

INQUIRY INTO COMMERCIAL FISHING IN NEW SOUTH WALES

Name: Mr David Malone
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Submission to GENERAL PURPOSE STANDING COMMITTEE Number 5

Parliament House, Macquarie St, Sydney NSW 2000

To the Director

Re: Inquiry into commercial Fishing in NSW.

Please see attached my previous letter to the Minister of Primary Industries.

Dear Sir, Madam.

In reply to your request for submissions to this review I would like to tender my opinion, the original purpose of the NSW Commercial Fishing Reform was to remove latent effort from the fishing industry and to give a more secure and viable industry future.

The main issues I have

1. BEING FORCED TO REINVEST AND BUY BACK MY JOB TO SUPPORT THE BUY BACK OF LATENT EFFORT CREATED BY NSW FISHERIES.
2. Having parts of my active business (business No238) being called inactive because I was using other parts of this business during criteria period. Having multi fishery methods gives my business flexibility to take advantage of seasonal or weather conditions.
3. Proposed quota fishery for Line East Fishery
4. Proposed removals of LFB and Boat sizes.
5. Being FORCED to participate in the upcoming buy back auction .Before the independent allocation committee decide how the fishery will be managed, the earliest will be 2018.
6. Constant misrepresentation by Minister and NSW Fisheries dept. That industry is happy with the current reform.
7. Previous management decisions that have affected our history since 1995

1. Being forced to purchase more shares is not going to improve my fishing business or make me a better fisherman. It is just going to be another financial drain. These latent or inactive businesses are no threat to my current business because they lack the skills ,ability or financial means to run a fishing business .This is a highly skilled and physically demanding occupation, it takes years of effort ,training and hard work to survive.

SOLUTION: Make this reform a voluntary sell back or surrender and do not force fishermen to buy back their jobs.

2. My business is made up of 3 main fisheries; the reason for this is due to the seasonal and cyclical nature of the fishing industry. At various times weather and or climatic conditions affect fish stocks or my ability to participate in a fishery I therefore need the ability to change to different fisheries for either safety or viability reasons .Flexibility is essential.

SOLUTION: Leave active Businesses intact, if a Business is active this should include the whole business package.

3. The proposed turning of the line East fishery into a quota managed fishery similar to Commonwealth South East Trawl and East Coast Tuna, threatens the future viability of the entire Historically Active fisherman, due to the proposed allocation of quota to inactive licenses and selection periods. This method of management is flawed, if other quota fisheries are used as an example, they have dumping, discarding and high grading. In 2015/2016 East Coast Tuna season, fisherman had to stop fishing because quota was unavailable even though the fishery was 40% under caught (despite there being an abundance of fish)this is because big investors had bought up large amounts of quota to remove competition and to control the fishery . The Line East fishery has always been strongly managed with boat size limitations gear restriction's only allowing manual baiting and hook number limits it has therefore never been over fished in NSW. This fishery is a target of the big Commonwealth Fisheries, Auto Liners, Mesh netters and South East Trawl so as to get access to these fishing grounds and quota and take over the fishery.

SOLUTION: As there is no scientific evidence of overfishing in NSW the Fishery should be left as a status quo, until there is scientific proof or evidence that the NSW fishery is overfished we should continue with the current hook and boat size limitations.

4. LFB's and Boat sizes have been traditional and important management control in the NSW Trap & Line Fishery. This has been the most important and expensive part of my business as 16 meter plus LFB's are very limited in NSW. Fisheries are now proposing to remove this very important restriction and are not valuing these LFB' s that have been the traditional wealth of my business.

Removing these LFB's will allow anyone with shares to enter the Fishery with large vessel which will increase effort which is the opposite to the goal of this reform.

SOLUTION: maintain historical wealth of fishery by retaining Vessel Size limits and LFB's.

5. I do not know how to participate in the upcoming auction for the Line East Fishery when Fisheries cannot tell me how they intend to manage the Fishery until after the independent allocation committee makes a decision at the earliest 2018.

SOLUTION: Until there is a decision on how they will run the fishery hold off the auction of Line East Shares and ensure there will be a subsidy scheme available when they have made their decision, only then I can make an informed business decision on whether I wish to remain and continue my current level of participation in the fishery.

6. I have been to many port meetings held by NSW fisheries and it was unanimous at those meetings that the fisherman did not want this reform and did not want to participate in the buyback of their jobs. As shown by the 10000 plus signatures supplied by the Wild Caught Fishers Coalition to the Minister proves that we are not happy with the reform and do not want to be forced to buyback our jobs. The Minister saying in parliament and putting out press releases that 2/3 of the fisherman are happy and have enough shares to continue on with their current level of participation is FALSE. Then the Minister refusing to answer when we would be given feedback and information on the trial auction again shows his disrespect and lack of empathy to the plight of the Fisherman.

SOLUTION: Do not force us to buy back our jobs, use the 16million to remove YOUR latent effort problem.

7. Pre 1990 it was Fisheries policy that future Management and access would be based on Historical Catch effort , thus the 1986 – 1992 catch history criteria period was the major influence with the cost of our original investment into the NSW's fisheries. Commonwealth fisheries Management decisions to significantly increase costs of participation and the closure of fishing grounds without compensation which forced us to sell the commonwealth part of our business in 2000. NSW fisheries had a policy that they would not allow license splitting even though they had no control or influence over these commonwealth fisheries ,we were therefore forced to hand over our hard gained State history and licenses and lose our complete history. Fisheries then informed us that we could replace this history with shares and all shares would be equal. This disrupted our business and in the time it took us to reacquire sufficient shares and suitable vessel licenses and vessel affected our fishing history for the new criteria periods. Thus making some parts of our business to be classed as inactive in the new proposed reform and thus affecting our ability to participate in the upcoming subsidized reform auction.

SOLUTION: Do not force active fishing businesses to buy back their jobs and class a fishing business as a whole and do not force us to lose the flexibility and viability of a multifishery business.

In its current format the Fisheries reform is forcing active fisherman to buy back their jobs and many active fisherman are contemplating leaving the industry because of this threat. There is no guaranteed future and the threat of further enforced buyback is eminent. In my home port of Eden we have already lost the fisherman's co-op and have lost our regular freight supplies to Sydney and Melbourne's Fish Markets due to decreased fishing effort. This has further affected suppliers and other businesses in town, I fear any further reductions in the fishing effort will tip the industry past the point of being viable enough to have fish processors and freight and the service industries which our community relies on. Why is the Government spending \$250 million on upgrading the Sydney fish market when it is hell bent on getting rid of the commercial fishing industry??? Why is the NSW State Government pandering to an elite group of recreational anglers who want to lock up the NSW resources for their own personal use???? This was highlighted by a recent investigative report by ABC Land line. The fishing industry are primary producers, we spend our time money and resources to provide access to a public resource that the general public wants and needs. This creates jobs and wealth in remote regional areas that do not have readily available employment options, we are employment creators.

28/11/2016

David Malone

18th Sept 2016

To NSW Premier Mike Baird

Minister of Primary Industries Niall Blair

Local Member Andrew Constance

Director of Fisheries Geoff Allen

Dear Sir's,

My name is David Malone, I have been involved in the NSW Fishing Industry since 1990.

In that period I have been through all of the changes, restrictions and have never felt that fisheries has listened to or taken advice or had the best interests of the commercial fisherman at heart.

We are primary producers; we use our own resources, time and effort to fish a public resource to feed the public and provide a world standard product .Which without this effort, the general public would not have access to. This seafood supply has been reduced due to government restrictions to the point where over 80% of the fish being sold through the Sydney Fish Market is now being imported.

These imported seafood products do not have the same levels of environmental and sustainable management practices placed on them but are still freely available to the detriment of our own local industry. Not to mention the health and safety risks.

The current buy out scheme is the latest threat to my small but viable family business. I feel that this scheme is flawed and biased against the viable commercial fisherman that has been active and productive. The current proposed buy back scheme is forcing active fisherman to pay for shares from inactive or unviable operators whom want to leave the industry. This forced purchasing of shares is not going to improve my fishing business or make me a better fisherman it will just be another financial drain. These inactive or latent licenses are no threat to my business as they are inactive or latent because they lack the skills, ability or financial means to run a fishing business. This is a highly skilled occupation that takes years of effort, training and hard work to survive.

I own Fishing Business 238 attached to this business:

LFB 16 Meters. This traditionally is the most important and expensive part of my business, licenses of this size are very limited in NSW, and now fisheries are saying they are not important and want to faze them out. Removing this restriction or not valuing these LFB sizes will allow anyone with shares or extra-large vessels to enter the fishery. ie Geelong Star Type Vessels

40 shares of line West classed as active

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40 shares of Fish Trap classed as inactive I have owned and paid fees for these shares for many years. I have fish trap history for a period prior to the current criteria period and have always held onto these shares as an option to use as a backup for my business.

Because they have been classed as inactive I am unable to access the subsidy scheme and therefore will be unable to hold onto these shares and thus will affect the flexibility and possible future viability of my fishing business.

My line East endorsement is the main part of my business and this involves fishing on the continental shelf approx. 20 miles off shore. This requires a large boat and huge financial investment. The major restriction in NSW has always been boat size and not being able to use mesh nets & automated equipment compared to other States and Commonwealth Fisheries, this restriction has always held us back, but this has protected our fishing grounds so that we have a productive and viable fishery. These are the reasons why more than 50% of NSW line east licenses are inactive and even less of these are viable.

When and if we go to a quota fishery I will not be able to afford to buy quota from these inactive fisherman to maintain my current fishing levels if the TAC is split up between the current license holders. It won't matter what fishing ability or effort I put in if I don't have enough quota to run my business. Thus being unviable I will have to leave the industry. This will have a domino effect i.e. we have historically created employment for 4 people in our business and our turnover has been invested into our local community. Despite the offer of re training there are not available jobs in our area. **We are employment and job creators.**

The proposed 2017 share buyback auction for line east is extremely flawed as the independent allocation committee are not going to finalize or decide how the fishery will run until at the earliest 2018. HOW can I possibly make a financial decision to reinvest in the fishery if I have no information? I have had numerous conversations with NSW Fisheries in relation to this matter and they have told me that they have no idea of what will happen or how the TAC will be split up i.e. will it be based on shares? History? What historical period?

If fisheries cannot give me the information or do not know how the fisheries will be run how do you expect me to be able to participate in the auction? Surely the people that are paid to run the fishery should have the ability and skill to manage the fishery, and take responsibility for decisions they make.

Instead of hiding behind an independent allocation committee whom will not be held accountable for the future viability and success of the Fishing industry.

I have discussed our future in the Industry with my industry peers, independent financial advisers and NSW Fisheries and none of these people have been able to help or give any advice on what to do as no one as yet knows where the fishing industry is headed.

SO CAN YOU PLEASE ADVISE ME ON HOW TO SUCCESSFULLY PARTICIPATE IN THE UPCOMING AUCTION FOR LINE EAST OR CAN YOU AT LEAST DELAY AND GUARANTEE THAT WHEN THE FUTURE MANAGEMENT PLANS FOR LINE EAST ARE DECIDED THAT WE WILL HAVE ACCESS TO THE SUBSIDY SCHEME IF WE ARE REQUIRED TO REINVEST IN THE FISHING INDUSTRY.???????????

I look forward to your earliest reply as this unknown future and forced buy back is putting undue distress and pressure on my family and business.

Yours Sincerely

David Malone