

**Submission
No 94**

INQUIRY INTO COMMERCIAL FISHING IN NEW SOUTH WALES

Organisation: Ballina Fishermens Co-operative Ltd

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NSW Parliamentary Inquiry

PERSONAL SUBMISSION

Send to:

**The Director
Inquiry into commercial Fishing NSW
Upper House Committee
Parliament of NSW 2000
SYDNEY
NSW**

Name: Phillip Hilliard

Address

Date: 28/11/2016

Dear Members, I am the Chief Executive officer of the Ballina Fishermen's Cooperative Ltd.

This Co-operative was formed in 1946 by 40 fishermen with the sole purpose of marketing the regions catch. The needs of the time were simple, by becoming a single entity all fisher no matter what size operation could all benefit from the reduction in transport cost on a shared basis. The other benefit was as a group "Buyers" were less likely to attempt to undercut the fishers.

Not much different from today where the Fisher is a "price taker" in most situations.

A Co-operative is thus defined as the sharing by a number of like entities, over the years the number of fishing cooperatives has increased and decreased in line with the numbers of fishers in the region. Each cooperative has developed their own unique identity based on the service required by the regions fishers as an example, cooperatives undertook, slipway facilities, moorings, dry boat storage, Ship chandlery supplies, Fuel, Net making, Bait storage, Ice Manufacture, filleting, Freezing product, Marketing, logistic through to exporting. Some performed all these and others only one or two. The Cooperative ranged in size from 5 members through to 270. Those that undertook marketing also arranged for the documentation and recovery of payment on the fisher's behalf. A few co-operatives sole purpose is to provide mooring facilities, i.e. Negotiate with Crown lands and effect rental on behalf of the fishers.

For these services the fishers contribute a proportion of the cost of undertaking these activities. It should be noted that a Cooperative is not a profit vehicle, its prime purpose is to deliver the best return for its shareholders, this takes many forms, infrastructure as in moorings, fuel at cost, marketing and the best available price for their product.

This background is provided to assist in your understanding of the traditional industry, contrary to the results of the Study undertaken into Co-operative viability by DPI, as all cooperative will remain viable as long as "the entities" making up that Co-operative are viable. Cooperatives are constantly in the state of change as the industry is largely dependent upon the environment and climate with an impediment of

regulation, whilst ever the cooperative focused on providing services to its fishermen and has the flexibility to change they will continue to exist.

As I understand it having arrived in the industry in 2009 NSW Fisheries had for a number of years sought to rationalize the industry and having enlisted a number of individuals and the Professional Fishermen's Association (Union) with some incentivization. These individuals with the assistance of the DPI undertook a consultation process with the industry, at its conclusion they created a manifesto for the industry which they delivered to the then opposition through the MLC Mr Duncan Gay.

As a result, with the election to government of the Lib/Nats in March 2011 industry were informed that the Government would undertake a review into NSW Commercial Fisheries Policies Management and Administration by an independent person Dr Richard Stevens. This review was not supported by industry as a majority were not informed of its intention and many saw those undertaking the review as Department nominees. This continued until 2012 when an interim report was provided with a limited consultation period (e.g. one central meeting in Coffs Harbour for all fishers from Foster/Tuncurry to Tweed Heads) these were not well attended.

It is at this point when a few fishers became alarmed at the consequences of the proposed recommendations and at what point I will detail the effect the Government changes have had on this co-operative.

From 2008 as a base the following information extracted from our Annual reports it can be seen that as a result of changes in the industry including, regulation, reviews, retirements, weather, decline in water quality in the Richmond river, bullying by both fishermen and fisheries personnel. The industry has changed. Our co-operative has attempted to meet the industry changes with a number of restructures, retirements and retrenchments.

Today our Equity is \$900K less than just prior to the commencement of Industry restructure, Fishers have declined by over one third and staff by 50%. Our local economy has been reduced as a consequence of this.

The reduction in fishers has created a crisis within our business as we are owners of a large freehold factory. This facility must be maintained to meet Food Safe Standards resulting in those Commercial Fishermen who remain taking on a greater burden of the cost of maintenance. A reduction in the workforce has increased the operating cost as more and more contractors are utilised for maintenance.

To fund these requirements the Co-operative has seen the need to increase its borrowing further eroding their equity position.

Ballina Fishermen's Co-operative will be forced to consolidate its position as to date it is expected that we will see a further reduction in fishers as the foreshadowed changes take place. Our current purpose built facility will need to be sold and a smaller version created. It is unlikely that our facility will find a ready market, seeing the members needing to meet the market with an expected loss.

This just adds an additional burden on individual fishers, the industry and the Seafood consumers of NSW.

Finally, it is apparent the while The department of Fisheries, Government consultants, Adviser and the Government may have heard our request for a more complete understanding, but are not interested in gaining the required information to plan a future.

There is little acknowledgement that the cooperative structure provides numerous systems that allow the fishers to work and access by NSW consumers to fresh seafood.

