



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

BN18/132

The Hon Robert Brown MLC
Committee Chair
Legislative Council Portfolio Committee No. 5 – Industry and Transport
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Mr Brown *Robert*

As you know, we welcomed the Report from the General Purpose Standing Committee No.5's inquiry into commercial fishing in NSW, and supported all recommendations in principle.

Recommendation 3 suggested that I should appoint a probity auditor to scrutinise the implementation of the subsidised share trading market, and review the role and involvement of the Structural Adjustment Review Committee in addressing potential conflicts of interest.

I am pleased to advise you that in response to this recommendation, O'Connor Marsden & Associates was appointed to conduct a retrospective review of the share trading market and assess compliance with probity principles.

We have now received their final audit report – as well as the final probity report from the independent probity advisor.

Both reports document the extensive actions taken to ensure that the subsidised share trading market adhered to probity principles such as procedural fairness, transparency, accountability and confidentiality, and the high level of compliance with probity principles.

The final probity report notes that “since our engagement, we have observed the level of respect for, and willingness to implement, the probity principles that Fisheries personnel have demonstrated” and concludes “we are satisfied with the probity associated with the market process”.

The final audit report concludes, “nothing has come to our attention to indicate that the processes undertaken by DPI for the subsidised share trading market were not compliant with the probity principles described in the scope in all material aspects”.

In relation to the Structural Adjustment Review Committee and its processes for addressing potential conflicts of interest, a review was recently completed by an independent team within the Department of Primary Industries. This review found that appropriate processes were followed by the Structural Adjustment Review Committee in dealing with conflicts of interest, consistent with established policies and guidelines. While no specific conflicts of interest arose, committee members were well aware of how to deal with a conflict of interest if one arose.

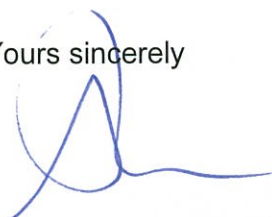
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As noted in our submissions to the inquiry we have engaged Grant Thornton Australia to manage probity for our Independent Allocation Panel processes.

I hope that this information satisfies the Committee that the reform program has been, and will continue to be, undertaken with the utmost regard for probity and proper process.

Thank you for your continuing interest in the NSW Government's commercial fishing reform program.

Yours sincerely



28 MAY 2018

The Hon Niall Blair MLC
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