



Niall Blair MLC

Minister for Primary Industries,
Minister for Regional Water, Minister for Trade and Industry



INT17/40620

Mr David Blunt
Clerk of the Parliaments and Clerk of the Legislative Council
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Mr Blunt *David*

I am pleased to submit the NSW Government response to the Parliamentary Inquiry into Commercial Fishing in NSW. The NSW Government supports all of the recommendations of the Inquiry and is working quickly to progress the recommendations.

If you require any further information on this matter, please contact Dr Geoff Allan, Deputy Director General Fisheries, Department of Primary Industries on (02) 4916 3909.

Yours sincerely

Niall Blair MLC
Minister for Primary Industries
Minister for Regional Water
Minister for Trade and Industry

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Parliamentary Inquiry into Commercial Fishing – NSW Government response

The NSW Government welcomes the Report from the General Purpose Standing Committee No.5's inquiry into commercial fishing in NSW. We support all recommendations in principle and are working to quickly implement them.

The NSW Government acknowledges the valuable work of this Inquiry. The wide ranging recommendations will support the commercial fishing reforms to provide certainty and economic viability to the commercial fishing sector in NSW. The Inquiry has provided another opportunity for the NSW Government to listen to feedback from the industry and the community about how we can more effectively roll out the reforms.

The Committee has recognised that for over 20 years, successive governments have sought to address the challenges facing the commercial fishing sector, with little success. The Committee has also recognised that reforms to the commercial fishing sector are needed, and these reforms should proceed without delay.

The NSW Government acknowledges that the implementation of these reforms has not always been smooth sailing. One of the most prominent issues has been the lack of a unified voice to represent the industry. Due to the complexity of the reforms there have been challenges in effectively communicating with commercial fishers to support them through the process.

Implementing the committee's recommendations will help the Government make sure fishers are supported through the Business Adjustment Program, as we work together to build a thriving commercial fishing industry for the future.

Recommendation	NSW Government Response
<p>Recommendation 1</p> <p>That the NSW Department of Primary Industries re-open applications for the fishing business buyout and keep them open until closer to the start of the subsidised share trading market.</p>	<p>Supported.</p> <p>DPI has already extended the date from December 2016 to 30 January 2017.</p> <p>It is not possible to further extend the fishing business buy-out offer before the opening of the subsidised market. This is to ensure there is sufficient time to process the transactions so there is a complete share registry when the market commences.</p> <p>However, fishers can also obtain a buyout through the subsidised share trading market as part of next stage of the reform process. Fishers can offer to sell all of their shares as a 'package offer'. If shares are sold, they will receive the \$20,000 payment for the cancellation of their fishing business number in addition to the amount they receive for the shares.</p> <p>In addition, the NSW Government will consider applications for business buyouts after the subsidised share trading market for commercial fishers that participated in the market.</p>
<p>Recommendation 2</p> <p>That the NSW Government fast track the Independent Allocation Panel process where possible, providing the additional resources necessary to ensure that the published timeframes of July 2018 are met for all remaining share classes.</p>	<p>Supported.</p> <p>The Government expects to meet all published timeframes for the Independent Allocation Panel (IAP) process and is considering whether additional resources are required. Share trading will commence for the affected IAP share classes in May 2017.</p> <p>The Government encourages all fishers to participate in the subsidised share trading market, whether they are likely to be involved in the upcoming IAP process or not. Opportunities may arise for fishers to buy or sell shares within the subsidised share trading market. The Government recognises that the IAP process creates some uncertainty for those fishers affected but those uncertainties are outweighed by the expected benefits that the IAP process provides. The Government will provide additional assistance and support if required for fishers at the end of the IAP process.</p>
<p>Recommendation 3</p> <p>That the Minister for Primary Industries: · appoint a probity auditor before June</p>	<p>Supported.</p> <p>The NSW Government has appointed a probity auditor to audit the implementation of the subsidised share trading market and provide a report to the Government.</p>

Recommendation	NSW Government Response
<p>2017 to scrutinise the implementation of the subsidised share trading market</p> <ul style="list-style-type: none"> · appoint a separate probity auditor to review the role and involvement of the Structural Adjustment Review Committee in addressing potential conflicts of interest. 	<p>The Government will review the processes of the Structural Adjustment Review Committee (SARC) in addressing potential conflicts of interest.</p>
<p>Recommendation 4</p> <p>That the NSW Department of Primary Industries assess the level of assistance provided to fishing co-operatives.</p>	<p>Supported.</p> <p>The Government encourages fishing co-operatives to take up the assistance available including a \$30,000 grant for professional advice. We acknowledge that some co-ops may be waiting to see what changes they need to make following the subsidised trading market before accessing assistance. In addition, the Government has offered short term rent relief and standardised long term leases for co-ops on Crown land. We will continue to assess the level of assistance provided throughout the reform process. The Office of the NSW Small Business Commissioner is also now available to assist cooperatives in their forward business planning.</p>
<p>Recommendation 5</p> <p>That the NSW Department of Primary Industries confirm arrangements for the involvement of the Small Business Commissioner by April 2017 and ensure that these arrangements are communicated to the commercial fishing industry.</p>	<p>Supported.</p> <p>The Office of the NSW Small Business Commissioner is now actively supporting and assisting commercial fishers.</p> <p>The Office of the NSW Small Business Commissioner has developed a program that is assisting fishers with the registration process for the subsidised share trading market. This includes helping fishers complete their registration forms and access support for their businesses and their families.</p> <p>The program includes 10 workshops held by the Office of the NSW Small Business Commissioner along the NSW east coast in the lead up to the 27 March 2017 registration deadline for the subsidised share trading market.</p> <p>The NSW Small Business Commissioner has called and written to commercial fishers about these workshops.</p> <p>The Commissioner will also assist fishers to understand how to restructure their business in the long term where fishers are moving to a quota based system.</p>

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<p>Recommendation 6 That the NSW Department of Primary Industries extend the period for commercial fishers to apply for Financial Advice Grants from 2018 until 2020 and increase the grant limit for both legal and financial advice to \$2,000.</p>	<p>Supported in principle.</p> <p>The NSW Government has committed to providing \$2000 grants to commercial fishers for financial and legal advice.</p> <p>For those shareholders remaining in the industry after the subsidised share trading market, the government will make business planning advice grants available, in the order \$1000 per shareholder in an affected share managed fishery. These grants could be used by fishers to seek advice on how to structure their business after the reforms. This arrangement will remain in place until 2018.</p>
<p>Recommendation 7 That the Department of Primary Industries ensure that individual case management is offered to fishers who leave the industry and for whom retraining assistance is not sufficient to regain employment.</p>	<p>Supported.</p> <p>The Office of the NSW Small Business Commissioner will assist fishers through the Business Connect program if they wish to exit the industry. The Business Connect program provides a one-on-one advisory program tailored to individual businesses.</p>
<p>Recommendation 8 That the NSW Department of Primary Industries continue to implement the Business Adjustment Program in accordance with the published timeframes.</p>	<p>Supported in principle.</p> <p>The Government is committed to implementing the program without delay. The Minister for Primary Industries has already announced revised timeframes for share linkage from July to December 2017, which will provide more time for fishers to adjust after the trading market concludes. It is anticipated that all other published timeframes will be met.</p>
<p>Recommendation 9 That the NSW Government require the NSW Commercial Fishing Advisory Council (CommFish), in consultation with NSW Fishermen's Co-operative Association, to report to Parliament on the progress of the commercial fishing reform process during the reform period, on an annual basis.</p>	<p>Supported.</p> <p>The NSW Commercial Fishing Advisory Council will report on an annual basis to the Minister for Primary Industries while the reforms are being implemented. The Minister will table the report in Parliament. CommFish is to consider the views of the Co-ops Association in producing the report.</p>

Recommendation	NSW Government Response
<p data-bbox="165 245 443 272">Recommendation 10</p> <p data-bbox="165 312 719 576">That the NSW Government ensure that its response to the committee's report includes a detailed timeframe for the implementation of each of the recommendations of the 2016 Review of the current NSW Resource Assessment Framework by John McKoy and Kevin Stokes.</p>	<p data-bbox="748 245 1032 272">Support in principle.</p> <p data-bbox="748 312 2011 408">DPI Fisheries has been proactively reviewing and amending its resources assessment framework. As part of this DPI commissioned a peer review of the resource assessment framework by internationally renowned fisher scientists John McKoy and Kevin Stokes.</p> <p data-bbox="748 445 2042 509">DPI has accepted all of the recommendations from the McKoy and Stokes review and will implement them throughout 2017 and 2018. Specifically, DPI will:</p> <ul data-bbox="797 513 2042 879" style="list-style-type: none"> <li data-bbox="797 513 2042 644">• prioritise the development of Harvest Strategies using internationally accepted best practice. Harvest Strategies will identify biological reference points and articulate the key elements and linkages such as the monitoring framework, fishery management objectives and engagement of stakeholders. <li data-bbox="797 649 2042 780">• transition to the Commonwealth Status of Australian Fish Stocks (SAFS) reporting framework by 1 July 2017, which will help ensure there is consistent reporting of fish stocks nationally. The SAFS framework provides a model for internal and external review for all assessments and requires documentation to be available for audits. <li data-bbox="797 785 2042 879">• set up an Expert Data Group who will assess data quality, uncertainty associated with indicators and uncertainty associated with conclusions drawn about stock status. The output from the group will feed in to the SAFS framework.
<p data-bbox="165 884 443 911">Recommendation 11</p> <p data-bbox="165 951 663 1046">That the NSW Department of Primary Industries introduce a penalty demerit scheme by the end of 2018.</p>	<p data-bbox="748 884 1032 911">Support in principle.</p> <p data-bbox="748 951 1989 1082">The NSW Government will continue to scope out a penalty demerit point scheme for commercial fisheries. A demerit system could be used as a deterrent against fisheries offences and provide flexibility for government to deal with non-compliance and recidivism. The NSW Government will seek input from industry in any investigation of a penalty demerit scheme.</p> <p data-bbox="748 1118 2042 1246">It is likely that any penalty demerit scheme will require legislative and regulatory change. The timing for a penalty demerit scheme will be subject to consultation with industry and further consideration by government. The Department of Primary Industries will report back to the Minister for Primary Industries about the extent and nature of the penalty demerit scheme by the end of 2018.</p>
<p data-bbox="165 1289 443 1316">Recommendation 12</p> <p data-bbox="165 1356 663 1383">That the NSW Department of Primary</p>	<p data-bbox="748 1289 869 1316">Support.</p> <p data-bbox="748 1356 2042 1383">The NSW Government is looking to introduce electronic catch recording systems for the commercial</p>

Recommendation	NSW Government Response
<p>Industries prioritise the introduction of electronic catch recording systems, including opportunities to install such systems in fishing co-operatives.</p>	<p>fishing industry.</p> <p>The NSW Government will also explore and trial options for installing electronic catch recording systems in fishing co-operatives.</p>
<p>Recommendation 13</p> <p>That the NSW Department of Primary Industries commission a Social Impact Assessment of the Business Adjustment Program on commercial fishers in New South Wales and make the findings of the assessment public.</p>	<p>Support.</p> <p>The NSW Government is committed to evaluating the impacts of the commercial fishing reforms and the Business Adjustment Program. The NSW Government will assess the social and economic impacts of the reforms on a range of stakeholders including small scale, indigenous and large scale fishers, in preparation for the linkages to commence in December.</p>
<p>Recommendation 14</p> <p>That the Minister for Primary Industries:</p> <ul style="list-style-type: none"> · establish the Commercial Fishing Advisory Council (CommFish NSW) by July 2017, in accordance with the NSW Government Boards and Committees Guidelines. The Council should be broadly representative of the industry and include Aboriginal and recreational fishers. · ensure that members of the NSW Commercial Fishing Advisory Council receive appropriate support and training 	<p>Support in principle.</p> <p>The NSW Government has established the Commercial Fishing NSW Advisory Council (CommFish). CommFish is expected to be operational by the end of May 2017 and will be led by an independent chair.</p> <p>We have sought nominations for members on CommFish through an expressions of Interest process.</p> <p>CommFish will be broadly representative of the industry, and includes an identified Aboriginal commercial fisher position.</p> <p>The government supports the need to ensure recreational and commercial fishers views are considered in the process of determining resource access issues. The Recreational Fishing NSW Advisory Council has been established to provide advice to the Minister for Primary Industries on recreational fishing issues in NSW.</p> <p>In addition, the Ministerial Fisheries Advisory Council (MFAC) has been established to provide the Minister with high-level strategic policy advice on issues relating to the management of fisheries resources in NSW. MFAC includes representatives from all fishing sectors, including commercial and recreational fishing. MFAC is the forum for cross-sectoral issues to be discussed.</p>

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	<p>The government is preparing material to support fishers appointed to CommFish, including an induction package. The government will provide secretariat support for the council and its members.</p>
<p>Recommendation 15</p> <p>That the NSW Government assist industry to establish a peak body for commercial fishing in New South Wales to improve communication within the industry and enhance industry input into the future management of fisheries in New South Wales. This body should receive sustainable funding to strengthen the reform process</p>	<p>Support.</p> <p>The NSW Government recognises the need for a strong, independent peak body for commercial fishing in NSW. A peak body is urgently needed to provide a united voice for industry.</p> <p>The establishment of a peak industry body needs to be driven by industry and sustainably funded by industry to be successful in the long term. It is not appropriate for government to fund the body as its core role would be to lobby government on behalf of industry.</p> <p>Industry has already been consulted on the role of a future peak industry body and was unable to agree on its preferred form and function.</p> <p>The government will assist industry by funding an independent review to identify options for sustainable funding and the most appropriate structure of a peak body.</p>
<p>Recommendation 16</p> <p>That the Minister for Primary Industries ensure that the Aboriginal Commercial Fishing Trust is fully operational by July 2017.</p>	<p>Support in principle</p> <p>The NSW Government is working to have the Aboriginal Fishing Trust Fund operational in the 2017-18 financial year.</p> <p>The intention of the Fund is to invest in projects that:</p> <ul style="list-style-type: none"> • enhance, maintain or protect Aboriginal cultural fishing, and • provide fishing related economic development opportunities for Aboriginal communities. <p>The operational arrangements for the Fund are being developed in consultation with the Aboriginal Fishing Advisory Council which has a statutory role in relation to the Fund.</p>
<p>Recommendation 17</p> <p>That the Department of Primary Industries give further consideration to the continuation of permits in certain circumstances for Aboriginal commercial</p>	<p>Support</p> <p>Permits have been issued to Aboriginal commercial fishers until 30 June 2017. The NSW Government will consider continuing the permits on a case by case basis.</p>

Recommendation	NSW Government Response
<p>fishers.</p> <p>Recommendation 18</p> <p>That the NSW Government:</p> <ul style="list-style-type: none"> • complete its consultation on a country of origin labelling scheme for seafood sold for immediate consumption and commence implementation of a labelling scheme with any necessary funding by December 2017 • consider the creation of a New South Wales seafood label as part of the planned community awareness program. 	<p>Support in principle</p> <p>The NSW Government supports a country of origin labelling scheme for seafood sold for immediate consumption. We recognise that country of origin labelling scheme for seafood sold for immediate consumption is also being considered at the national level.</p> <p>In June 2016 the NSW Government conducted a first round of consultation with key stakeholders across the seafood supply chain. The NSW Government will continue to work closely with the fishing, catering industries and retailers through to December 2017 on opportunities for a country of origin labelling scheme for immediate consumption that could operate in NSW.</p>