

PRACTITIONER SUMMARY II

ETHICS, VALUES AND SOCIAL LICENCE IN THE BLUE ECONOMY

Tasmanian Blue Economy: Salmon Aquaculture

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Introduction

This Practitioner Summary explains the general concept of ‘integrity systems’, outlines the integrity system for Tasmanian salmon aquaculture, and explores the system’s capabilities and vulnerabilities in terms of its capacity to deliver on its values, and secure widespread trust. It looks at what initiatives have worked well, and what challenges have emerged.

Tasmania possesses many marine industries, some large, some small, some well-established, and others emerging. These include marine tourism (especially ecotourism), commercial fishing, shipping, sailing (including the famous ‘Sydney to Hobart’ yacht race), and aquaculture of many types, particularly oysters, abalone, crayfish, seaweeds, and fin fish. The marine space is also a dynamic environment, and may in future include new marine industries, such as offshore renewable energy operations.

As well as these commercial operations, many Tasmanians enjoy recreational boating and fishing (including setting craypots and diving for scallops), and other coastal recreation activities like swimming and surfing.

Each type of Blue Economy operation will have distinct integrity system components, as well as a large number that are shared across multiple industries. This Practitioner Summary focuses specifically on Tasmania’s salmon aquaculture industry.

Salmon aquaculture is one of the state’s largest marine industries, raising the most visible and challenging environmental, ethical, and social licence issues.

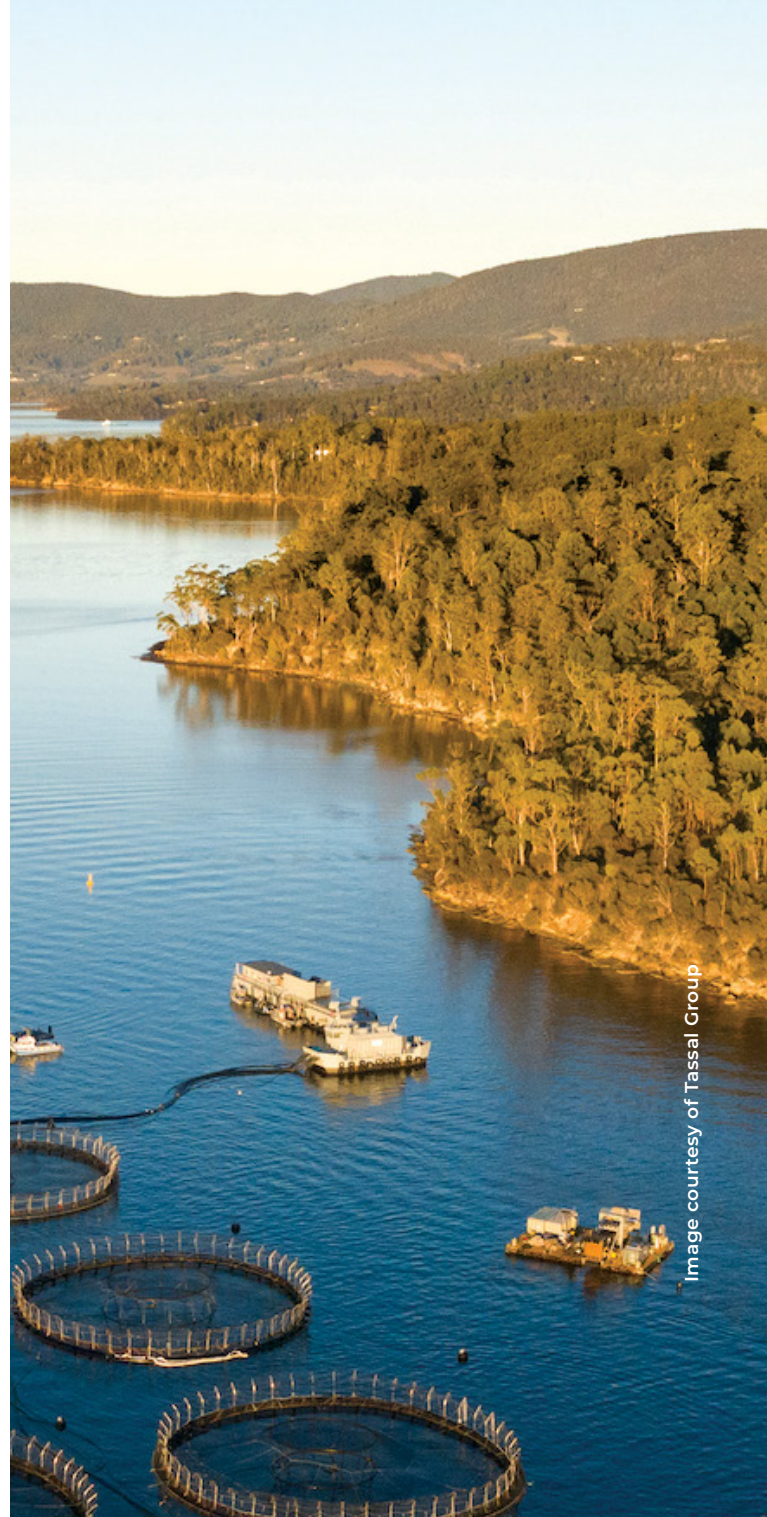



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Key Takeaways

- △ **Blue Economy ethics extends beyond economic and environment concerns to less ‘tangible’ wellbeing and social values.**
- △ **Industry legitimacy is founded on the Blue Economy ‘integrity system’. Actions that undermine the perceived independence of governance institutions can impact community trust.**
- △ **Effective communication requires the cultivation of trusted experts and close engagement with the community’s social, cultural and environmental values.**



Taken at its highest value, salmon aquaculture is an industry that promises to enhance Tasmania’s reputation as a producer of high-quality produce, to deliver social benefits by way of regional jobs and economic growth, and to deliver ‘food security’ benefits through sustainable fish farming industry.

However, the potential benefits are closely tied to potential harms. For example, while environmental sustainability is one of the purported benefits, biosecurity risks and environmental harm are a key concern for many stakeholders.

With the establishment of the first controlled salmon hatcheries in the mid-1980s, the dominant early narrative of Tasmanian aquaculture was largely positive (Condie, 2022). The past decade has seen a change in how the industry is perceived, with increasing tension and mistrust, stakeholder polarisation, and claims that the industry has lost its social licence to operate.

Tasmanian Blue Economy: Integrity Systems

This section considers how a robust integrity system can facilitate trust, accountability and the achievement of key ethical values.

An ‘integrity system’ is a mutually supportive network of ethical standards, legal norms, institutions, and incentive structures that work together to facilitate publicly stated values, and limit temptations and opportunities for wrongdoing (Sampford et al. 2005). An integrity system has:

- △ **Multiple levers** to influence human behaviour, including economic incentives, legal rules, organisational design, and ethical norms.
- △ **Multiple institutions**, including independent regulators, certifiers, journalistic news media, democratic elections, NGOs and activist bodies, scientists, and professionals.
- △ **Holistic interaction** between the institutions, ideally making them mutually supportive when each plays their appropriate role, and mutually checking when corrupt, unlawful or unethical action occurs.

In any given integrity system, some components will be working well, and contributing to the delivery of its values. Other components will work less well, and may undermine those values. Integrity system reforms aim at improving struggling elements, strengthening successful elements and, especially, linking them.

Figure 1 illustrates the main components of a typical Blue Economy integrity system, with the many elements interacting to together influence Blue Economy industries' behaviour and the resulting marine environment impacts and other outcomes.

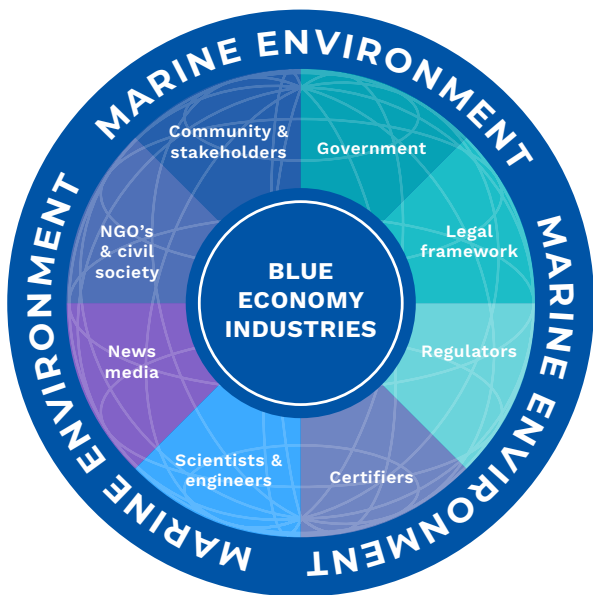


Figure 1: Blue Economy integrity system components

Influence between the different actors may vary in strength, direction and nature at any given point.

When people make judgements about a particular operator's acceptability, they may sensibly focus on that operator's actions and impacts. In many industries however, judgments about legitimacy are based holistically on the perceived well-functioning of the larger integrity system. If it is an area where government, regulators, certifiers, scientists, and media are all clearly playing their appropriate roles, then people have reason to accept the legitimacy of operations occurring within that larger system. If wrongdoing occurs, the community knows there are many ways it can be exposed, sanctioned, and reversed.



Integrity systems for new industries will often experience a period of trial and uncertainty as the new space and challenges are negotiated. New policies or governance methods (such as certification by independent bodies) may need to be introduced.

The Need for Independent Actors

A crucial ingredient in whether the various institutions can play their role is their level of independence from each other.

When several institutions are, or are perceived to be, captured or controlled, then the system no longer merits trust. If an operator's legitimacy collapses, then the crisis is serious, because the operator can no longer appeal to the trustworthiness of other institutions—government, scientists, certifiers—as independent sources of oversight and evidence.

To some extent, this occurred in the Tasmanian aquaculture integrity system, beginning in 2014-15, where community concerns began to surround the functioning of government agencies and certifiers.

For example, the industry led the way in efforts at international environmental certification, with Tassal becoming the world's first aquaculture operator with Aquaculture Stewardship certification in 2014. Such certification can fill important integrity system gaps, allowing industry operations to go beyond minimum regulatory requirements, and to meet independently assessed standards.

However, achieving such benefits requires that certifiers themselves are committed to the system's values, possess legitimacy and retain their independence. The 2016 Four Corners exposé *Big Fish* challenged the credibility of environmental certifiers (Bleakley 2020). The payment of required certification fees by industry to the certifying bodies and conflicting narratives with respect to environmental

impact, questioned whether certifiers remained appropriately independent from industry, and whether their standards were appropriately enforced. In 2024, this issue re-emerged, with environmental certifiers being challenged to justify their standards given the risks posed to the Maugean skate in Macquarie Harbour.

Governments may also be placed in an awkward 'dual role' as both industry regulators and promoters (Bossi, 2023). The Four Corners report alleged government actors tried to stifle aquaculture companies' environmental concerns, insisting they shouldn't 'break ranks' with the industry.

These media reports damaged the industry's legitimacy because they imply the integrity system is failing to achieve the necessary levels of independence and transparency to render it trustworthy.

Raising the industry's social standing may thus require focus not only on the industry itself, but on the posture, independence, and capability of key integrity system institutions.



Industry Values

An effective integrity system includes the values and ethical principles of the component actors. These make a material difference to system outcomes.

Public discourse often focuses on industry wrongdoing. This reductive framing can fail to capture the commitments and challenges of industry operators embedding ethical values in their work.

Many industry practitioners have pride in their industry bringing positioned as international best-practice operators. They laud its problem-solving capabilities, including initiatives such as Broadscale Environmental Operating Programs (BEMPs).

Other invoked ethical values include (BECRC 2022):

- △ Pride in the industry & potential to solve problems
- △ Employee safety and wellbeing
- △ Honesty and accountability
- △ Animal welfare
- △ Practicing sustainability commensurate with environmental custodianship
- △ Knowledge building and innovation
- △ Importance of science and facts
- △ Being an active part of the community.

Industry operators also noted several factors that frustrated their efforts to build trusting relationships with community (BECRC 2022):

- △ Wilful misrepresentation from community groups and concerns with noisy minorities, especially ‘tree changers’ (people moving to rural areas from urban centres).
- △ Unwillingness of scientists to speak publicly about their research (including when it supports industry operations), acknowledging the perception that some scientists may be ‘in the pocket’ of industry.
- △ The challenges in providing information and monitoring reports in a form useful to the community, and in being recognised for their many years of grassroots and community involvement.

Social and Cultural Values

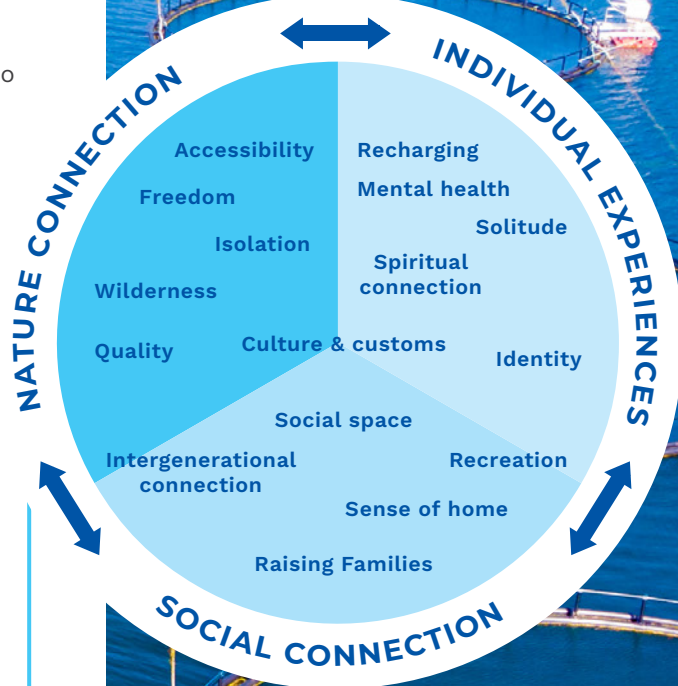
Communities' social and cultural values also impact on the integrity system. Disconnects between actors and stakeholders can stem from what is valued and how it is valued.

Compared to economic benefit or environmental sustainability, less tangible values may be overlooked (Alexander et al. 2022; Fudge et al 2023). **Figure 2** lists some of the factors that inform subjective and relational domains of wellbeing (Fudge et al 2023).

Unfortunately, despite their importance, these needs may be difficult to articulate, and hard to quantify.

Figure 2: Elements of wellbeing, sense of place and connection with marine and coastal spaces (developed from Fudge et al. 2023).

As such, meaningful stakeholder engagement requires more than communicating 'to' stakeholders on tangible markers such as environmental regulatory compliance and similar, but also engaging with what stakeholders believe is important. It can also include sharing stories about the positive impact they have in these domains of wellbeing.



Whilst the issues experienced in Tasmania have parallels with other aquaculture communities around the world, it has a unique set of social and cultural drivers.

In *Obstacles to progress: What's wrong with Tasmania, really?* West (2013) argues that while economic development is ostensibly a benefit to most communities, the unique economic conditions of the state mean that Tasmanian's income is largely independent of 'the performance of its private business'. If so, communities in Tasmania are uniquely positioned to prioritise other concerns, including wellbeing needs, even if this comes at the cost of economic development desired by other stakeholders.

Gauging Community Attitudes

Community attitudes can be challenging to gauge. Whilst media and newspaper coverage shapes how the conflict looks to outsiders, and can help define and frame issues, Tasmania's closeknit personal and social connections also play a role in developing attitudes and communicating information.

Clarity and standards in measuring, gauging, and reporting on community attitudes are important.

In their 2017 Tasmanian Salmonid Discussion Paper, Huon pointed to a 2013 survey that found that a high percentage of Tasmanians consider the aquaculture industry to be important.

More recent surveys, such as the 2021 Community Sentiment Tracking Research (Tasmanian Salmonid Growers Association) reported that 72% of respondents considered that the industry was important (with 60% citing job creation as the major reason). However 54% supported the industry, 18% opposed the industry and the balance was neutral or unsure.

This gap between acknowledged importance and support suggests that there is a need for agreed metrics when it comes to evaluating community perceptions, particularly as they relate to measuring community engagement, responsible practice, or social licence.

Ideally, conclusions about community attitudes should be drawn from a broader dialogue that includes multiple perspectives (Morrison, 2021).

Integrity system Components: First Nations Perspectives

As an integrity system component, First Nations peoples' perspectives are often considered alongside social licence to operate. Industry and government stakeholders consistently acknowledge the need to consider the perspective of First Nations people in Blue Economy operations.

The *Salmon Industry Plan* 'recognises the need to consider the views of, and opportunities for the Tasmanian Aboriginal people in relation to the salmon industry and related uses of Sea Country'. The extent, nature, efficacy and perceived value of this recognition varies.

Senior member and Sovereign Trawlwulwuy woman and Tasmanian Aboriginal Heritage Officer, Fiona Hamilton reflects on social licence (SLO) and the value of meaningful engagement with First Nations people (in Bossi, 2023): Kinship gives you the SLO. *Kinship is defined by the depth of relationship you have not only with other people but country. For non-First Nations people, that relationship can only be built by Aboriginal structures, and by that, I mean cultural structures. Ceremony, acknowledgment, participation on just terms, reciprocity, acting in the best interest of, sustainability, embedded within that kinship relationship.*

The traditional custodians' lack of voice has 'been a matter of great convenience to governments and industry groups who, by ignoring Aboriginal interests in marine environments, have been able to exploit the resources that we have always managed' (Dillon, 2006).





Dermott Smith observes that where there is a conflict of interests or rights, that historically, First Nations rights have always been forced to yield to more recently bestowed fishing rights.

Lyons (2023) identifies pathways to translate recognition into meaningful engagement and equitable outcomes, including:

- △ Acknowledging Indigenous Peoples' histories, cultures and pre-existing governance that includes rights, knowledge and interests;
- △ Meaningful participation in decision-making and governance processes; and
- △ Inclusive negotiation in the distribution of benefits, opportunities, and risks of decision processes and actions amongst interest groups and Indigenous Peoples.

Cultural licence to operate seeks to ensure that First Nations People's voices are properly considered.

The Blue Economy Cooperative Research Centre is itself a new institution in the integrity system, supporting scholarly research into important areas.

The project *5.20.006 Cultural Licence to Operate in the Blue Economy* addresses the challenges of 'shifting the industry sector from transactional participation through to transformational participation from authentic and relational foundations of consensus building alongside First Nation Peoples' (BECRC, 2023).

Strengthening the Integrity System

This Practitioner Summary focuses on the values at the heart of the integrity system. But much of the reform of the integrity system concentrates on its legal, institutional, and incentive structures.

The Tasmanian Salmon Industry Plan 2023 structures its plan around four priority outcomes that align with a healthy integrity system, these are:

- △ Sustainable industry
- △ Healthy ecosystems
- △ Prosperous communities
- △ Contemporary governance.

Based on experiences of the Tasmanian salmon aquaculture sector over the past twenty years or more, delivering these outcomes effectively, and nurturing a robust integrity system, require: effective communication and engagement; fit-for-purpose, independent governance and regulatory systems; and credible scientific engagement.

Effective Communication and Engagement

Long-term strategies for communication include:

- △ Engaging with, as well as reporting to, stakeholders in a dynamic and ongoing manner that responds to stakeholder needs and promotes marine literacy.
- △ Creating conditions that embrace radical transparency (Condie et al. 2022a), and using agreed upon impact and trust markers, supported by trusted information brokers.
- △ Empowering peak body organisations, such as Salmon Tasmania, to be effective conduits between industry and the community, facilitating knowledge sharing and responding to input.

Fit-for-Purpose Governance and Regulatory System

The role of representative government is to act in its citizens' interests. In many industries, 'social licence' is not an issue because government actors (including regulators, policy-makers and environmental protection agencies) are perceived to be playing their role. This government legitimacy then extends to the industries it governs.

When trust in integrity system governance weakens, this creates additional burdens for both industry and the community. Industry is required to identify and engage with a vast number of community stakeholders, often with complex needs, without a coordinated point of reference.

For community stakeholders, inadequate government representation leaves them vying for a voice to industry in a situation where they may struggle to articulate their needs effectively.

Fit-for-purpose governance includes (Condie et al., 2022c):

- △ Legitimate independent environmental monitoring
- △ Separation of powers between planning and regulatory functions
- △ Rigorous enforcement of regulations.

Scientific Engagement

Scientists, particularly those with Tasmanian specific expertise (Cullen-Knox, 2019), are sometimes not heard. Fit-for-purpose governance must facilitate the brokering of independent, credible scientific input irrespective of whether the findings are 'pro-' or 'anti-' industry.

The industry and government are aware of the important role of credible information brokers, identifying both independent science and science-based decisions in the Tasmanian Salmon Industry Plan 2023.

Conclusion

In recent years, the initially positive news story of the Tasmanian Blue Economy has been challenged, with social licence, social impact, and environmental impacts becoming major concerns.

However, attending to the reasons why trust in the industry—and the integrity system surrounding it—has been challenged suggest ways of responding constructively to ethical concerns and rebuilding trust in the salmon aquaculture integrity system.

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Further project research, including all four Practitioner Summaries, is available at <https://blueeconomycrc.com.au/project/ethics-values-and-social-licence-in-the-blue-economy/>



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