

The Recreational Fishing Alliance of NSW

“Promoting Sustainable Fishing”

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Not for Profit Sector
Productivity Commission
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Website: www.pc.gov.au (under 'Projects')
Monday, 18 May 2009

RE: SUBMISSION TO THE COMMISSION

The following submission is made in accordance with the directions of the Productivity Commission and is accompanied by the Associations' Business Plan. The Recreational Fishing Alliance of NSW Inc. is an Incorporated Association in NSW. The submission now follows the terms of reference set out in Contribution of the Not for Profit Sector Issues Paper. This response is authored by:

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Measuring the contribution of the not for profit sector

Workforce capabilities

The Committee of the Recreational Fishing Alliance of NSW Inc. is comprised of seven members and there are also six delegates from state based angling and spear-fishing associations. The Committee structure is based on the Model Rules for Incorporated Associations developed by the NSW Office of Fair Trading. The Committee has members who are private fulltime employment and members who are retired and volunteer a good deal of their time to the sport. A number of the members hold University Degree qualifications or higher and have extensive experience in fisheries/boating club management. By and large all are experienced via employment in the Public Sector or the Private Sector or both. While this mix is effective it is useful for the Productivity Commission to note that these people all hold a committee position or in some cases several committee positions in other Incorporated Angling Associations and or Government Agency Committees or Government Advisory Councils. So while the human capital component is very good it is stretched as it is difficult to attract volunteers due to the high work loads personal financial and family expense and zero remuneration. Members are only reimbursed for direct expenses such as printing and stationary (often donated) and not for ancillary expenses such

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as travel, vehicle depreciation and fuel. Given the coverage is NSW wide this is a contributing factor to recruitment difficulties due to the size of the State.

Evidence Based Policy

On page 12 of the issues paper it is stated that:

“This study aims to improve the evidence-base for policy and identify better ways of working with the sector.”

One of the difficulties the Productivity Commission faces is that information collation and submission is likely to cost not-for-profit agencies time and effort to collect, collate and submit. As an example, it could be that not-for-profit agencies were required by law to keep track of and report on the hours of volunteers each financial year in a table as follows:

The Recreational Fishing Alliance of NSW Inc

Notional Volunteer Hours

Position	Hours per week	Notional hourly rate	Annual value
President	35	\$ 40.00	\$ 72,800.00
Vice-President	36	\$ 40.00	\$ 74,880.00
Secretary	21	\$ 40.00	\$ 43,680.00
Treasurer	5	\$ 40.00	\$ 10,400.00
Committee members x 3	30	\$ 40.00	\$ 62,400.00
			\$264,160.00

However, not-for-profit organisations would, I believe, ask “what is in it for us to do so?” and “what will this information be used for?” So the Government should consider linking operational reporting compliance with funding so that there is a concrete benefit.

The Recreational Fishing Alliance of NSW Inc. operates mainly on a Project by Project basis. Projects are identified (e.g. Rock Fishing Safety), a proposal requesting funding is developed or a funding grant application is compiled, submitted and if successful, carried out, audited and reported on. The sources of funding include the Federal Government (DAFF), the NSW Government (Primary Industry) and the private Sector (e.g. SHIMANO AUSTRALIA PTY LTD.). In this way an agreed module of work is carried out by volunteers in The Recreational Fishing Alliance of NSW Inc. and its member organisations. Results are in most cases easily quantifiable (e.g. a specific number of life saving devices install on the ocean rocks or a web site developed - or a safety DVD developed) and can be reconciled back against grant expenditure and independently audited. It is unknown if these final reports make it to the National Accounts. In any case, there is no formal tracking requirement of volunteer hours on these projects so time spent by volunteers is unaccounted for. It would be possible to keep track of volunteer hours by time sheet and inputting this into a simple Excel spreadsheet (probably by the Association’s

Treasurer). However, what would The Recreational Fishing Alliance of NSW Inc. gain by tabulating and submitting such information?

The relevance of previous inquiries

Our Association is unaware of any previous inquiries into the sector so can not comment on this item.

Efficiency of not-for-profit organisations

Page 19 of the Issues Paper says:

“As noted above, the absence of a profit motive enables the pursuit of activities which, while valuable to the community, might not be undertaken by business. For many not for profit organisations, this willingness to act in the interests of the community, and the perception that they exist to ‘do good’, can have significant impacts on the contributions made by not for profit organisations. This additional value comes from the generation of trust, altruistic motives of volunteer workers (and often paid workers who earn less than their market wage), and enhanced organisational effectiveness driven by a focus on meeting the needs of users rather than maximising profits. Reflecting these features, survey data suggest that not for profit organisations are often viewed as more effective service providers than governments or business.”

The Recreational Fishing Alliance of NSW Inc. agrees that it would be possible for our Association to deliver project outcomes at lower cost than Government. The Recreational Fishing Alliance of NSW Inc. has the skills and a track record within the Committee and member organisations and executes numerous projects each year with a view to improving the outcomes for all recreational fishers in NSW particularly in regard to safety education and saving lives.

The value of not-for-profit organizations

The Recreational Fishing Alliance of NSW Inc. provides services to the fishing community based on previous history and records, management experience, or on a specific project by project basis. The Recreational Fishing Alliance of NSW Inc. also provides an advocacy role in policy that affects fishers either directly (e.g. Marine Parks and access to them by recreational fishers) and indirectly (e.g. commenting on possible biohazard impact of the desalination plant outfall and associated research and Agencies Plan of Management).

Most certainly the Recreational Fishing Alliance of NSW Inc. normally connects to the community across NSW through its member associations and the clubs that are affiliated with those associations. However as the RFA are now better known individual approaches from the community are now increasing seeking either assistance and or membership.

A conceptual framework for measuring the contribution of the sector

Input-Output analyses is probably the most effective way to compile data on the sector. As noted earlier, mandatory reporting of volunteer hours and association outputs could be achieved but this added reporting burden would have to be offset by

some incentive for not-for-profit associations to benefit. It could be possible for a software company such as MYOB to add this tracking as a module in its core General Ledger software and the Government could recommend the use of this software for tracking purposes.

However, as noted in the issues paper, many small not-for-profit associations may well not be incorporated and have chosen this structure (and its associated risks) to avoid the burden and costs of financial and statutory reporting. Small hotel based fishing clubs often fit into this model and as they do not report their finances or activities to anyone now, it is unlikely that they would do so in the future. This fact affects the accuracy and granularity of information for sector analysis and is further clouded when fishing is “rolled up” in the national accounts under “Culture and Recreation”.

The Recreational Fishing Alliance of NSW Inc. agrees that a conceptual framework is important and should be implemented so long as it is easy to understand and comply with and is low cost. Financial data is already provided by Incorporated Associations in NSW to the Department (Office) of Fair Trading on an annual basis. A way needs to be developed to categorised not-for-profits (in our case, main category = fishing, sub category = recreational, type = peak body) and so on. In this way the data can be calibrated and “rolled up” to show known activity within sports by category and further rolled up to a top level, NSW sport.

Capturing volunteer hours has been discussed above. Measuring outputs would also be difficult in non project based associations. As an example, input 300 volunteer hours per annum to run the local hotel fishing club, output = camaraderie and fun, the latter being ordinal rather than cardinal so it is difficult if not impossible to impute a dollar value to these outputs.

This is all “do able” but again, what would this information be used for? How would the collation of such information benefit the membership base and the wider community?

Uses of information on the contribution of the sector

On page 24 of the Issues Paper it is stated that:

“Over time, meta analysis of such studies can result in a rich picture of the sector and enhance understanding of how, where and why it delivers value to the community.

As noted in the terms of reference, improving the evidence-base for policy can lead to improved outcomes. A better understanding of how the sector contributes to community well-being can inform development of policy to remove impediments to, or support, the creation of value by not for profit organisations. Measures developed to capture the contribution of the sector can also be used to monitor the impact of policy decisions and, at the more direct end of the spectrum, to evaluate the delivery of services by the sector.”

First, “meta analysis” is defined as:

“In statistics, a meta-analysis combines the results of several studies that address a set of related research hypotheses. This is normally done by identification of a

common measure of effect size, which is modelled using a form of meta-regression. Resulting overall averages when controlling for study characteristics can be considered meta-effect sizes, which are more powerful estimates of the true effect size than those derived in a single study under a given single set of assumptions and conditions. [<http://en.wikipedia.org/wiki/Meta-analysis>]

It is likely that with incomplete data from unincorporated not-for-profit associations and combining results would leave a very muddy picture indeed. Contrast this against collecting data and giving incentives for associations to incorporate and report and I think the reader would find the latter far more accurate.

The Recreational Fishing Alliance of NSW Inc. has no measurement metrics to be able to gauge how effective the work of volunteers in fishing is in assisting in the development of policy. It has been obvious to the RFA that the State Government appreciate dealing with a Peak Fishing Group who are informed, offer constructive comment and input and enable Government to comply with their Legislative requirements of community consultation. Collectively the fishing community supports projects that are education focused, save lives, develop/train young people, educate the public, minimise impact to the environment, and help in supporting research projects undertaken by various levels of Government where the task involves activities relating to fishing/boating. Many RFA members sit on Government appointed committees and contribute towards policy based on stake holder input.

Ways of enhancing the efficiency and effectiveness of the sector

Burdens placed on associations by government

The Recreational Fishing Alliance of NSW Inc. has only had one less than useful experience with Government partnered projects. This involved a partnership between the Federal Government, the NSW State Government and The Recreational Fishing Alliance of NSW Inc. At the conclusion we are all friends but agreed that in future a single entity should run the project and the funding and responsibility of resources as required as per the agreed project plan. A number of grant applications are slow to conclude and to hand over final payment, the retention of which (usually 10%) until the completion of the project often leaves missed opportunities for economies of scale. As an example, production of the Rock Fishing Safety DVD was affected this way as The Recreational Fishing Alliance of NSW Inc. had to do two runs of production (one using 90% of funding and the other using the 10% when we got the funding in). This is “chicken and egg” accounting and not good economics. The Recreational Fishing Alliance of NSW Inc. would be pleased in future if 100% of grant funding was made available with the approval of the grant(s). This experience leads to better outcomes for further projects.

Attracting the human resources required

Page 26 of the Issues Paper states:

“Not for profit organisations are invited to comment on their experiences with attracting both paid and volunteer workers with the appropriate level of skills.”

The Recreational Fishing Alliance of NSW Inc. noted earlier in this response that its Committee and Delegates are also Committee members of other fishing organisations and in some cases this happens multiple times. It is indeed difficult to attract people to spend time and money (petrol, printing, stationary internet time and time away from their families) in the management of fishing associations and related matters such as time preparing submissions, business cases, PowerPoint presentations and the like. The work is endless and there are far too few people willing to volunteer. Family life at all levels has changed so much over recent decades. As examples, grandparents now find themselves child minders as their children and their partners both have to work to survive, weekends are no longer available as free time because gardening, shopping and other domestic duties were not carried out as the partner is working. The Global Financial Crises takes away any incentive to do work for free as people struggle with the business of survival. Time spent volunteering is time that could have been devoted to family time and this too is a disincentive for people, in particular those with children, those with elderly parents or those with disabled children who need a higher level of time and care.

It is essential to any organisation that it has strong and sound leadership, good financial management and sound policy development and implementation. The Recreational Fishing Alliance of NSW Inc. being a peak body has such skills and access to them in need through its affiliated associations. The Recreational Fishing Alliance of NSW Inc. notes that small fishing clubs with a more social aspect may not have such skills but the limited activity of such organisations may not require this level of skill set either as they rely and/or are linked to a parent club who accepts the majority of the financial and reporting responsibility.

Access to financial recourses

As previously noted, the Recreational Fishing Alliance of NSW Inc. operates on a project by project basis. Operational funding is provided by affiliates at a rate of \$200 per annum per full voting member. Some other small operational funds are raised directly as well. A year to date Profit and Loss follows. This illustrates how the Recreational Fishing Alliance of NSW Inc. funds have flowed since 1/7/2008. Money is taken in and spent as per project line items.

Income	
Sales	
Membership fees	\$3,720.00
NSW Government Grants	\$5,487.50
Miscellaneous Income	\$750.00
NSW Gov. Grant Future Leaders	\$23,978.36
Safety - Asian Angler Awareness	\$6,428.40
Total Income	\$40,364.26
Cost of Sales	
Gross Profit	\$40,364.26
Expenses	
Rec Fisher Production costs	\$477.14
Dues & Subscriptions	\$110.00
Meeting expenses	\$302.65
Computing costs	\$841.80
Office Supplies	\$105.01
Meeting Expenses	
Delegate Amenities	\$165.00
Total Meeting Expenses	\$165.00
Office of Fair Trading	\$45.00
Projects	
Fishing Safety	\$27,893.16
Rock Fishing Safety	\$18.60
Future Leaders	\$23,978.36
Total Expenses	\$53,936.72
Operating Profit	(\$13,572.46)
Other Income	
Other Expenses	
Bank fees	\$70.00
Total Other Expenses	\$70.00
Net Profit / (Loss)	(\$13,642.46)

Access to funds is primarily through Government grant applications. The Recreational Fishing Alliance of NSW Inc. has established a very good track record and it is hoped that this assists us in our applications by adding credibility and certainty to the application(s) based on past award winning performance.

Evaluation and research to identify what works

The Recreational Fishing Alliance of NSW Inc. has a Business Plan (attached), project reporting and runs the MYOB software package. Our constitution is based on the "model rules for incorporated associations". May of our affiliates and clubs operate the same way and this provides a level of standardisation and conformity.

The Recreational Fishing Alliance of NSW Inc. has audited accounts and audits the outcome of each project when it concludes. Minutes of meetings are posted on the Recreational Fishing Alliance of NSW Inc. web site and all are welcome to inquire as to the progress of any activity or project. This level of documentation transparency and management reporting assists the Recreational Fishing Alliance of NSW Inc. in its application for funding and credibility in the market place. This is noted on page 29 of the issues paper thus:

“Moreover, demonstrating the best use of their resources is an important factor in attracting financial support.”

Advocacy

It is true that it is unwise to criticise the government if the government funds most of the projects undertaken by an association. The Recreational Fishing Alliance of NSW Inc. has not had the experience of being “gagged” in commenting on Government policy and the relationship with Government and The Recreational Fishing Alliance of NSW Inc. is now on?? where it is believed strong critical views can be put respectfully and supported by evidence and it is the belief of the Recreational Fishing Alliance of NSW Inc. that advocacy issues raised will be at least considered.

It would be a huge cost saving measure however for the NSW Government to outsource the development and implementation of policy to the Recreational Fishing Alliance of NSW Inc. It is our firm belief that we can staff and execute projects at a lower cost than the Primary Industries Department if the appropriate secretariat management structure was established.

The sector’s provision of government-funded services

The Recreational Fishing Alliance of NSW Inc. does not provide services on behalf of the Government.

Trends and developments impacting on the sector

The Recreational Fishing Alliance of NSW Inc. agrees that technology development has the most potential for improving the communication between fishing organisations. Delivery of newsletters etc is achieved very cost effectively by e-mail and by posting information on the Recreational Fishing Alliance of NSW Inc. web site. If the Government does one thing for peak bodies it should be to fund computing and communication equipment and allow a contribution towards travel cost (most likely fuel) telephone calls, printing and publishing costs.