How many jobs are generated by the Tasmanian salmon industry?

It depends on who you ask.

If you rely on official data provided by the industry to the Department of Primary Industry, Parks, Water and Environment, there were 1,734 full-time equivalent Tasmanian employees directly employed, and 199 casual jobs, in 2020-21. Supposing these casual employees work half-time, this gives 1,834 full time equivalent jobs.

As noted by DPIPWE, direct employment also generates indirect employment which also needs to be considered. Producers of feed for the fish, construction of pens and the like. Fortunately, the IMAS report quoted by the incoming CEO of the Tasmanian Salmon Growers Association, Sue Grau, provides the so-called ‘multiplier’ used to estimate the size of this indirect effect. The IMAS multiplier for Tasmanian salmon aquaculture is 2.86.

Using this multiplier, which is widely recognised by economists as providing an overestimate, yields a figure of at most 5,250 Tasmanian jobs supported by the Tasmanian salmon industry.

That’s a long way short of the 12,000 jobs on the TSGA website, and the 11,000 jobs claimed recently by Ms Grau.

Why the discrepancy between these two estimates? Which is the more relevant estimate?

It is possible that Ms Grau’s estimate is based on total employment by the three Tasmanian salmon producers. But these companies have significant numbers of employees outside Tasmania, and should not be counted in Tasmanian totals.

Tassal, for instance, has three prawn farms in New South Wales and Queensland, in addition to a filleting, processing and packaging plant in Sydney. Huon aquaculture has similar plants in Sydney and Western Australia, as well as offices in mainland cities.

Ms Grau’s estimate of employment growth since the 2019 IMAS report also appears to rely on the growth in payrolls. This growth fail to distinguish between Tasmanian and external employment. It also neglects the effect of rises in wage rates and the change to the superannuation guarantee.

So her estimate of more than 3,000 full time employees, with 11,000 after taking account of indirect effects, seems wide of the mark. Official data yields an estimate which is at most half that.

This is not to assert that jobs in the industry are insignificant. But it does not help the cause of the TSGA to continually exaggerate their importance to the Tasmanian economy.

Dr Graeme Wells is principal of Wells Economic Analysis. He was formerly Associate Professor of Economics at the University of Tasmania