unit. Processing margins are not included in the beach price as processing operations are assumed to occur further along the value chain. The use of beach prices also removes the effect of transfer pricing by the firm if it is vertically integrated into the value chain.

Business Profit: is defined as *Gross Operating Surplus (GOS)* less *Depreciation* less *Owner-operator and Unpaid Family Labour*. Business Profit represents a more complete picture of the actual financial status of an individual firm, compared with *Gross Operating Surplus*.

Business Profit before Depreciation: is defined as *Gross Operating Surplus* less imputed wages for *Owner-operator and Unpaid Family Labour*.

Gross Margin: is defined as *Gross Income* less *Total Variable Cost*. This is a basic measure of profit which assumes that capital has no alternative use and that as fishing activity (days fished) varies there is no change in capital or fixed costs.

Cost of Management Services: management services will generally include biological monitoring and reporting; policy, regulation and legislation development; compliance and enforcement services; licensing services; and research.

Days Fished: refers to the number of days fished at the 'boat mark' level, or at a business level where there is no boat mark. For example, a business with two boat marks that each fished on 200 days through the year has 400 days fished.

Depreciation: refers to the annual reduction in the value of capital due to general wear and tear or the reduction in value of an item over time. Note this is a measure of economic depreciation not accounting depreciation¹.

Employment: is a measure of the number of working proprietors, managers, directors and other employees, including owner-operators, in terms of the number (total jobs) or full-time equivalent (fte) jobs. One fte is considered to be 37.5 hours per week for 42 weeks per year.

Endorsement: in this report represents the licences, symbols, quota and effort units that allow fishers to access the commercial fisheries.

Equity: Commercial fishing businesses in Queensland utilise valuable fishing licences, vessels or vehicles and other capital. They may also borrow money to finance the business. The total assets held by a business less its total liabilities is the business' equity.

Gross Income: refers to the cash receipts received by an individual firm and is expressed in dollar terms. Gross income is calculated as catch (kg) multiplied by 'beach price' (\$/kg). It is the contribution of an individual fishing business to the GVP of a fishing sector or fishery. Gross income excludes income from other sources such as government assistance payments or leasing of quota.

¹ Accounting depreciation allocates the cost of an asset over its useful life.

Gross Operating Surplus (GOS): is defined as *Gross Income* less *Total Costs* and is expressed in current dollar terms. GOS does not include a value for owner/operator wages, unpaid family work, or depreciation.

Gross State Product (GSP) and Gross Regional Product (GRP): are measures of the net contribution of an activity to the state/regional economy. Contribution to GSP or GRP is measured as value of output less the cost of goods and services (including imports) used in producing the output. It can also be measured as household income plus other value added (gross operating surplus and all taxes, less subsidies). It represents payments to the primary inputs of production (labour, capital and land).

Gross Value of Production (GVP): refers to the value of the total annual catch for individual fisheries, fishing sectors or the fishing industry as a whole, and is measured in dollar terms. GVP, generally reported on an annual basis, is the quantity of catch for the year multiplied by the average beach price. It is equivalent to *Gross Income*.

Household Income (economic contribution): is a component of Gross State Product (GSP) and Gross Regional Product (GRP) and is a measure of wages and salaries, drawings by owner operators and other payments to labour including overtime payments and income tax, but excluding payroll tax.

Owner-operator and Unpaid Family Labour: in many fishing businesses there is a component of labour that does not draw a direct wage or salary from the business. This will generally include owner-operator labour and often also includes some unpaid family labour. The value of this labour needs to be accounted for which involves imputing a labour cost based on the amount of time and equivalent wages rate. In profitability calculations this labour cost can be included simply as another cost so that *Gross Operating Surplus* takes account of this cost. Alternatively, it can be deducted from GOS to give a separate indicator called *Business Profit before Depreciation* in this report. Owner-operator and unpaid family labour is separated into variable labour (fishing and repairs and maintenance) and overhead labour (management and administration).

Profit at Full Equity: is calculated as *Business Profit* plus *leasing of building, equipment & quota transfer* payments less *depreciation associated with leased capital*. Profit at Full Equity represents the profitability of an individual fishing business, assuming the business has full equity in the operation, i.e. there is no outstanding debt associated with the investment in capital so equity is 100%. Profit at Full Equity is a useful absolute measure of the economic performance of fishing firms.

Rate of Return on Total Capital at Full Equity: is calculated as *Profit at Full Equity* divided by *Total Capital at Full Equity* multiplied by 100. The value of leased equipment, rent and transferred quota is capitalised and added to *Total Capital* to calculate *Total Capital at Full Equity*. This rate of return is expressed in percentage terms and is calculated for an individual fishing business. It refers to the economic return to the total investment in capital items, and is a useful relative measure of the performance of individual firms. *Rate of Return on Total Capital at Full Equity* is useful to compare the performance of various fishing businesses, and to compare the performance of other types of operators, and with other industries.

Total Costs: defined as *Total Variable Cost* plus *Total Fixed Cost*. It does not include *depreciation*.

Total Fixed Cost: are costs that remain fixed regardless of the level of catch or the amount of time spent fishing. As such these costs, measured in current dollar terms, are likely to remain relatively constant from one year to the next. Examples of fixed cost include:

- insurance
- administrative and industry fees
- office & business administration (communication, stationery, accountancy fees)
- interest on loan repayments and overdraft
- leasing.

Total Variable Cost: are costs which are dependent upon the level of catch or, more commonly, the amount of time spent fishing. As catch or fishing time increases, variable costs also increase. Variable costs are measured in current dollar terms and include the following individual cost items:

- fuel, oil and grease for the boat
- bait
- ice
- provisions
- crew payments
- unscheduled repairs & maintenance.

Total Capital: includes capital items that are required by the fishing business to earn the gross income². It includes boat hull, engine, electronics and other permanent fixtures and tender boats, as well as endorsements. Other capital items such as motor vehicles, sheds, cold-rooms, and jetty/moorings are included to the extent that they are used in the fishing business.

² Total capital should not be confused with financial capital which is money provided by lenders for a price (interest).

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SUMMARY

This report presents economic and social indicators for the East Coast Trawl fishery for the 2019/20 financial year.

BDO EconSearch was contracted by Fisheries Queensland to develop economic and social indicators to inform stakeholders with published financial, economic and social information about professional fishers (i.e. commercial fishers and charter operators) in Queensland. Data was previously collected for the 2017/18 and 2018/19 financial years (BDO EconSearch 2020). This report presents the results for the 2019/20 financial year.

A summary of key indicators is provided in Table S-1. In 2019/20, the East Coast Trawl fishery produced \$95.0m in gross value of production (at beach price) from a catch of 6,589t. The fishery generated \$-21.2m in net economic return. Including flow-on effects on the broader economy, the fishery supported \$150.1m of gross state product and 1,625 fte jobs in Queensland.

Table S-1 Summary of key economic indicators for the 2017/18 to 2019/20 financial years for the East Coast Trawl fishery

Indicator	2017/18	2018/19	2019/20
Catch as reported by weight (t)	6,969t	6,122t	6,589t
Gross Value of Production (GVP) (beach price) (\$m)	\$109.8m	\$99.3m	\$95.0m
Export Value (\$m) ^a	\$1.0m	\$1.0m	\$0.2m
Active Businesses	321 businesses	297 businesses	295 businesses
Management Cost/Gross Value of Production	1.6%	1.9%	2.0%
Rate of Return on Total Capital at Full Equity ^b	-1.2%	-4.4%	-5.4%
Active Endorsement Value per Active Business ^b	\$130,466	\$148,102	\$109,631
Gross State Product (direct + flow-on) (\$m)	\$186.2m	\$169.5m	\$150.1m
Employment (direct + flow-on)	1,816 fte jobs	1,734 fte jobs	1,625 fte jobs
Net Economic Return (\$m)	\$-24.4m	\$-31.5m	\$-21.2m
Net Economic Return/Gross Value of Production	-22.2%	-31.7%	-22.3%

^a In 2019/20, the definition of exports was expanded to include exports further down the supply-chain.

^b 2017/18 and 2018/19 values have been revised due to an improvement in the method to attribute capital value to fisheries.

Source: BDO EconSearch analysis

1. INTRODUCTION

This report presents economic and social indicators for the East Coast Trawl fishery for the 2019/20 financial year.

The Queensland Sustainable Fisheries Strategy 2017-2027 (SFS) sets out a comprehensive reform plan with a number of actions which will improve the management of Queensland fisheries. With respect to actions relating to fisheries monitoring, the SFS requires Fisheries Queensland to deliver a practical and cost-effective system to collect data on economic and social indicators from Queensland fishers and directly related stakeholders (e.g. fish processors, wholesalers, community groups). These indicators will be used by Fisheries Queensland to better understand the economic and social aspects of each fishery and of the different types of fishers (e.g. level of activity, region of activity, mode of fishing) within each fishery.

These economic and social indicators will be used to inform management decisions and to monitor progress towards desired targets. As these surveys continue, they will provide an appropriate timeseries that can be used to understand the economic development of the industry.

BDO EconSearch was contracted by Fisheries Queensland to develop economic and social indicators to inform stakeholders with published financial, economic and social information about professional fishers (i.e. commercial fishers and charter operators) in Queensland. Data was previously collected for the 2017/18 and 2018/19 financial years (BDO EconSearch 2020). This report presents the results for the 2019/20 financial year.

This report is complemented by a summary report 'Summary Economic and Social Indicators for Queensland's Commercial Fisheries in 2019/20' (BDO EconSearch 2022) that describes the indicators in detail and presents results for each of Queensland's commercial fisheries. The remainder of this section provides a broad outline of the methods and data used.

1.1. Background

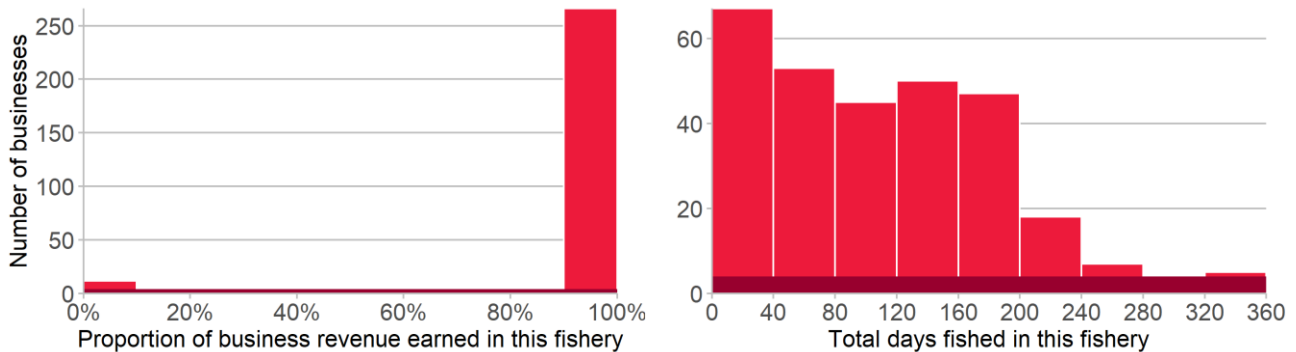
For the purpose of this report, the East Coast Trawl Fishery includes otter trawl and river and inshore beam trawl fisheries regulated by Fisheries Queensland on the East Coast of Queensland, including in Moreton Bay, but excluding the finfish trawl fishery (i.e. T4 symbol - stout whiting).

The East Coast Otter Trawl Fishery is managed using effort units (called trawl effort units) which are split between East Coast (T1, M1 and M2) and Concessional (T2) users. Targeted species include eastern king prawn, red spot king prawn, brown tiger prawn, grooved tiger prawn, blue endeavour prawn, red endeavour prawn, banana prawn, greasy prawn, Moreton Bay and Balmain bugs and saucer scallop.

The River and Inshore Beam Trawl Fishery uses symbols T5, T6, T7, T8 and T9. Targeted species include greasy (bay) prawns, banana prawns, school prawns and other minor prawn species. Fin fish trawl activity under the T4 symbol (stout whiting) is excluded.

The distribution of businesses in the East Coast Trawl fishery in terms of proportion of revenue earned within the East Coast Trawl fishery (i.e. the level of specialisation in this particular fishery) and total days fished (i.e. level of activity in this fishery) is presented in Figure 1-1. Each visible bar represents at least 5 businesses and the burgundy band along the horizontal axis covers the area between 0 and 4 businesses to ensure confidentiality. The limits of the horizontal axis are set to show non-confidential data only which means there may be businesses with greater days fished than the maximum axis values. Business level financial indicators are presented for groups along each of these distributions in this report.

Figure 1-1 Revenue share and days fished of businesses in the East Coast Trawl fishery in the 2019/20 financial year



Source: 2021 business survey

1.2. Indicators

This report presents indicators in the following categories:

- Economic indicators
 - Business financial indicators
 - Economic contribution indicators
 - Fishery economic indicators
- Social indicators
 - Perceptions of management
 - Lifestyle, satisfaction and personal wellbeing
 - Community contribution.

1.3. Data

The indicators are based on a confidential survey of fishing businesses undertaken in 2021 to collect data for the 2019/20 financial year and fisheries monitoring data provided by Fisheries Queensland. Survey data are confidential and BDO EconSearch will not provide individual data to Fisheries Queensland in any form that is not also appropriate to be published publicly, such as by aggregating responses into groups of at least 5 for any statistic (see BDO EconSearch 2022 for details). At a high level, the data collected include:

- Survey data:
 - Itemised costs of fishing, business administration and associated processing, including processing amounts
 - Species prices and market destinations and leasing costs
 - Symbol and quota values
 - Capital values (e.g. vessel, vehicles, buildings and equipment)
 - Perceptions of fisheries management, lifestyle and wellbeing
 - Effects of COVID-19 in 2019/20 (reported in BDO EconSearch 2022).
- Fisheries Queensland data:
 - Fisher level fishing activity such as catch by species and effort, including spatial and temporal dimensions
 - Symbol and quota ownership, trading and utilisation
 - Management costs
 - Licence fees.

1.4. Method

The methods used to collect data and generate the economic indicators were similar across all fisheries. The methods are presented in the summary report of economic and social indicators for Queensland's commercial fisheries in 2019/20 (BDO EconSearch 2022). Indicators were produced through a number of techniques including:

- Business level statistical matching and imputation to scale up (or expand) the survey sample of fishing businesses to represent the whole commercial fishing industry.
- Regional economic contribution analysis (using an input-output approach) to estimate the employment, gross state product and household income generated by the commercial fishing industry in Queensland and its regions.
- Established financial reporting techniques to describe the profitability of fishing businesses.
- Data visualisation to present demographic and social indicator results.

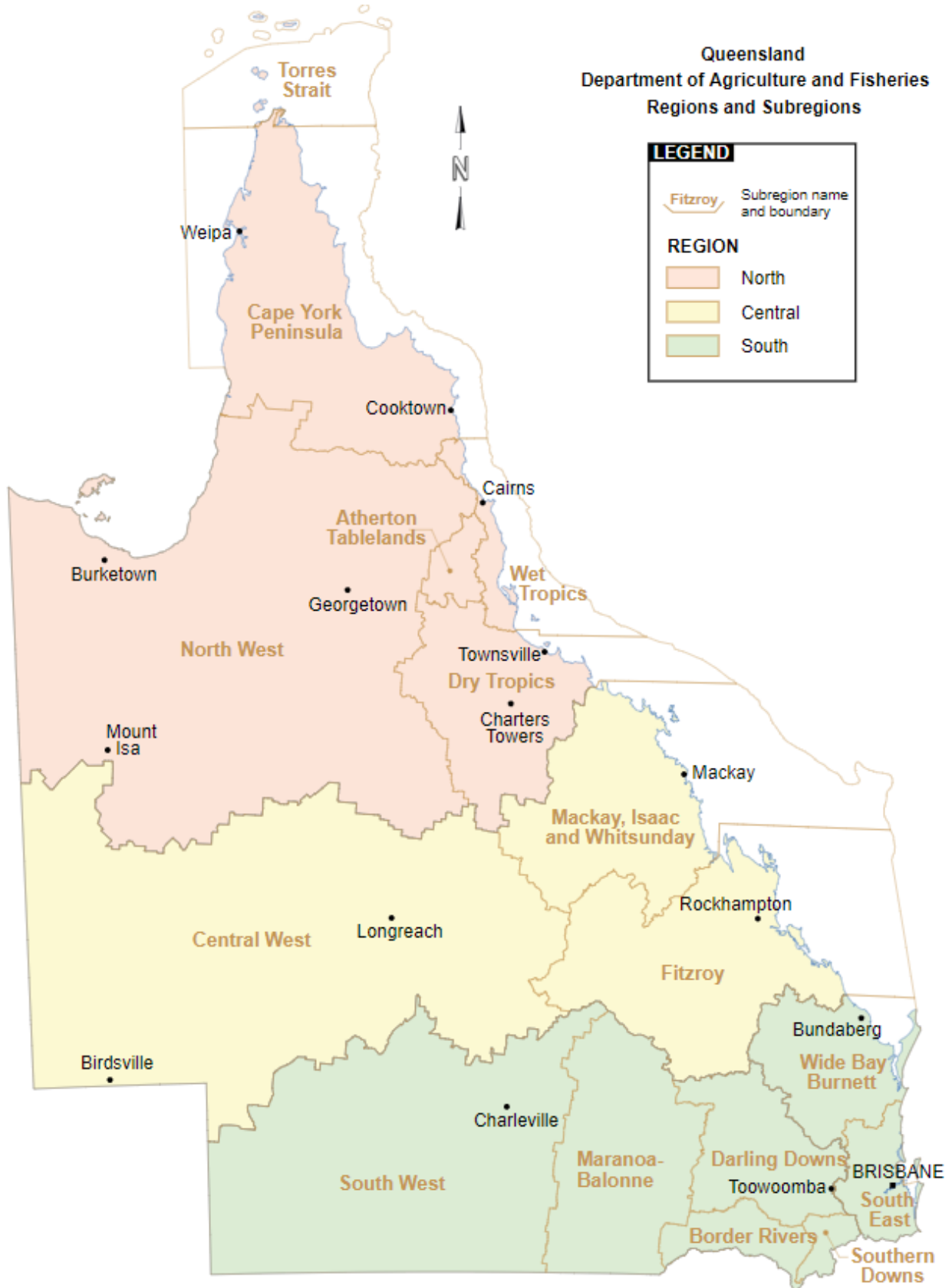
1.5. Regions

Economic contribution results and business financial indicators are presented for Queensland as a whole and on a regional basis in accordance with the Department of Agriculture and Fisheries Subregion definitions. Only coastal regions are reported:

- North West
- Cape York Peninsula (includes Torres Strait)
- Wet Tropics
- Dry Tropics
- Mackay, Isaac and Whitsunday
- Fitzroy
- Wide Bay Burnett
- South East.

Only regions where substantial fishing activity took place in 2019/20 are presented in this report.

Figure 1-2 Department of Agriculture and Fisheries Subregions used for reporting



Source: Business Queensland (2019)

1.6. Survey

The survey captured responses from 21.0% of fishing businesses that were active in 2019/20, representing 19.0% of East Coast Trawl fishery gross value of production (GVP). Regional response rates ranged from 31.0% (Mackay, Isaac and Whitsunday) to 16.2% (Wide Bay Burnett).

Table 1-1 Survey sample for the 2019/20 financial year in the East Coast Trawl fishery

Fishing Region ^a	Active Businesses	Sample Size	% of Active Businesses Sampled	Fishery GVP (\$m)	Sampled GVP (\$m)	% of GVP Sampled
Cape York Peninsula	38	8	21.1%	6.1	1.1	17.9%
Dry Tropics	62	16	25.8%	6.2	2.3	37.8%
Fitzroy	81	14	17.3%	17.7	3.5	19.6%
Mackay, Isaac and Whitsunday	71	22	31.0%	8.0	3.2	40.5%
South East	165	34	20.6%	31.5	4.4	13.9%
Wet Tropics	80	14	17.5%	8.9	1.3	15.1%
Wide Bay Burnett	117	19	16.2%	16.6	2.2	13.1%
Queensland	295	62	21.0%	95.0	18.1	19.0%

^a The sum of regions may not equal the state totals due to some businesses being active in multiple regions, rounding errors and confidentiality.

Source: BDO EconSearch analysis

2. CATCH, VALUE, PRICES AND MARKETS

Catch, price, value and market destinations are shown in Table 2-1 for the species where the survey provided at least 5 observations (to maintain confidentiality). The East Coast Trawl fishery produced 6,589t of catch and \$95.0m in GVP (at beach price). Market destinations for where fishing businesses sell their catch to include Queensland (95.5%), Interstate (4.5%). Total overseas is an estimate by fishing businesses about the proportion of catch that is ultimately exported overseas, this was estimated at 0.3%.

Table 2-1 Catch, GVP and markets for the East Coast Trawl fishery in the 2019/20 financial year

Species	Catch	Price per Unit	Unit	GVP (\$m)	Market Destination			
					QLD	Interstate	Direct overseas	Total overseas
Prawn - eastern king	2,685,285	\$14.92	Kg	\$40.05	91.5%	8.5%	0.0%	0.0%
Prawn - tiger	1,186,363	\$14.52	Kg	\$17.23	98.1%	1.9%	0.0%	0.0%
Prawn - banana	540,343	\$11.84	Kg	\$6.40	100.0%	0.0%	0.0%	0.0%
Prawn - red spot king	184,837	\$18.42	Kg	\$3.41	90.9%	9.1%	0.0%	0.0%
Prawn - endeavour	365,701	\$7.58	Kg	\$2.77	99.0%	1.0%	0.0%	0.0%
Prawn - blue leg king	184,583	\$15.00	Kg	\$2.77	100.0%	0.0%	0.0%	0.0%
Squid - unspecified	151,706	\$11.85	Kg	\$1.80	98.5%	1.5%	0.0%	0.0%
Scallop - saucer	244,454	\$5.79	Kg	\$1.42	100.0%	0.0%	0.0%	17.3%
Bugs - Balmain	70,032	\$15.14	Kg	\$1.06	100.0%	0.0%	0.0%	0.0%
Crab - blue swimmer	37,802	\$11.40	Kg	\$0.43	100.0%	0.0%	0.0%	0.0%
Cuttlefish	45,022	\$7.43	Kg	\$0.33	94.1%	5.9%	0.0%	0.0%
Other species	892,624	\$19.43	Kg	\$17.34	99.4%	0.6%	0.0%	0.0%
Fishery Total	6,588,751	\$14.42	Kg	\$95.01	95.5%	4.5%	0.0%	0.3%

Source: BDO EconSearch analysis

3. COST OF MANAGEMENT

The costs incurred by Fisheries Queensland in managing Queensland's fisheries is not equal to the administration fees or licence fees charged by Fisheries Queensland to the fishing businesses. This section discusses the costs incurred by Fisheries Queensland and not the administration and licence fees charged by Fisheries Queensland to commercial fishing businesses.

While the total cost of managing Queensland's commercial fisheries is known, the precise cost of managing each individual fishery is difficult to determine. This is because the costs of activities such as fishery monitoring, assessment, management and compliance overlap several fisheries. For example a single fishery monitoring activity can collect information for several fisheries which in turn inputs into the management of several different fisheries. Allocating the costs of managing fisheries requires a degree of subjective assessment based on the benefits derived by the individual fisheries from those activities. The costs of managing the commercial sector for each fishery were provided to BDO EconSearch by Fisheries Queensland. Costs were allocated to the fisheries based on the cost being incurred to enable the management of the fishery and then proportionally attributed to the respective sectors based on the benefits of management to the fishery. This was done for the purpose of developing economic indicators and should not be relied upon for any other purpose. These costs were incurred while delivering the following services:

- annual reports of fishery status
- policy and management services
- regulatory/legislation and licensing services
- compliance services
- directorate services
- extension services
- fishery monitoring and research services.

Estimated total management costs, as detailed in Table 3-1, for the East Coast Trawl fishery were \$1.9m in 2019/20. As a proportion of GVP, total management costs were 2.0% per cent in 2019/20.

Table 3-1 Costs of management in the East Coast Trawl fishery in the 2019/20 financial year

Indicator	Value
Management Costs (\$m)	\$1.9m
GVP (\$m)	\$95.0m
Management Costs/GVP (%)	2.0%

Source: Fisheries Queensland and BDO EconSearch analysis

4. FINANCIAL INDICATORS

This section presents a series of tables that describe the average financial performance of businesses' operations in the East Coast Trawl fishery in 2019/20. The average business refers to the average activity within the East Coast Trawl fishery of businesses that access the fishery. A business entity may operate across several fisheries, however the "Average Business" financial indicators in these tables represents just the proportion of activity attributable to this fishery. For example, a business that is active in both the East Coast Trawl fishery and another fishery will have its business activity (employment, expenditure, capital values, etc.) split between the financial indicators tables of the two fisheries.

4.1. Financial Performance

Financial indicators are presented in Table 4-1 to Table 4-5 that follow using various groupings:

- **Whole fishery:** provides total financial information for the whole fishery.
- **Average business:** the average business entity operations in the fishery across the whole fishery.
- **Return on investment quartiles:** the performance of the average business in each return on investment quartile calculated by allocating an even number of businesses to each quartile.
- **Days fished quartiles:** the performance of the average business in each activity level quartile (days fished) calculated by allocating an even number of businesses to each quartile.
- **Share of revenue earned in this fishery:** the performance of the average businesses that are specialised in this fishery compared to those that earn more of their revenue in other fisheries. This allows comparison of the business characteristics of businesses with different levels of specialisation in the East Coast Trawl fishery.
- **Fishing regions:** total performance of all fishing activity in each fishing region.

The assets, liabilities and equity of businesses that accessed the East Coast Trawl fishery in 2019/20 are summarised following the financial indicators tables.

Fishing employment and activity

Businesses that accessed the East Coast Trawl fishery in 2019/20, on average employed 2.3 fte and fished on 125 days of the year (Table 4-1).

Revenue and costs

Average revenue was \$322,075 and average variable costs were \$191,455, producing an average gross margin of \$130,620. Average fixed costs were \$120,705 with total unpaid labour of \$13,746, producing an average gross operating surplus of \$23,662 (Table 4-1).

Profitability

Average business profit, which accounts for depreciation and unpaid labour, was -\$38,744. The average profit at full equity, which excludes any leasing and interest costs, was -\$30,029. Dividing this profit at full equity by the capital value of fishing gear and equipment produces a return on investment of -6.9%. The return on total capital at full equity is -5.4% (Table 4-1).

Table 4-1 Financial performance of the East Coast Trawl fishery in the 2018/19 and 2019/20 financial years, average business and whole fishery

Indicator	2018/19			2019/20		
	Average per Business	Total for the Whole Fishery	%	Average per Business	Total for the Whole Fishery	%
Fishing Businesses						
Active Businesses	297	297		295	295	
Sample Size	42	42		62	62	
Fishing Activity						
Catch (kg)	20,614	6,122,441		22,335	6,588,751	
Days Fished	115	34,122		125	36,831	
Prop. of Revenue Earned in this Fishery	92%	92%		96%	96%	
Employment						
Total Jobs	3.5	1048		2.7	786	
FTE Jobs	2.5	745		2.3	686	
(1) Gross Income	\$334,320	\$99,292,944		\$322,075	\$95,012,095	
Variable Costs						
Bait & Ice	\$959	\$284,938	0%	\$2,128	\$627,873	1%
Fuel	\$90,557	\$26,895,554	27%	\$94,217	\$27,794,086	30%
Labour - paid	\$92,086	\$27,349,636	27%	\$78,054	\$23,025,817	25%
(2) Labour - unpaid	\$20,216	\$6,004,300	6%	\$9,788	\$2,887,393	3%
Other	\$1,843	\$547,356	1%	\$426	\$125,622	0%
Provisions	\$4,318	\$1,282,368	1%	\$6,842	\$2,018,295	2%
(3) Total Variable Cost	\$209,980	\$62,364,152	62%	\$191,455	\$56,479,086	61%
Fixed Costs						
Insurance	\$18,751	\$5,568,967	6%	\$17,056	\$5,031,487	5%
(4) Interest	\$1,421	\$421,922	0%	\$5,237	\$1,545,019	2%
(5) Labour - unpaid	\$15,304	\$4,545,303	5%	\$3,958	\$1,167,630	1%
(6) Leasing fees - other	\$1,836	\$545,272	1%	\$2,302	\$679,168	1%
(6) Leasing fees - Quota ^a	-	-	-	\$0	\$0	0%
(6) Leasing fees - Symbol ^a	-	-	-	\$1,165	\$343,640	0%
Legal & Accounting	\$3,664	\$1,088,228	1%	\$3,730	\$1,100,476	1%
Licence fees	\$4,065	\$1,207,435	1%	\$6,313	\$1,862,458	2%
Office & Admin	\$2,933	\$871,128	1%	\$3,532	\$1,041,834	1%
Repairs & Maintenance	\$62,612	\$18,595,665	18%	\$57,449	\$16,947,462	18%
Slipping & Mooring	\$15,621	\$4,639,336	5%	\$15,783	\$4,656,027	5%
Telephone etc.	\$1,851	\$549,884	1%	\$2,172	\$640,852	1%
Travel	\$1,483	\$440,454	0%	\$1,209	\$356,629	0%
VMS costs ^b	-	-	-	\$797	\$235,177	0%
(7) Total Fixed Cost	\$129,541	\$38,473,595	38%	\$120,705	\$35,607,860	39%
(8) Total Costs (3+7)	\$339,521	\$100,837,747	100%	\$312,159	\$92,086,946	100%
Profitability						
Gross Margin (1-3)	\$124,339	\$36,928,792		\$130,620	\$38,533,009	
(9) Total Unpaid Labour (2+5)	\$35,521	\$10,549,603		\$13,746	\$4,055,023	
Gross Operating Surplus (1-8+9)	\$30,319	\$9,004,800		\$23,662	\$6,980,172	
(10) Business Profit before Depreciation (1-8)	-\$5,201	-\$1,544,803		\$9,916	\$2,925,148	
(11) Depreciation	\$35,091	\$10,421,879		\$48,660	\$14,354,660	
Business Profit (10-11)	-\$40,292	-\$11,966,683		-\$38,744	-\$11,429,511	
Profit at Full Equity ^c	-\$36,491	-\$10,837,827		-\$30,029	-\$8,858,579	
Capital^d						
Fishing Gear and Equipment	\$656,610	\$195,013,075		\$391,698	\$115,551,013	
Licence and Quota Value	\$148,102	\$43,986,236		\$109,631	\$32,341,219	
Total Capital	\$804,711	\$238,999,310		\$501,330	\$147,892,232	
Rate of Return at Full Equity^d						
Rate of Return on Fishing Gear and Equipment at Full Equity ^c	-5.5%	-5.5%		-6.9%	-6.9%	
Rate of Return on Total Capital at Full Equity ^c	-4.4%	-4.4%		-5.4%	-5.4%	

^a In 2018/19 these costs are included in Leasing fees - other.

^b In 2018/19 these costs are included in Office & Admin.

^c Full equity values account for the value of leased equipment, symbols and transferred quota (6) by subtracting the lease cost when calculating profit at full equity and capitalising the lease cost (increasing capital value) when calculating rates of return.

^d 2018/19 values have been revised due to an improvement in the method used to attribute capital value to fisheries.

Source: BDO EconSearch analysis

Table 4-2 Financial performance of the East Coast Trawl fishery in the 2019/20 financial year, average business in each return on investment quartile

Indicator	Return on Investment Quartile				Average per Business
	1 Quartile	2 Quartile	3 Quartile	4 Quartile	
Fishing Businesses					
Active Businesses	74	74	73	74	295
Sample Size	22	13	11	16	62
Fishing Activity					
Catch (kg)	9,446	13,361	24,825	41,741	22,335
Days Fished	69	92	138	200	125
Prop. of Revenue Earned in this Fishery	97%	97%	96%	84%	96%
Employment					
Total Jobs	2.4	2.5	2.9	2.8	2.7
FTE Jobs	1.5	1.8	2.8	3.3	2.3
(1) Gross Income	\$122,374	\$185,721	\$369,324	\$611,519	\$322,075
Variable Costs					
Bait & Ice	\$2,196	\$1,214	\$2,333	\$2,773	\$2,128
Fuel	\$64,418	\$76,038	\$107,273	\$129,317	\$94,217
Labour - paid	\$46,806	\$51,519	\$90,232	\$123,822	\$78,054
(2) Labour - unpaid	\$6,883	\$9,662	\$10,697	\$11,921	\$9,788
Other	\$299	\$320	\$527	\$558	\$426
Provisions	\$5,840	\$5,157	\$6,442	\$9,923	\$6,842
(3) Total Variable Cost	\$126,442	\$143,910	\$217,504	\$278,314	\$191,455
Fixed Costs					
Insurance	\$12,130	\$14,044	\$19,363	\$22,717	\$17,056
(4) Interest	\$2,494	\$3,718	\$5,753	\$8,992	\$5,237
(5) Labour - unpaid	\$4,675	\$3,180	\$4,619	\$3,367	\$3,958
(6) Leasing fees - other	\$1,050	\$1,535	\$4,703	\$1,954	\$2,302
(6) Leasing fees - Quota	\$0	\$0	\$0	\$0	\$0
(6) Leasing fees - Symbol	\$1,772	\$1,757	\$985	\$143	\$1,165
Legal & Accounting	\$2,623	\$3,252	\$4,347	\$4,708	\$3,730
Licence fees	\$3,632	\$5,123	\$6,598	\$9,904	\$6,313
Office & Admin	\$2,030	\$3,283	\$5,255	\$3,581	\$3,532
Repairs & Maintenance	\$48,831	\$45,258	\$63,507	\$72,282	\$57,449
Slipping & Mooring	\$12,011	\$13,551	\$20,422	\$17,211	\$15,783
Telephone etc.	\$1,327	\$1,658	\$2,521	\$3,188	\$2,172
Travel	\$1,099	\$961	\$1,203	\$1,573	\$1,209
VMS costs	\$891	\$623	\$838	\$837	\$797
(7) Total Fixed Cost	\$94,565	\$97,945	\$140,114	\$150,457	\$120,705
(8) Total Costs (3+7)	\$221,007	\$241,854	\$357,618	\$428,771	\$312,159
Profitability					
Gross Margin (1-3)	-\$4,068	\$41,811	\$151,820	\$333,204	\$130,620
(9) Total Unpaid Labour (2+5)	\$11,559	\$12,842	\$15,316	\$15,288	\$13,746
Gross Operating Surplus (1-8+9)	-\$87,074	-\$43,291	\$27,022	\$198,035	\$23,662
(10) Business Profit before Depreciation (1-8)	-\$98,633	-\$56,133	\$11,706	\$182,748	\$9,916
(11) Depreciation	\$39,735	\$44,683	\$54,956	\$55,350	\$48,660
Business Profit (10-11)	-\$138,368	-\$100,816	-\$43,250	\$127,398	-\$38,744
Profit at Full Equity ^a	-\$133,147	-\$93,599	-\$32,157	\$138,757	-\$30,029
Capital					
Fishing Gear and Equipment	\$214,530	\$317,157	\$461,108	\$574,937	\$391,698
Licence and Quota Value	\$63,148	\$93,370	\$108,818	\$173,178	\$109,631
Total Capital	\$277,678	\$410,527	\$569,926	\$748,115	\$501,330
Rate of Return at Full Equity					
Rate of Return on Fishing Gear and Equipment at Full Equity ^a	-57.0%	-26.6%	-5.9%	22.4%	-6.9%
Rate of Return on Total Capital at Full Equity ^a	-42.3%	-20.2%	-4.8%	17.5%	-5.4%

^a Full equity values account for the value of leased equipment, symbols and transferred quota (6) by subtracting the lease cost when calculating profit at full equity and capitalising the lease cost (increasing capital value) when calculating rates of return.

Source: BDO EconSearch analysis

Table 4-3 Financial performance of the East Coast Trawl fishery in the 2019/20 financial year, average business in each days fished quartile

Indicator	Days Fished Quartile				Average per Business
	1 Quartile	2 Quartile	3 Quartile	4 Quartile	
Fishing Businesses					
Active Businesses	74	76	71	74	295
Sample Size	16	19	14	13	62
Fishing Activity					
Catch (kg)	1,892	11,274	24,821	51,752	22,335
Days Fished	18	75	140	268	125
Prop. of Revenue Earned in this Fishery	78%	98%	99%	99%	96%
Employment					
Total Jobs	1.6	2.2	3.2	3.7	2.7
FTE Jobs	0.4	1.6	2.8	4.6	2.3
(1) Gross Income	\$24,634	\$147,945	\$355,592	\$766,194	\$322,075
Variable Costs					
Bait & Ice	\$1,113	\$2,359	\$927	\$4,060	\$2,128
Fuel	\$10,395	\$59,002	\$108,991	\$200,031	\$94,217
Labour - paid	\$6,451	\$45,739	\$95,577	\$166,031	\$78,054
(2) Labour - unpaid	\$2,828	\$12,196	\$10,941	\$13,168	\$9,788
Other	\$63	\$410	\$561	\$675	\$426
Provisions	\$1,732	\$5,731	\$7,108	\$12,837	\$6,842
(3) Total Variable Cost	\$22,582	\$125,437	\$224,105	\$396,802	\$191,455
Fixed Costs					
Insurance	\$8,077	\$8,901	\$20,621	\$30,989	\$17,056
(4) Interest	\$618	\$2,035	\$7,839	\$10,649	\$5,237
(5) Labour - unpaid	\$4,266	\$3,159	\$3,496	\$4,914	\$3,958
(6) Leasing fees - other	\$305	\$854	\$6,556	\$1,706	\$2,302
(6) Leasing fees - Quota	\$0	\$0	\$0	\$0	\$0
(6) Leasing fees - Symbol	\$1,014	\$2,436	\$1,176	\$0	\$1,165
Legal & Accounting	\$1,408	\$2,619	\$4,842	\$6,128	\$3,730
Licence fees	\$2,470	\$4,388	\$6,532	\$11,924	\$6,313
Office & Admin	\$880	\$2,115	\$5,900	\$5,366	\$3,532
Repairs & Maintenance	\$16,140	\$45,454	\$63,915	\$104,874	\$57,449
Slipping & Mooring	\$5,574	\$11,515	\$23,155	\$23,303	\$15,783
Telephone etc.	\$784	\$1,256	\$3,174	\$3,540	\$2,172
Travel	\$605	\$780	\$1,516	\$1,958	\$1,209
VMS costs	\$587	\$803	\$835	\$965	\$797
(7) Total Fixed Cost	\$42,727	\$86,316	\$149,558	\$206,317	\$120,705
(8) Total Costs (3+7)	\$65,309	\$211,753	\$373,663	\$603,118	\$312,159
Profitability					
Gross Margin (1-3)	\$2,052	\$22,507	\$131,487	\$369,392	\$130,620
(9) Total Unpaid Labour (2+5)	\$7,094	\$15,355	\$14,437	\$18,082	\$13,746
Gross Operating Surplus (1-8+9)	-\$33,581	-\$48,454	-\$3,634	\$181,157	\$23,662
(10) Business Profit before Depreciation (1-8)	-\$40,675	-\$63,809	-\$18,070	\$163,075	\$9,916
(11) Depreciation	\$18,885	\$32,071	\$48,657	\$95,474	\$48,660
Business Profit (10-11)	-\$59,560	-\$95,880	-\$66,728	\$67,601	-\$38,744
Profit at Full Equity ^a	-\$57,422	-\$90,419	-\$52,016	\$80,482	-\$30,029
Capital					
Fishing Gear and Equipment	\$183,163	\$219,980	\$450,044	\$720,613	\$391,698
Licence and Quota Value	\$39,359	\$76,981	\$113,143	\$210,067	\$109,631
Total Capital	\$222,522	\$296,962	\$563,187	\$930,680	\$501,330
Rate of Return at Full Equity					
Rate of Return on Fishing Gear and Equipment at Full Equity ^a	-29.7%	-37.7%	-9.2%	10.5%	-6.9%
Rate of Return on Total Capital at Full Equity ^a	-23.7%	-26.5%	-7.6%	8.3%	-5.4%

^a Full equity values account for the value of leased equipment, symbols and transferred quota (6) by subtracting the lease cost when calculating profit at full equity and capitalising the lease cost (increasing capital value) when calculating rates of return.

Source: BDO EconSearch analysis

Table 4-4 Total financial performance of the East Coast Trawl fishery in the 2019/20 financial year, in each major region

Indicator	Subregion								Total for the Whole Fishery
	Cape York Peninsula	Dry Tropics	Fitzroy	Mackay, Isaac and Whitsunday	South East	Wet Tropics	Wide Bay Burnett		
Fishing Businesses									
Active Businesses	38	62	81	71	165	80	117	295	
Sample Size	8	16	14	22	34	14	19	62	
Fishing Activity									
Catch (kg)	510,172	336,948	1,104,014	506,672	2,376,017	612,882	1,142,046	6,588,751	
Days Fished	2,261	2,117	6,400	2,440	14,261	3,745	5,618	36,831	
Employment									
Total Jobs	59.5	43.7	87.0	62.8	325.9	84.2	123.3	786	
FTE Jobs	44.5	43.0	96.9	52.1	266.8	64.0	118.7	686	
(1) Gross Income	\$6,106,837	\$6,198,931	\$17,748,574	\$7,986,063	\$31,488,274	\$8,877,769	\$16,605,647	\$95,012,095	
Variable Costs									
Bait & Ice	\$42,894	\$5,052	\$53,963	\$30,952	\$384,586	\$35,310	\$75,116	\$627,873	
Fuel	\$1,873,046	\$1,667,665	\$4,376,494	\$2,317,231	\$9,981,199	\$3,002,579	\$4,575,872	\$27,794,086	
Labour - paid	\$1,388,840	\$1,438,394	\$3,648,734	\$1,894,742	\$9,190,333	\$1,947,598	\$3,517,177	\$23,025,817	
(2) Labour - unpaid	\$154,190	\$161,294	\$404,562	\$198,448	\$1,198,008	\$403,079	\$367,811	\$2,887,393	
Other	\$7,396	\$5,961	\$15,804	\$14,091	\$48,838	\$12,511	\$21,021	\$125,622	
Provisions	\$150,486	\$111,046	\$291,797	\$177,673	\$753,633	\$187,370	\$346,291	\$2,018,295	
(3) Total Variable Cost	\$3,616,853	\$3,389,411	\$8,791,353	\$4,633,137	\$21,556,598	\$5,588,447	\$8,903,287	\$56,479,086	
Fixed Costs									
Insurance	\$404,475	\$326,968	\$675,407	\$432,310	\$1,774,685	\$557,396	\$860,246	\$5,031,487	
(4) Interest	\$121,343	\$88,302	\$251,754	\$125,113	\$512,457	\$148,815	\$297,234	\$1,545,019	
(5) Labour - unpaid	\$54,731	\$92,894	\$121,936	\$74,645	\$549,630	\$132,967	\$140,826	\$1,167,630	
(6) Leasing fees - other	\$74,976	\$54,244	\$66,949	\$51,088	\$210,802	\$125,279	\$95,830	\$679,168	
(6) Leasing fees - Quota	\$14,843	\$398,411	\$65,550	\$1,935,569	\$7,286,575	\$1,457,081	\$470,382	\$0	
(6) Leasing fees - Symbol	\$11,532	\$13,386	\$16,910	\$51,053	\$178,528	\$39,593	\$32,638	\$343,640	
Legal & Accounting	\$78,111	\$65,548	\$141,892	\$83,596	\$426,633	\$127,477	\$177,220	\$1,100,476	
Licence fees	\$124,195	\$97,659	\$359,945	\$130,993	\$631,221	\$187,613	\$330,831	\$1,862,458	
Office & Admin	\$100,866	\$66,542	\$108,575	\$86,578	\$397,673	\$132,904	\$148,697	\$1,041,834	
Repairs & Maintenance	\$1,141,401	\$1,150,032	\$2,227,846	\$1,533,056	\$6,069,867	\$1,631,376	\$3,193,883	\$16,947,462	
Slipping & Mooring	\$325,638	\$338,413	\$513,213	\$351,203	\$1,802,569	\$610,546	\$714,445	\$4,656,027	
Telephone etc.	\$57,123	\$48,646	\$87,800	\$48,754	\$214,643	\$70,487	\$113,397	\$640,852	
Travel	\$32,722	\$20,937	\$43,487	\$48,268	\$112,421	\$25,361	\$73,432	\$356,629	
VMS costs	\$16,800	\$11,258	\$23,746	\$15,864	\$107,125	\$24,789	\$35,597	\$235,177	
(7) Total Fixed Cost	\$2,558,757	\$2,773,241	\$4,705,011	\$4,968,091	\$20,274,830	\$5,271,684	\$6,684,658	\$35,607,860	
(8) Total Costs (3+7)	\$6,175,611	\$6,162,653	\$13,496,364	\$9,601,228	\$41,831,427	\$10,860,131	\$15,587,945	\$92,086,946	
Profitability									
Gross Margin (1-3)	\$2,489,984	\$2,809,519	\$8,957,221	\$3,352,926	\$9,931,676	\$3,289,322	\$7,702,361	\$38,533,009	
(9) Total Unpaid Labour (2+5)	\$208,922	\$254,188	\$526,498	\$273,094	\$1,747,638	\$536,047	\$508,637	\$4,055,023	
Gross Operating Surplus (1-8+9)	\$140,148	\$290,466	\$4,778,708	-\$1,342,071	-\$8,595,515	-\$1,446,316	\$1,526,339	\$6,980,172	
(10) Business Profit before Depreciation (1-8)	-\$68,774	\$36,278	\$4,252,210	-\$1,615,165	-\$10,343,154	-\$1,982,362	\$1,017,703	\$2,925,148	
(11) Depreciation	\$1,119,799	\$785,688	\$1,809,269	\$1,161,825	\$5,487,187	\$1,545,029	\$2,445,863	\$14,354,660	
Business Profit (10-11)	-\$1,188,573	-\$749,410	\$2,442,941	-\$2,776,990	-\$15,830,340	-\$3,527,391	-\$1,428,160	-\$11,429,511	
Profit at Full Equity ^a	-\$973,889	-\$196,313	\$2,846,476	-\$608,893	-\$7,621,226	-\$1,769,810	-\$534,923	-\$8,858,579	
Capital									
Fishing Gear and Equipment	\$8,714,019	\$7,285,951	\$16,030,168	\$10,246,391	\$41,019,924	\$12,476,084	\$19,778,476	\$115,551,013	
Licence and Quota Value	\$2,046,998	\$1,585,954	\$6,295,648	\$2,194,845	\$11,892,081	\$2,863,626	\$5,462,067	\$32,341,219	
Total Capital	\$10,761,017	\$8,871,905	\$22,325,817	\$12,441,237	\$52,912,005	\$15,339,709	\$25,240,543	\$147,892,232	
Rate of Return at Full Equity									
Rate of Return on Fishing Gear And Equipment at Full Equity ^a	-9.7%	-2.4%	16.3%	-5.4%	-16.7%	-12.0%	-2.5%	-6.9%	
Rate of Return on Total Capital at Full Equity ^a	-7.9%	-1.4%	11.6%	-1.8%	-5.8%	-5.4%	-1.7%	-5.4%	

^a The capital values in the calculation of full equity include the capitalised value of leased equipment, symbols and transferred quota (6). They are larger than the capital values stated in the table.

Source: BDO EconSearch analysis

Table 4-5 Financial performance of the East Coast Trawl fishery in the 2019/20 financial year, average business in each level of specialisation group

Indicator	Share of Revenue earned in Fishery		Average per Business
	High Revenue Share	Low Revenue Share	
Fishing Businesses			
Active Businesses	259	36	295
Sample Size	49	13	62
Fishing Activity			
Catch (kg)	24,261	8,477	22,335
Days Fished	135	50	125
Prop. of Revenue Earned in this Fishery	100%	47%	96%
Employment			
Total Jobs	2.9	1.2	2.7
FTE Jobs	2.5	1.0	2.3
(1) Gross Income	\$352,393	\$103,951	\$322,075
Variable Costs			
Bait & Ice	\$2,179	\$1,766	\$2,128
Fuel	\$103,620	\$26,572	\$94,217
Labour - paid	\$82,984	\$42,582	\$78,054
(2) Labour - unpaid	\$10,628	\$3,745	\$9,788
Other	\$457	\$203	\$426
Provisions	\$7,570	\$1,602	\$6,842
(3) Total Variable Cost	\$207,437	\$76,471	\$191,455
Fixed Costs			
Insurance	\$18,864	\$4,045	\$17,056
(4) Interest	\$5,853	\$810	\$5,237
(5) Labour - unpaid	\$4,156	\$2,534	\$3,958
(6) Leasing fees - other	\$2,589	\$237	\$2,302
(6) Leasing fees - Quota	\$0	\$0	\$0
(6) Leasing fees - Symbol	\$1,229	\$705	\$1,165
Legal & Accounting	\$4,027	\$1,600	\$3,730
Licence fees	\$6,876	\$2,265	\$6,313
Office & Admin	\$3,866	\$1,127	\$3,532
Repairs & Maintenance	\$63,499	\$13,921	\$57,449
Slipping & Mooring	\$17,298	\$4,888	\$15,783
Telephone etc.	\$2,386	\$632	\$2,172
Travel	\$1,300	\$551	\$1,209
VMS costs	\$859	\$352	\$797
(7) Total Fixed Cost	\$132,802	\$33,667	\$120,705
(8) Total Costs (3+7)	\$340,239	\$110,138	\$312,159
Profitability			
Gross Margin (1-3)	\$144,956	\$27,480	\$130,620
(9) Total Unpaid Labour (2+5)	\$14,784	\$6,279	\$13,746
Gross Operating Surplus (1-8+9)	\$26,938	\$92	\$23,662
(10) Business Profit before Depreciation (1-8)	\$12,154	-\$6,187	\$9,916
(11) Depreciation	\$53,023	\$17,267	\$48,660
Business Profit (10-11)	-\$40,869	-\$23,454	-\$38,744
Profit at Full Equity ^a	-\$31,229	-\$21,397	-\$30,029
Capital			
Fishing Gear and Equipment	\$430,209	\$114,639	\$391,698
Licence and Quota Value	\$118,796	\$43,699	\$109,631
Total Capital	\$549,004	\$158,338	\$501,330
Rate of Return at Full Equity			
Rate of Return on Fishing Gear and Equipment at Full Equity ^a	-6.5%	-17.1%	-6.9%
Rate of Return on Total Capital at Full Equity ^a	-5.1%	-12.1%	-5.4%

^a Full equity values account for the value of leased equipment, symbols and transferred quota (6) by subtracting the lease cost when calculating profit at full equity and capitalising the lease cost (increasing capital value) when calculating rates of return.

Source: BDO EconSearch analysis

4.2. Assets, Liabilities and Equity

Commercial fishing businesses in Queensland utilise valuable fishing licences, vessels or vehicles and other capital. They may also borrow money to finance the business. The total assets held by a business less its total liabilities is the business' equity. Table 4-6 presents a simple average of the equity of all surveyed businesses that access the East Coast Trawl fishery. The average is of whole businesses, unlike the financial performance tables above which present averages of proportions of businesses that access the fishery.

Table 4-6 Average business assets, liabilities and equity of businesses participating in the East Coast Trawl fishery in the 2019/20 financial year

	Value
Assets	
Licence and quota	\$103,885
Plant and equipment	\$413,952
Other assets	\$212,625
Total assets	\$730,463
Liabilities	
Total liabilities	\$113,090
Equity	
Total equity	\$617,372
Equity / Total assets	84.5%

Source: BDO EconSearch analysis

5. ECONOMIC CONTRIBUTION

Estimates of the economic contribution of the East Coast Trawl fishery to the Queensland and regional economies in 2019/20 are outlined in this section.

Economic contribution analysis is a descriptive analysis that traces the gross economic activity of the fishery as dollars of expenditure cycle through the regional and state economies. The analysis used the business data reported above and other regional/state data that highlight the linkages that exist within the economy.

Contribution or impact?

An *economic contribution analysis* (presented in this report) can be thought of as a footprint or snapshot analysis of economic activity. It is distinctly different to an *economic impact analysis*, which can be thought of as an analysis of a *change* in economic activity (not the subject of this report). An economic impact analysis is an appropriate approach for evaluating a change where an industry is generating new revenues that would otherwise not occur, keeping revenues in the region that would otherwise be lost, or being subject to changes that result in existing revenues being lost.

Direct and flow-on effects

The following types of activity are presented in this report as *direct* economic contribution:

- the landed beach value of production
- the sustaining capital expenditure of fishing businesses
- the margin value of local processing.

Each of these activities generates flow-on effects to other sectors through purchases of inputs and the employment of labour. These effects have been estimated using input-output analysis (BDO EconSearch 2022).

Economic contribution indicators

Economic contributions have been specified in terms of the following indicators (see Glossary for detail).

- Value of output (direct output is equivalent to gross value of production or GVP)
- Employment (fte and total jobs)
- Household income
- Gross regional (and state) product.

5.1. Economic Contribution to Queensland

Estimates of the economic contribution in 2019/20 by the East Coast Trawl fishery to Queensland and its regions are presented in this section.

Direct contribution measures fishing activity, capital expenditure by fishing businesses and estimated limited processing activity. *Flow-on* contribution measures the economic effects in other sectors of the economy (such as retail and wholesale trade, manufacturing, etc.) supported by the purchases of inputs by businesses described above as *direct* contribution. Flow-on effects are also known as *multiplier effects*. Flow-on effects are disaggregated by industry with the top 10 industries shown separately in Table 5-1. Capital expenditures are assumed to be the same as depreciation (i.e. sustaining the capital stock) which may or may not be the case in a given year but is a reasonable assumption in the long-run. Economic contribution of capital expenditure should, therefore, be interpreted as a long-run average.

Table 5-1 presents the estimated economic contribution of the East Coast Trawl fishery to Queensland in 2019/20.

Table 5-1 Economic contribution of the East Coast Trawl Fishery to Queensland in the 2019/20 financial year

Sector	Output (\$m)	Gross State Product (\$m)	Household Income (\$m)	Employment (fte)	Employment (total)
Direct					
Fishing	95.0	44.2	27.1	686	786
Other direct					
CAPEX	6.1	2.9	2.1	34	36
Processing	66.6	15.6	7.1	176	166
Total Direct	167.7	62.8	36.3	897	989
Flow-on					
Retail Trade	12.1	7.3	5.3	109	127
Personal & Other Services	12.8	7.3	6.6	101	105
Admin Support Services	7.0	4.6	4.4	71	72
Professional, Scientific & Technical Services	11.2	6.1	5.9	62	58
Construction Services	13.8	5.0	4.8	49	44
Health & Community Services	5.5	3.8	3.6	46	52
Food & Beverage Services	4.6	2.5	1.8	44	58
Education & Training	4.7	3.2	2.9	42	44
Wholesale Trade	7.6	4.3	3.3	40	35
Insurance & Other Financial Services	9.8	4.6	2.9	34	32
Other Sectors	74.8	38.8	11.7	128	118
Total Flow-on	163.9	87.4	53.2	728	745
Total Contribution	331.6	150.1	89.5	1,625	1,734

Source: BDO EconSearch analysis

Value of Output (Direct)

The value of fishing activity output at beach price (also known as GVP) generated directly in the East Coast Trawl fishery was \$95.0m in 2019/20 (Table 5-1).

Employment

The East Coast Trawl fishery directly employed 686 fte jobs in 2019/20 in the activity of fishing. Associated processing of catch and capital expenditure by fishing businesses supported additional employment of around 211 fte jobs.

Flow-on business activity was estimated to support a further 728 fte jobs in 2019/20 state-wide. These jobs were spread across a range of industries.

Total direct and flow-on employment contribution by the East Coast Trawl fishery to Queensland was estimated to be 1,625 fte jobs in 2019/20 (Table 5-1).

Household Income

Estimated household income of \$27.1m was directly earned in 2019/20 in the East Coast Trawl fishery through employee wages and estimated drawings by owner/operators. Associated processing of catch and capital expenditure by fishing businesses generated an estimated additional \$9.2m in household income.

Flow-on business activity was estimated to support a further \$53.2m of household income in 2019/20 state-wide.

Total direct and flow-on household income contribution by the East Coast Trawl fishery in Queensland was estimated to be \$89.5m in 2019/20 (Table 5-1).

Gross State Product

Contribution to gross state product is measured as value of output less the cost of goods and services (including imports but excluding wages) used in producing the output. Estimated gross state product of \$44.2m was produced in 2019/20 directly through fishing activity in the East Coast Trawl fishery. Associated processing of catch and capital expenditure by fishing businesses generated an estimated additional \$18.6m in gross state product.

Flow-on business activity was estimated to support a further \$87.4m of gross state product in 2019/20 state-wide.

Total direct and flow-on contribution by the East Coast Trawl fishery to Queensland was estimated to be \$150.1m in 2019/20 (Table 5-1).

5.2. Economic Contribution to Regions of Queensland

Table 5-2 presents the estimated economic contribution of the East Coast Trawl fishery to regions of Queensland in 2019/20. Direct activity includes fishing, capital and processing activity. In terms of fte employment including all flow-on effects, the largest contributions of the East Coast Trawl fishery were to South East (1,106 fte jobs) and Wide Bay Burnett (263 fte jobs).

Table 5-2 Economic contribution of the East Coast Trawl fishery to major regions of Queensland in the 2019/20 financial year

Region	Output (\$m)	Gross Regional Product (\$m)	Household Income (\$m)	Employment (fte)	Employment (total)
Direct					
Cape York Peninsula	2.8	1.0	0.6	18	23
Wet Tropics	4.6	2.0	1.2	30	38
Dry Tropics	1.8	0.7	0.4	11	11
Mackay, Isaac and Whitsunday	3.4	1.5	0.8	20	23
Fitzroy	23.2	8.4	4.2	99	89
Wide Bay Burnett	31.4	9.8	5.3	144	144
South East	100.4	39.2	23.7	576	661
Queensland ^a	167.7	62.8	36.3	897	989
Flow-On					
Cape York Peninsula	1.4	0.8	0.5	7	7
Wet Tropics	4.5	2.4	1.5	22	23
Dry Tropics	1.6	0.9	0.5	7	8
Mackay, Isaac and Whitsunday	2.7	1.4	0.8	12	12
Fitzroy	14.5	7.4	3.8	55	56
Wide Bay Burnett	25.2	13.4	8.5	120	122
South East	119.4	62.8	38.0	531	540
Queensland ^a	163.9	87.4	53.2	728	745
Total					
Cape York Peninsula	4.2	1.8	1.1	25	30
Wet Tropics	9.1	4.4	2.7	52	61
Dry Tropics	3.4	1.6	1.0	18	19
Mackay, Isaac and Whitsunday	6.0	2.9	1.7	32	35
Fitzroy	37.7	15.8	8.0	154	145
Wide Bay Burnett	56.6	23.2	13.8	263	265
South East	219.8	102.0	61.8	1,106	1,201
Queensland ^a	331.6	150.1	89.5	1,625	1,734

^a Flow-on and total contributions for Queensland do not equal the sum of regions as separate regional economic models were used to model the flow-on effects within each individual region so inter-regional flow-on effects are included in the Queensland results, but not the regional results. There may also be discrepancies in direct, flow-on and total contributions due to rounding and maintaining confidentiality.

Source: BDO EconSearch analysis

6. NET ECONOMIC RETURN

Net economic return is the long-run profit from a fishery after all costs have been met, including compensation for unpaid labour (e.g. unpaid work by family members and owners), subsidised fishery management costs, depreciation and the opportunity cost of capital (excluding endorsement) (Bath et al. 2018). These unit costs or long-term costs all need to be covered if the fishing business is to remain viable in the fishery. The opportunity cost of capital is equivalent to what the business' investment could have earned in the next most similar alternative use considering risk and skills required. What remains after the value of these inputs (labour, capital, materials and services) has been netted out is the net economic return. The value of endorsements is excluded from the opportunity cost of capital as this (access to the fishery) is the asset that net economic return seeks to estimate the net return to.

Commercial fishing operations in Australia are not risk free. Returns can be impacted both positively and negatively by factors such as natural events, changes in market conditions, disease, and management regulations. Determining the opportunity cost of capital involves an assessment of the degree of financial risk involved in the activity. For a risk-free operation, an appropriate opportunity cost of capital might be the long-term real rate of return on government bonds. The greater the risks involved, the greater is the necessary return on capital to justify the investment in that particular activity. For this analysis an opportunity cost of capital of 10 per cent has been used with sensitivity analysis at 7 and 15 per cent. The lower-bound is consistent with ABARES Australian fisheries economic indicator reporting for commonwealth managed fisheries (Bath et al. 2018). Commonwealth managed fisheries are generally larger and characterised by larger businesses with less overall variation than state managed inshore fisheries. This is why the 7 per cent used by ABARES is used as a lower-bound in this analysis. The upper-bound of 15 per cent represents a reasonable estimate for what an investor might expect when buying into a commercial fishery in Queensland, given the variability and risk involved in this type of fishing business.

The net economic return results are presented in Table 6-1. Assuming an opportunity cost of capital of 10 per cent, net economic return generated in the East Coast Trawl fishery was estimated to be \$-21.16m in the 2019/20 financial year.

Table 6-1 Net Economic Return of the East Coast Trawl fishery in the 2019/20 financial year assuming a 10% opportunity cost of capital

	Value (\$m)
Gross Value of Production (GVP)	95.01
Less Labour Costs	27.08
Less Materials & Services	61.25
Less Management Costs	1.92
Less Depreciation	14.35
Less Opportunity Cost of Capital (10%)	11.56
Net Economic Return	-21.16

Source: BDO EconSearch analysis

The sensitivity analysis in Table 6-2 shows that, with the varying assumptions about opportunity cost of capital, net economic return was likely in the range of \$-26.94m to \$-17.69m.

Table 6-2 Sensitivity of Net Economic Return

Opportunity Cost of Capital (%)	7%	10%	15%
Less Opportunity Cost of Capital (\$m)	8.09	11.56	17.33
Net Economic Return (\$m)	-17.69	-21.16	-26.94

Source: BDO EconSearch analysis

7. DEMOGRAPHICS

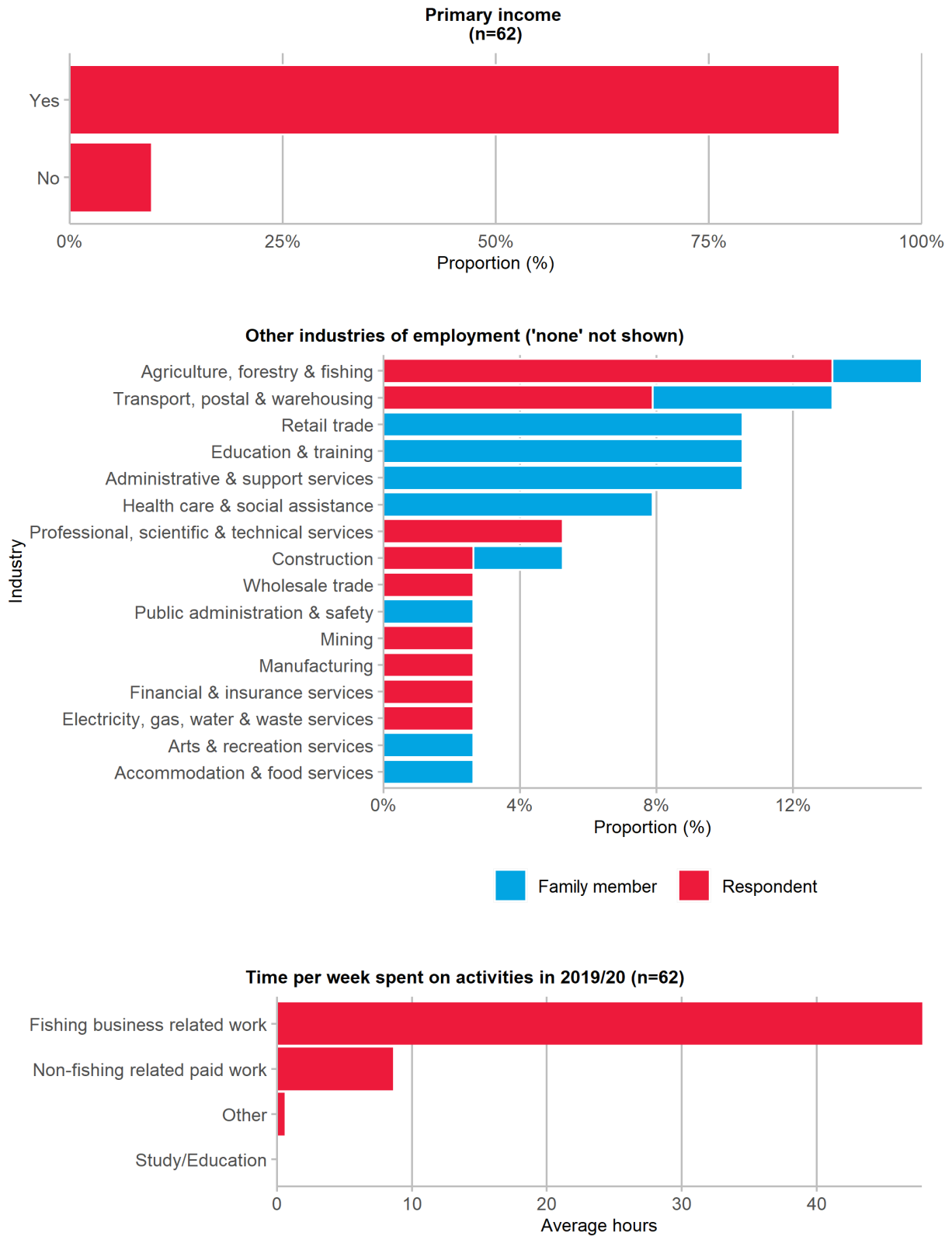
Figure 7-1 and Figure 7-2 present a demographic profile of fishers who responded to the survey and accessed the East Coast Trawl fishery in Queensland in the 2019/20 financial year. These are raw sample data and have not been expanded to the fishery.

Figure 7-1 Demographic profile of the East Coast Trawl fishery in the 2019/20 financial year - part 1



Source: BDO EconSearch analysis

Figure 7-2 Demographic profile of the East Coast Trawl fishery in the 2019/20 financial year - part 2



Source: BDO EconSearch analysis

8. SOCIAL INDICATORS

Fishers may derive non-financial benefits or costs from the East Coast Trawl fishery and may contribute to the community in different ways. This section presents a series of social indicators including:

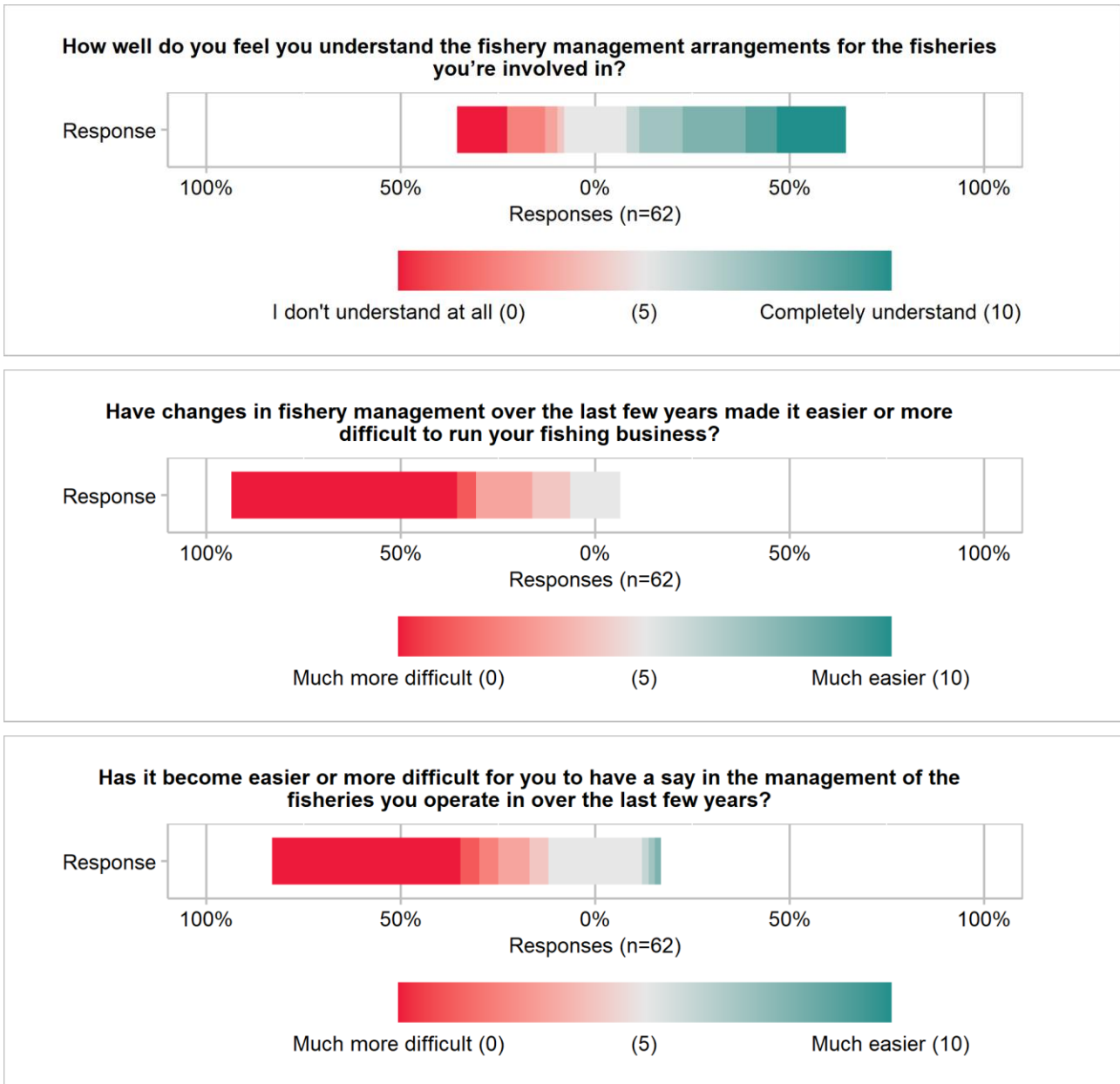
- Perceptions of management
- Lifestyle, satisfaction and personal wellbeing
- Community contribution.

8.1. Perceptions of Management

Figure 8-1 presents fishers' perceptions of different aspects of fishery management and participation in management.

High levels of stewardship amongst fishers are associated with a good understanding of the rules and regulations that apply to fishing activities and ease of compliance. Figure 8-1 shows that just over half of fishers who access the East Coast Trawl fishery feel that they understand the fishery management arrangements for the fisheries they are involved in. However, there was near unanimous agreement that changes in fishery management in the last few years have made it more difficult to run their business and around three quarters feel that it has become more difficult to have a say in management. Overall, this suggests that fishers who access the East Coast Trawl fishery perceive fishery management to be difficult to comply with and have a say in and may be associated with higher costs of management and compliance activities.

Figure 8-1 Perceptions of fishery management in the East Coast Trawl fishery (2019/20 financial year)



Source: BDO EconSearch analysis

8.2. Lifestyle, Satisfaction and Personal Wellbeing

Figure 8-2 to Figure 8-3 present indicators of satisfaction and wellbeing and the social costs and benefits of being a commercial fisher. Fishers may derive non-financial benefits or costs from the East Coast Trawl fishery. Figure 8-4 presents the perceptions of fishers about these benefits and costs.

Figure 8-2 shows that fishers who access the East Coast Trawl fishery were satisfied with many aspects of being a commercial fisher, particularly being on the water. However, a majority of respondents were dissatisfied with current fishing regulations and the predictability of their income.

Figure 8-4 shows that there was strong agreement amongst fishers who access the East Coast Trawl fishery that fishing is an important aspect of their lives and lifestyle. Around three quarters indicated that, if given the opportunity, they would not choose to do a different job. There was also strong agreement that commercial fishing is a rewarding job that makes fishers feel that they are doing something worthwhile.

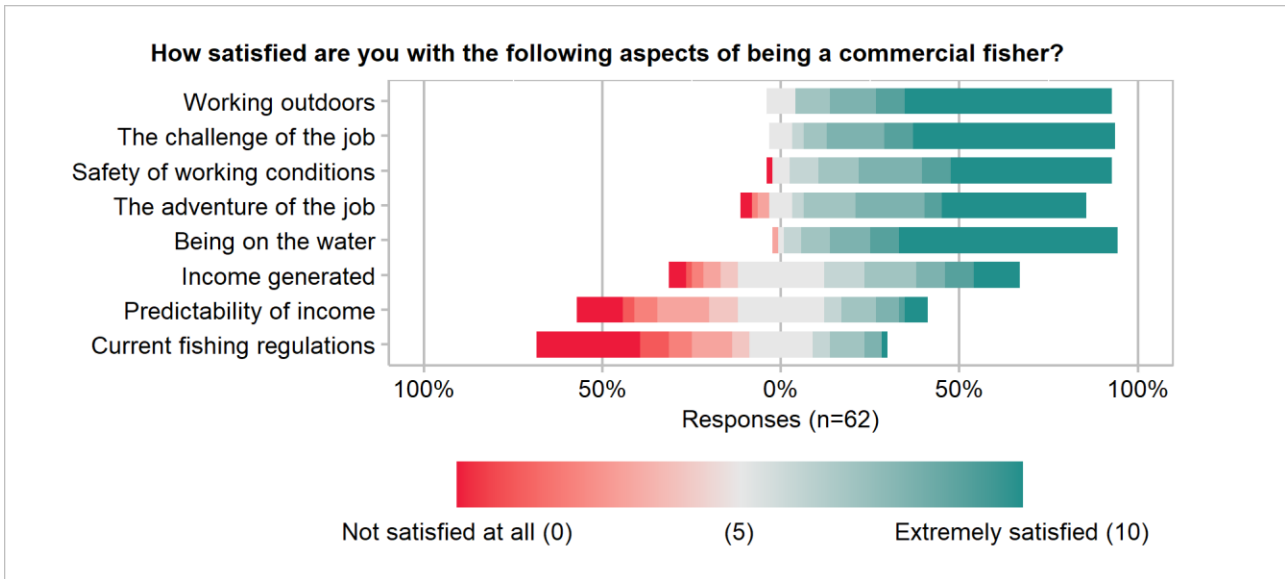
Figure 8-4 also shows that there was strong agreement amongst fishers who access the East Coast Trawl fishery that commercial fishing is financially risky and insecure. There was also near unanimous agreement amongst respondents that it is stressful to be a commercial fisher, though over half also feel that because of commercial fishing they have a good quality of life. Over half of respondents indicated that they are unable to cope with changes to fisheries regulations. Importantly, over half of respondents indicated that being a commercial fisher has negative mental health impacts on them and that they do not feel secure in their job.

Figure 8-3 shows that fishers who access the East Coast Trawl fishery indicated that they had high levels of personal wellbeing across most PWI domains. However, almost half indicated that they were dissatisfied with their future security. This mirrors the overall pattern across QLD commercial fisheries. The Personal Wellbeing Index (PWI) is a validated measure of wellbeing with established benchmarks that are useful for comparing between groups. A higher PWI means higher subjective wellbeing. It is calculated from the data presented in Figure 8-2 though the charts themselves also provide useful information about the levels of different domains of wellbeing for fishers that access the East Coast Trawl fishery. The PWI for the East Coast Trawl fishery is compared against the average for Australia, Queensland and regional Queensland, as reported in the Regional Wellbeing Survey (Health Research Institute 2020), below:

- Australia: 70.4
- Queensland: 69.2
- Regional Queensland: 71.5
- East Coast Trawl fishery: 71.1.

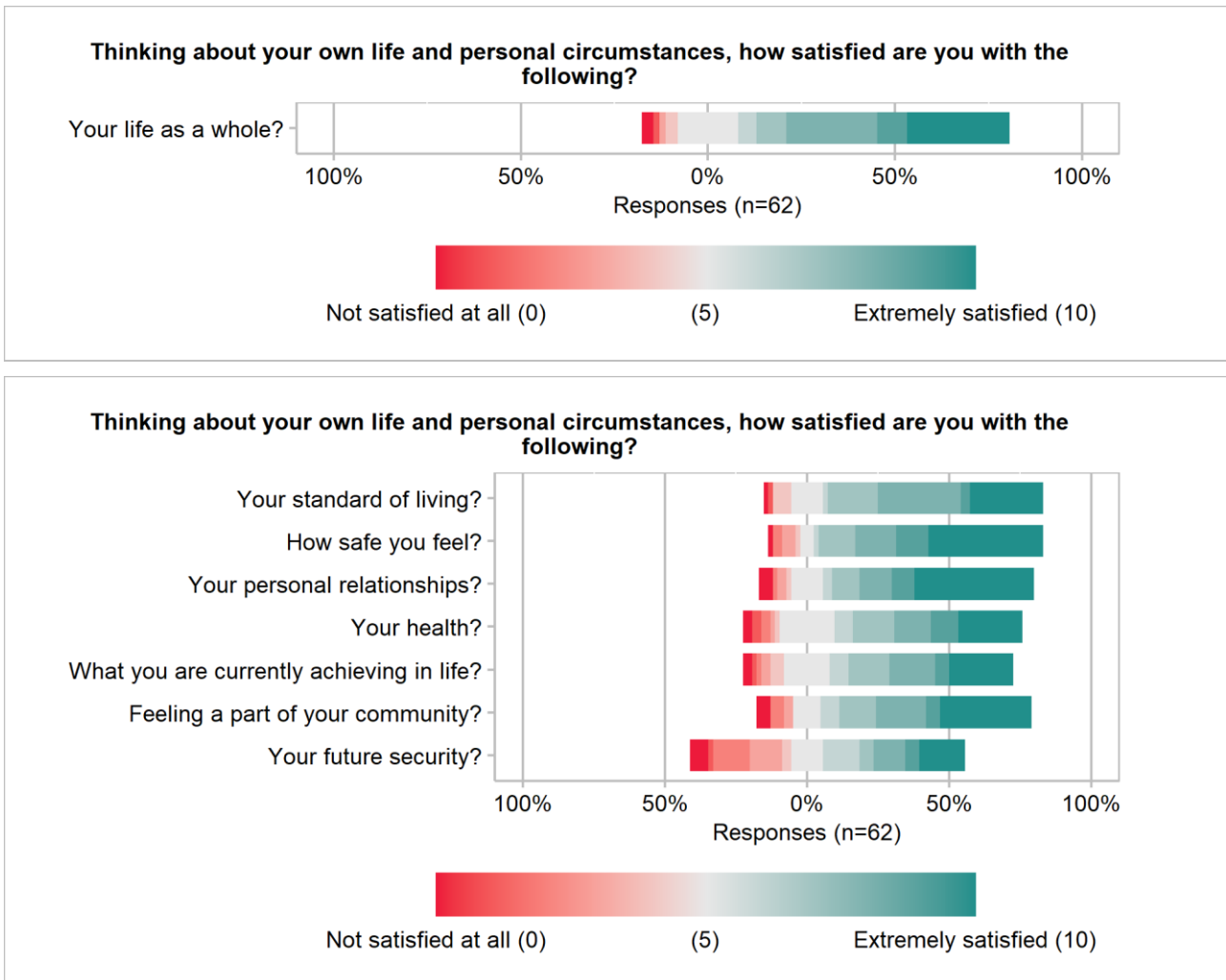
Overall, these results indicate that fishing activities are making a significant, positive contribution to the overall satisfaction and personal wellbeing of fishers that access the East Coast Trawl fishery. However, they also indicate that although fishers who access the East Coast Trawl fishery enjoy their role as commercial fishers, the uncertainty around regulations and their income and job security has a negative impact on their wellbeing.

Figure 8-2 Satisfaction in the East Coast Trawl fishery (2019/20 financial year)



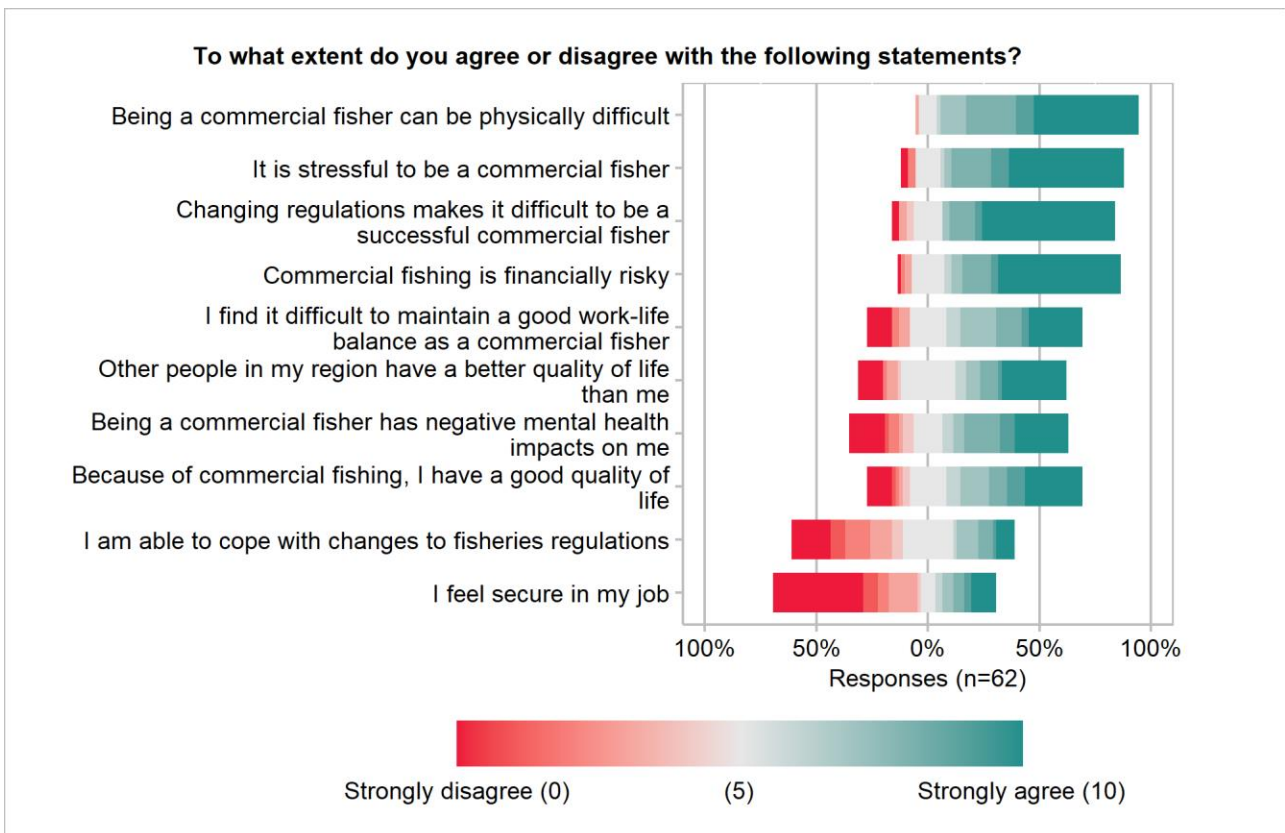
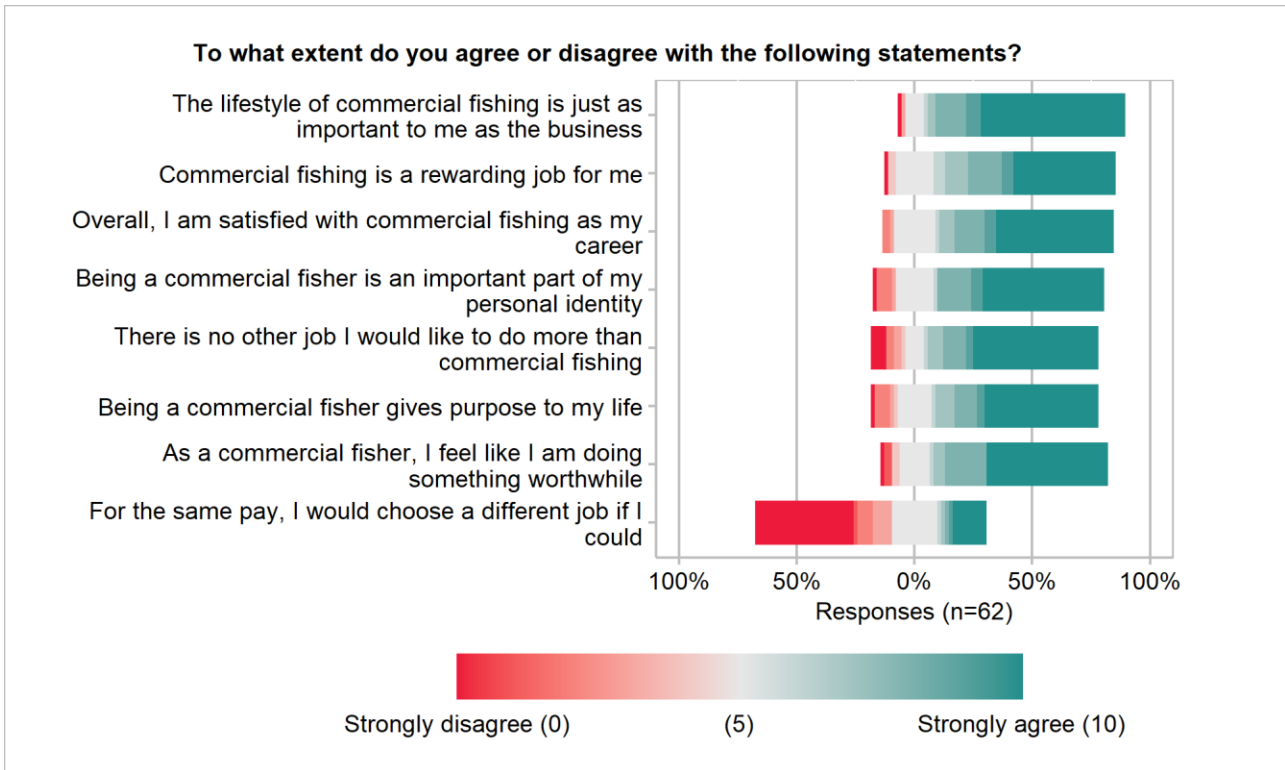
Source: BDO EconSearch analysis

Figure 8-3 Personal wellbeing in the East Coast Trawl fishery (2019/20 financial year)



Source: BDO EconSearch analysis

Figure 8-4 Social costs and benefits to wellbeing in the East Coast Trawl fishery (2019/20 financial year)



Source: BDO EconSearch analysis

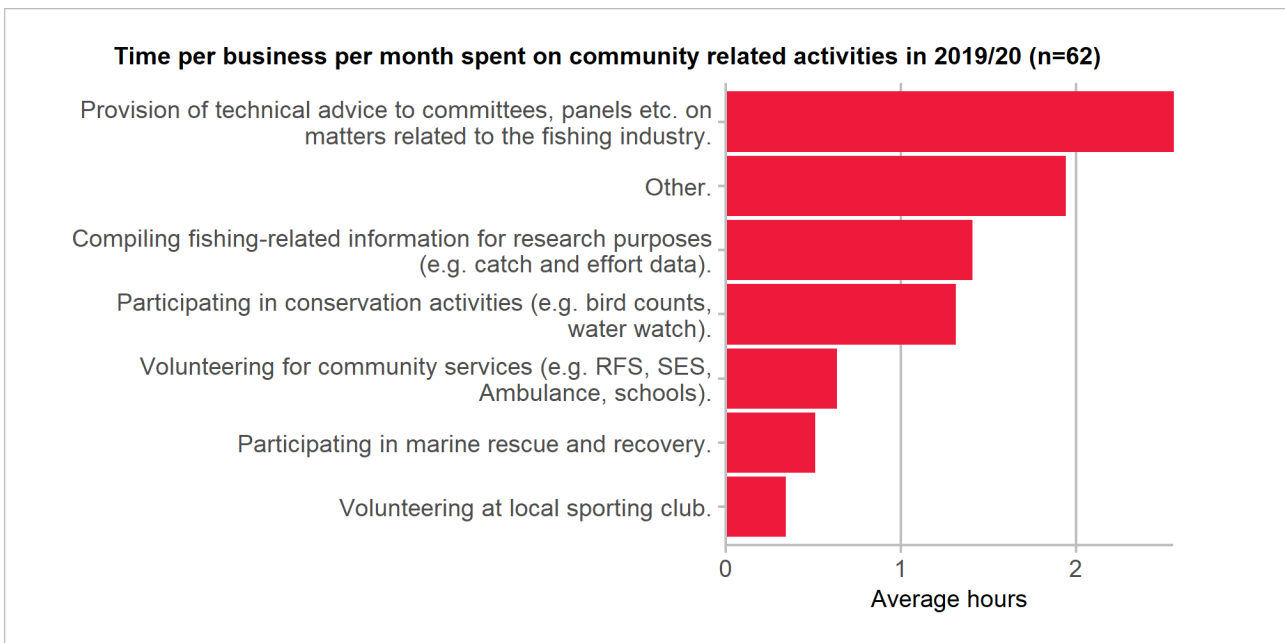
8.3. Community Contribution

Figure 8-5 and Figure 8-6 presents the perceptions of fishers community connectedness and contribution.

Around three quarters of fishers who access the East Coast Trawl fishery indicated that it was important to them to continue the tradition of commercial fishing. However, a similar proportion also indicated that they did not feel positive about the future of commercial fishing in their region and over half indicated that they would not encourage young people to choose commercial fishing as a career.

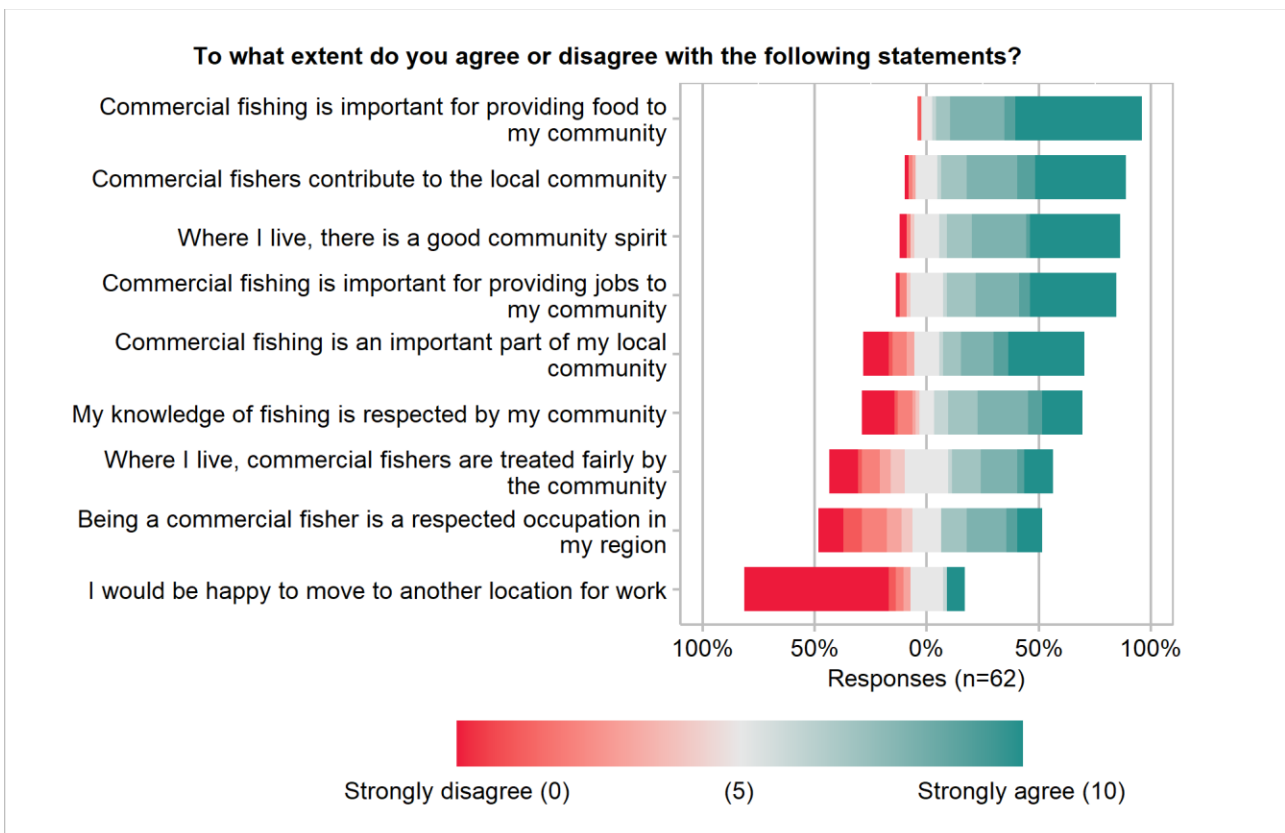
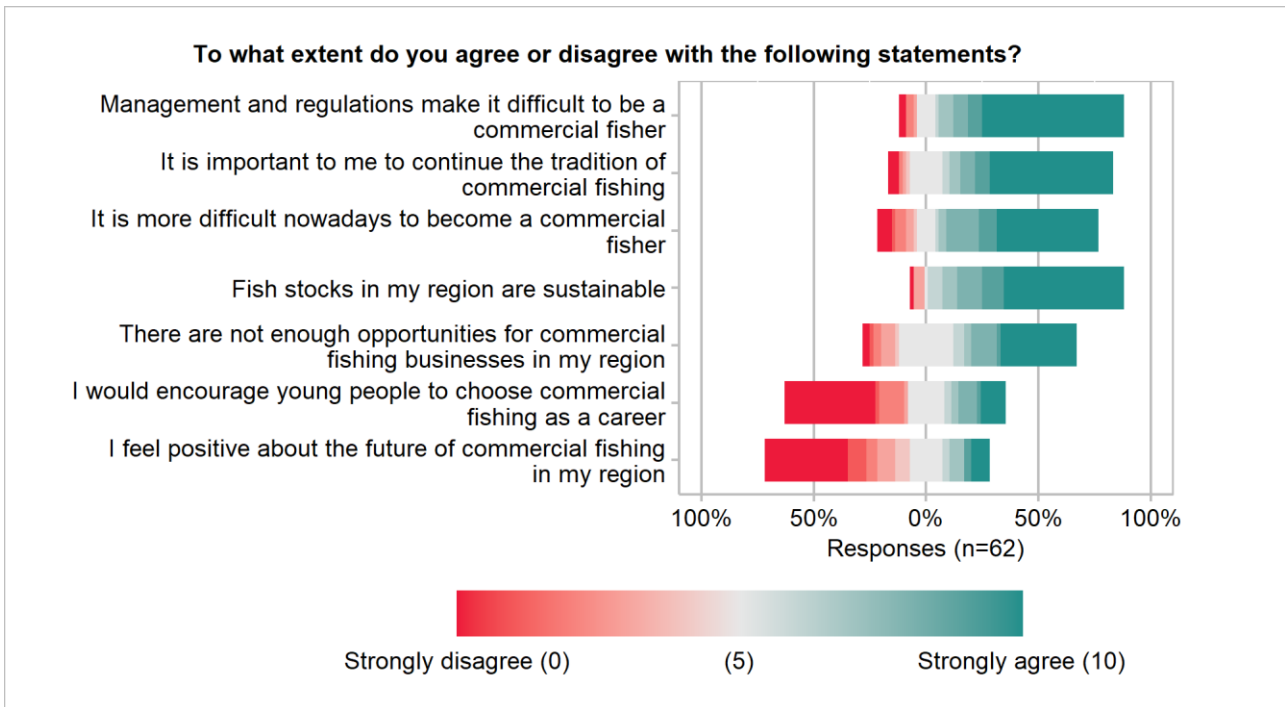
Fishers who access the East Coast Trawl fishery indicated that they make a contribution to the community. The main area of this contribution was an average of approximately 2.5hrs per month spent providing technical advice related to the fishing industry (Figure 8-5).

Figure 8-5 Community contribution by fishing businesses in the East Coast Trawl fishery (2019/20 financial year)



Source: BDO EconSearch analysis

Figure 8-6 Perceptions of community connectedness in the East Coast Trawl fishery (2019/20 financial year)



Source: BDO EconSearch analysis

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The nature and scope of work has been determined by agreement between BDO and the Client. This consulting engagement does not meet the definition of an assurance engagement as defined in the 'Framework for Assurance Engagements', issued by the Auditing and Assurances Standards Board, Section 10.

Except as otherwise noted in this report, we have not performed any testing on the information provided to confirm its completeness and accuracy. Accordingly, we do not express such an audit opinion and readers of the report should draw their own conclusions from the results of the review, based on the scope, agreed-upon procedures carried out and findings.



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