Parliamentary Inquiry into Commercial Fishing – Update on progress against the recommendations

In March 2017 the NSW Government accepted the recommendations from the General Purpose Standing Committee No.5's inquiry into commercial fishing in NSW. The Committee recognised that for over 20 years, governments had tried to reform the commercial fishing industry, which had only led to uncertainty within the industry. The Committee also recognised that reforms were needed, and those reforms should proceed without delay.

Five months on, we have successfully run the subsidised share trading market and made significant progress against the Committee's recommendations.

The NSW Government welcomes the opportunity to provide an update on the progress of each of these recommendations, and looks forward to a new era of commercial fishing when the reforms come into place in December.

ocument tendered by

Hon Wiall Blair MLL Received by

Donna Hogan

Date: 16 08 / 17

Resolved to publish Yes / No

Recommendation	NSW Government Response	Progress
Recommendation 1	Supported.	Completed.
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.	DPI has already extended the date from December 2016 to 30 January 2017. 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. 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 in addition to the amount they receive for the shares. The NSW Government will also consider	DPI has provided 3 separate phases for fishers to obtain a fishing business buy-out. The 3 phases have been: Phase 1: From July 2016 to January 2017. Phase 2: From May 2017 to June 2017 during the subsidised share trading market where fishers could submit a package offer to sell all shares and obtain \$20,000 for the empty fishing business. A total of 62 Fishing Businesses were surrendered during the subsidised share trading market. Phase 3: Open from 1 July 2017 until 1 December 2017. Phase 3 is open to all shareholders.
	applications for business buyouts after the subsidised share trading market for commercial	
	fishers who participated in the market.	
Recommendation 2	Supported.	Underway.
That the NSW Government fast- tracks the Independent	The Government expects to meet all published timeframes for the Independent Allocation Panel (IAP) process and is considering whether	The Independent Allocation Panel (IAP) is designed to provide a fair and equitable process for the allocation of new quota shares for 18 species or species groups and effort shares for the Ocean Trawl

Allocation Panel process where possible, providing the additional resources necessary to ensure that the published timeframes of July	process where possible, providing th additional resources necessary to ensure	process where possible, providing the additional resources	
2018 are met for all remaining share	timeframes of July	that the published	×
classes.	remaining share	2018 are met for all remaining share	process where possible, providing the additional resources necessary to ensure that the published timeframes of July 2018 are met for all remaining share
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additional resources necessary to ensure that the published	additional resources necessary to ensure	additional resources	Allocation Panel
possible, providing the additional resources necessary to ensure that the published	possible, providing the additional resources necessary to ensure	possible, providing the additional resources	

additional resources are required. Share trading will commence for the affected IAP share classes in May 2017.

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 out-weighed by the expected benefits the IAP process provides. The Government will provide additional assistance and support if required for fishers at the end of the IAP process.

fishery.

To ensure independent and transparent processes, the government has commissioned a probity firm to manage the IAP process.

The government has also commissioned 3 experts in the fields of fisheries management and natural resource economics to sit as the panel and provide recommendations to the government.

The government is compiling catch and effort records and shareholder information that the IAP will require to consult with affected shareholders and make its recommendations to government.

It is expected the IAP process will continue for the next 9 months.

In the coming weeks affected shareholders will be sent information on the timeframes and next steps in the process.

The government has now allocated additional funding to be made available if fishers are unfairly and unreasonably impacted as a result of the IAP process.

Recommendation 3

That the Minister for Primary Industries:

· appoint a probity auditor before June 2017 to scrutinise the implementation of the subsidised share trading market

Supported.

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.

The Government will review the processes of the Structural Adjustment Review Committee (SARC) in addressing potential conflicts of

Completed.

The government appointed a probity advisor for the duration of the subsidised share trading market, including the process of providing targeted assistance that is currently underway.

That probity advisor will prepare and submit a probity report at the conclusion of the process.

The government has also appointed a probity auditor to assess the

· appoint a separate probity auditor to review the role and involvement of the Structural Adjustment Review Committee in addressing potential conflicts of interest.	interest.	entire subsidised share trading market and targeted assistance measures. That audit has now commenced. The government is reviewing the processes of the Structural Adjustment Review Committee in addressing potential conflicts of interest.
Recommendation 4 That the NSW Department of Primary Industries assess the level of assistance provided to fishing co- operatives.	Supported. The Government encourages fishing cooperatives 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. 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.	On-going. The government will continue to provide assistance and support to fishing co-operatives as the reform progresses. To date a total of four co-operatives have taken advantage of the \$30,000 grant. Il co-operatives on Crown land have taken advantage of the 2 year rent free period.
Recommendation 5	Supported.	Completed.
That the NSW Department of Primary Industries confirm arrangements for the involvement of the Small Business Commissioner by April 2017 and ensure that	The Office of the NSW Small Business Commissioner is now actively supporting and assisting commercial fishers. 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	The Office of the NSW Small Business Commissioner (OSBC) continues to work closely with the Department of Primary Industries and commercial fishers to ensure that fishers are equipped for the changes and that they are supported in the lead up to, during and post the subsidised share trading market. The OSBC has been in contact with over 700 fishers to offer a range of assistance, including providing help to complete the

these arrangements are communicated to the commercial fishing industry. includes helping fishers complete their registration forms and access support for their businesses and their families.

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.

The NSW Small Business Commissioner has written to commercial fishers about these workshops.

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.

subsidised share trading market registration forms, support during the market and providing referrals to other services including the Commercial Fishers Business Adjustment Hotline, Business Connect Advisors, Rural Assistance Authority, and Fisher Care Line.

The OSBC held 15 workshops along the NSW coast in the lead up to the SSTM providing practical assistance to over 300 fishers including helping them to complete their SSTM registration forms and providing them with information and support in preparation for the online trading market.

The NSW Small Business Commissioner has met with and/or spoken with hundreds of commercial fishers and has heard their concerns in the lead up to, during and following the market. The Commissioner is working with the Department of Primary Industries (DPI) to address some of these issues.

NSW commercial fishers that are small businesses also have access to the Business Connect program, which is a personalised business advisory service, funded by the NSW Government that supports small-to-medium businesses.

The OSBC, in conjunction with DPI, reviewed 153 share class level appeals made by small businesses in relation to their catch records. 78 of these were partially or completely upheld. The OSBC personally contacted all small businesses to advise of the outcome of their appeal.

The OSBC has been working closely with DPI to ensure that support is provided to all fishers who need it following the release of the market results at the end of June, including those who are receiving targeted assistance.

Recommendation 6	Supported in principle.	Completed as previously stated.
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	The NSW Government has committed to providing \$2000 grants to commercial fishers for financial and legal advice. For those shareholders remaining in the industry after the subsidised share trading market, the government will make business planning advice	To date,160 fishers have taken advantage of the financial advice grants available.
grant limit for both legal and financial advice to \$2,000.	grants available, in the order of \$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.	
Recommendation 7	Supported.	On-going.
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.	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.	The Business Connect program remains available to fishers that are exiting the industry. Many fishers leaving the industry and looking for employment do not realise the broad range of skills that they have. The DPI will ensure that fishers leaving the industry are able to access a career advisor if they wish to, as a way of identifying those skills and potential employment matches.
Recommendation 8	Supported in principle.	On-going.
That the NSW Department of Primary Industries continue to	The Government is committed to implementing the program without delay. The Minister for Primary Industries has already announced	To date, implementation of the reform has met almost all published timeframes. The government will continue to inform fishers of critical dates and essential actions as the industry adjusts.

implement the Business Adjustment Program in accordance with the published timeframes.	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.	Vessels under 10m in the Estuary General fishery will not be required to hold a commercial fishing boat licence from July 2018. This timeframe has been changed from December 2017. Boat licence fees have been waived for all commercial fishing boats for 2017/18 in recognition of this change.
Recommendation 9	Supported.	Completed and ongoing.
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.	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.	CommFish NSW will report to the Minister before May 2018. The NSW Fishermen's Co-operative Association will be consulted as part of the process. The Minister will table the report once it has been received and considered.
Recommendation 10	Support in principle.	Completed.
That the NSW Government ensure that its response to the committee's report	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	To date the government has met the timeframes as committed. DPI Fisheries has now sought expert opinion on its approach to the development of harvest strategies and undertaken a pilot project to
includes a detailed timeframe for the implementation of each of the	framework by internationally renowned fisher scientists John McKoy and Kevin Stokes. DPI has accepted all of the recommendations	develop a harvest strategy. The development of harvest strategies will require a significant shift in approach and resourcing. DPI Fisheries has identified resource

from the McKoy and Stokes review and will implement them throughout 2017 and 2018. Specifically, DPI will: • 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. • 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. • set up an Expert Data Group who will assess data quality, uncertainty associated with indicators and	needs, research priorities, re-organised resources, and developed a terms of reference for a newly formed harvest strategy group. DPI Fisheries has also commenced transition from the current domestic stock assessment approach to the Commonwealth Status of Australian Fish Stocks (SAFS) framework. DPI Fisheries will expand its resource assessments for domestic and commonwealth stocks. In May 2017 DPI Fishers held its first meeting of its newly formed Expert Data Group as committed.
assess data quality, uncertainty	
Support in principle.	On-going.
The NSW Government will continue to scope out a penalty demerit point scheme for commercial fisheries. A demerit system could be	The government continues to develop the framework for a penalty demerit point scheme for commercial fishers. A review of schemes in operation in state and commonwealth
	implement them throughout 2017 and 2018. Specifically, DPI will: • 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. • 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. • 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. Support in principle. The NSW Government will continue to scope out a penalty demerit point scheme for

scheme by the end of 2018.

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.

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.

fisheries and other industries has been completed and a NSW penalty demerit point scheme consultation paper prepared.

The concept has been discussed at a high level with the Ministerial Advisory Council (MFAC) and CommFish NSW, which provided valuable insights into the consultation paper. Further consultation with CommFish NSW will occur.

NSW DPI is well on track to meet its commitment to report to the Minister on the nature of the scheme by the end of 2018.

Recommendation 12

That the NSW
Department of Primary
Industries prioritise the
introduction of
electronic catch
recording systems,
including opportunities
to install such systems
in fishing cooperatives.

Support.

The NSW Government is looking to introduce electronic catch recording systems for the commercial fishing industry.

The NSW Government will also explore and trial options for installing electronic catch recording systems in fishing co-operatives.

On-going.

The government continues to progress with the implementation of online catch and effort reporting.

We recognise that moving to online reporting will be a significant change and challenge for the industry.

The first generation of an online catch and effort reporting system has been developed and preliminary testing done. Regulations are currently being drafted to implement the system.

CommFish NSW has been consulted and has provided recommendations to assist in implementation and training for industry.

The government has allocated funding to ensure every fisher is given adequate training and support to make the most of the new system. This includes training for nominated fishers and for the

		partners of fishers as they often provide administrative support.
		We also recognise that moving to online systems can reduce administration and costs to industry as we move to cost recovery into the future. We will explore incentives to help industry adopt the technology.
		The government is looking to appoint an industry liaison officer as a direct point of contact for fishers as they move to online reporting.
		Once operational, the government will look to work with a small group of forward-looking fishing co-operatives to explore the opportunities for installation at a co-operative level.
Recommendation 13	Support.	Underway.
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.	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.	In response to this recommendation, the government has commissioned an assessment with two elements: 1. an assessment of the adequacy of the assistance measures available to fishers as part of the adjustment program; and 2. a framework and survey method for use over the coming years in assessing the impact of the reforms on commercial fishers and other stakeholders. The first survey will be undertaken by October 2017 and repeated the following year.
Recommendation 14	Support in principle.	Completed.
That the Minister for Primary Industries:	The NSW Government has established the Commercial Fishing NSW Advisory Council (CommFish). CommFish is expected to be	CommFish NSW was established 3 March 2017 and held its first meeting in May 2017.
· establish the Commercial Fishing	operational by the end of May 2017 and will be led by an independent chair.	Members were appointed to represent the 7 share managed fisheries and 3 restricted fisheries following a nomination and

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 We have sought nominations for members on CommFish through an expressions of Interest process.

CommFish will be broadly representative of the industry, and includes an identified Aboriginal commercial fisher position.

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.

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.

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.

Expression of Interest process.

The government has also appointed an Aboriginal commercial fisher to the Council.

All members have been through an induction program, have read and adopted a Charter, and signed a Code of Conduct and Conflict of Interest disclosure.

CommFish NSW has now met twice, with a significant program of strategic importance to the industry.

It has already provided advice on 18 papers covering a wide range of proposed linkage arrangements that will commence on 1 December 2017 and 1 July 2018.

In September CommFish NSW will meet again to develop an investment plan for the Commercial Fishing Trust Fund. In November, CommFish NSW will hold the first of its regional meetings in Coffs Harbour. The Council will meet with fishers, selected stakeholders and inspect fisheries research activities.

Recommendation 15	Support.	Completed.
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	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. 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. 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. 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.	The government has been advised by the Professional Fishermen's Association (PFA) that it has recently commissioned a report into the path to a peak industry body for NSW. That report will include a review into funding options. The government welcomes this as a positive and productive move by a representative body and welcomes the opportunity for input to the report. On the basis of this positive move by industry, no further action is required on this recommendation.
Recommendation 16	Support in principle	Ongoing
That the Minister for Primary Industries ensure that the Aboriginal Commercial Fishing Trust is fully operational by July 2017.	The NSW Government is working to have the Aboriginal Fishing Trust Fund operational in the 2017-18 financial year. The intention of the Fund is to invest in projects that: • enhance, maintain or protect Aboriginal cultural fishing, and • provide fishing related economic	The NSW Government is working with the Aboriginal Fishing Advisory Council to finalise the operational arrangements for the Aboriginal Fishing Trust Fund. The government is on track to have the Fund operational in the 2017-18 financial year.

	development opportunities for Aboriginal communities. 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.	
Recommendation 17	Support	Ongoing.
That the Department of Primary Industries give further consideration to the continuation of permits in certain circumstances for Aboriginal commercial fishers.	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.	Where appropriate, the government will continue to consider the issue of permits to support Aboriginal commercial fishers.
Recommendation 18	Support in principle	Ongoing
That the NSW Government: complete its consultation on a country of origin labelling scheme for seafood sold for immediate consumption and commence implementation	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. 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	The NSW Department of Primary Industries commenced individual stakeholder engagement with key stakeholders across a broad cross- section of the NSW seafood supply chain in May and June 2017. Stakeholders' views were sought on removing the current exemption of country of origin labelling for seafood for immediate consumption on a voluntary and mandatory basis. Additional research from the University of Technology Sydney and the Fisheries Research and Development Corporation report to assess the viability to the Local, NSW and Australian identification with consumers, is being considered in relation to the NSW

	of a labelling	scheme for immediate consumption that could
	scheme with	operate in NSW.
	any necessary	
	funding by	
	December	
	2017	
•	consider the	
	creation of a	
	New South	
	Wales seafood	
	label as part of	
	the planned	
	community	
	awareness	
	program.	