

INQUIRY INTO COMMERCIAL FISHING IN NEW SOUTH WALES

Organisation: Sydney Fish Market Pty Ltd

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Commercial fishing in New South Wales
Sydney Fish Market Submission – December 2016

Sydney Fish Market Pty Ltd (SFM) welcomes the opportunity to provide a submission to the inquiry. SFM has previously provided considered advice and recommendations to SARC and the government on the commercial fisheries reforms. This previous advice is included as attachments to this submission.

SFM acknowledges that this is a very difficult task for all involved, not the least of which is the NSW catching sector itself. SFM does reiterate strongly that there is a need for significant reform and a key component of this reform is the linkage of shares with levels of resource access. These reforms are necessary for the long term economic outlook for the seafood industry as a whole. This was always the intention of a share management regime, but it has obviously been delayed by a series of governments for various reasons, for all but two commercial NSW fisheries. Business as usual is unfortunately not a long term solution.

SFM recognises the complexity of the task at hand which is unprecedented in the management of NSW commercial fisheries. SFM would like to make it clear that given the complexity, it is inherently difficult for a business such as SFM to rationally plan for all aspects of the significant changes that will occur. This is of particular relevance to SFM in a time that we are working in collaboration with the NSW government on the construction of a reimagined Sydney Fish Market¹. It is important to note that NSW fishers supply more than 56% of the seafood sold through the SFM. A copy of SFM 2016 Annual Report is attached.

SFM also recognises the substantial social and economic concerns about the reforms from the catching sector, and the uncertainty that it has created for them. Therefore, we have continually advocated in our previous submissions the urgent need for the establishment of a catching sector “peak body” as a first step in the reform process. Regrettably this still has not taken place and we strongly urge the immediate establishment of the proposed Ministerial Advisory Council on Commercial Fisheries.

SFM recognises that the government has attempted to provide a range of options to support the catching sector, many of which were recommended in our submissions.

There is a paramount right for seafood consumers to have access to fresh locally produced seafood. It is plausible that non-commercial fishing stakeholders (e.g. the recreational fishing or the conservation sector) could purchase substantial amounts of shares issued and substantially reduce or curtail seafood supply. This has occurred recently in Queensland. SFM considers that to safeguard local seafood supply to consumers and the supply chain businesses that are reliant on it, it is essential that the government include relevant provisions to ensure that a similar situation does not

¹ Details of which can be found at <http://www.sydneyfishmarket.com.au/our-company/our-future>



occur in NSW. SFM suggests that the government work through the details of these with the catching sector and SFM.

SFM reiterates its support for an Independent Allocation Panel process for some fisheries that is separate from the process of setting total allowable catch or effort limits. The task of establishing a totally allowable catch (or effort) limit is fundamentally different from that of allocation, and different skill sets are required. There is an urgent need for the government to identify and communicate the membership of the independent panel, its terms of reference, procedures, and its operating principles. SFM considers that these eight operating principles are paramount for the success of the Panel:

1. Fairness and equity –the overarching principle that should inform an allocation issue is one of fairness and equity i.e. the resource is to be allocated in a way that distributes the benefits of use fairly amongst the concession holders and minimizes any differential economic impacts such as wealth redistribution arising from allocation.
2. Optimum utilisation – this means that the resource is to be allocated in a way that achieves the best use of the resource for the community at large, not just best for a particular sector.
3. Certainty for users – the resource should be managed in a way that recognizes the needs of users of the resource, particularly those who rely on it for their livelihood.
4. Opportunity to be heard – a person with an interest in the fishery has the opportunity to participate in developing the management regime for that fishery through a transparent process.
5. Rights of existing concession holders to be recognized – this means that management arrangements must have due regard to the historical access rights of each class of concession holder in the fishery. Any individual history that has been obtained through fishing activities that have been deemed through enforcement and compliance to be in contravention of regulations is to be excluded from allocation decisions.
6. The impacts on seafood supply should be factored into decision making regarding allocations.
7. Best available information – any allocation recommendation should take account of the best available information.
8. Integrity of fisheries management arrangements – allocation decisions should be consistent with legislative requirements and other fisheries management objectives.

SFM recognises that structural reforms such as those that are proposed will often lead to a concentration of access rights. This is a product of turning the potential value of a right to an actual value that can be traded and has worth in the marketplace. SFM does though consider that given the nature, and in particular the diversity of NSW commercial fisheries, there will continue to be small, medium and large businesses that access and rely on catching seafood in NSW. Such diversity is important for seafood supply. SFM supports the principle that those that have contributed to seafood supply in the past, be allowed to do so at similar levels, and be assisted to do so where support is required.

The government should maintain a recognition that the impacts from the reforms are likely to be highly variable geographically, and ensure that such variation is factored into support and into allocation where necessary and practical. The government needs to provide an ongoing commitment to do this. There also needs to be a commitment from government to remove unnecessary input controls that do not have demonstrable fisheries management benefits, but represent real costs in terms of inefficiencies for producers. To facilitate this after the output controls have been finalised and implemented, a Working Group should be established, empowered and resourced to undertake a systematic review of the current input controls and their continued relevance.

SFM applauds the contribution of \$400,000 for a community awareness campaign to build support for the local seafood industry and increase the demand for local seafood. It is imperative that the campaign has clearly defined goals and deliver on its potential. It is also critical that the development and implementation of such a plan draws on the knowledge and expertise of SFM, co-operatives, NSW commercial fishing organisations, and lessons from similar initiatives.

While SFM supports the provision of retraining assistance for industry members, SFM requests further detail on the demand for, and success of, similar training measures elsewhere for people exiting the seafood industry. If a case cannot be made that such assistance is likely to be effective and cost-effective, then consideration should be given to reallocating some (or all of it) to other parts of the assistance package.

Finally, SFM believes that additional financial resources need to be provided by Government to ensure that the restructure is implemented in a manner that is fair and equitable and so that it achieves the objective of ensuring that there is a profitable and sustainable NSW commercial fishing industry that is able to continue to harvest seafood for the 90% of people who want to eat local seafood and cannot catch it for themselves.

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