

**Submission
No 87**

INQUIRY INTO COMMERCIAL FISHING IN NEW SOUTH WALES

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Date received: 9 December 2016



The Director
Inquiry into Commercial Fishing in New South Wales
Upper House Committees
Parliament of New South Wales
Macquarie Street
SYDNEY NSW 2000

Date 9th December 2016

Submission to the Parliamentary enquiry on Fisheries in NSW.

By Professor Alistair McIlgorm.

Dear Sir,

I wish to contribute some comments to the parliamentary review of Commercial fisheries in NSW. I am Professor in marine economics employed at UOW and have had involvement with the NSW commercial fishing industry since 1990.

I instructed both NSWF staff and commercial fishers in short course programs when I was a lecturer at the Australian Maritime College (1987-97). Between 1997 and 2004, I was a full time independent consultant in fishery economics and undertook seven socio-economic assessment of different commercial fisheries in NSW as Director of Dominion Consulting Pty Ltd. I was involved in several NSW Fisheries initiatives, doing socio-economic analysis of several NSWF commercial fisher buyouts, including Recreational Fishing Havens.

I have recently been part of a FRDC project with Dr Kate Barclay taking an innovative approach to assessment of socio-economic well being of fishing communities NSW. In this I conducted the economic survey of fishers, which had a very limited response due to a range of fear and other issues engendered by the Reform process. In 2015, I was independent economic reviewer of the NSW Marine Estate assessment process. I have also completed numerous economic surveys of recreational fishing in NSW.

Submission re the current reform process.

The current discontent in industry about Fisheries management in NSW was not born in a day and has a complex history. NSW fisheries management is still being impacted by deferring decisions to limit fishing effort in the early 1970's and 1980s, not to following other states in Australia by applying limited entry fisheries management. This led to a situation in the early 1990s when the number of licenced professional fishers, defined as catching more than one tonne of product per year, was in excess of 2,500. The part time nature of many of the fishers is a feature of NSW, and complicates fisheries management. Limited entry fisheries were implemented in 1997 and the Management advisory committee (MAC) process started.

In 1994 NSW tried to pull itself out of it's fishery situation with a Property Rights working group. This attempted to go from a low level of management to an ideal

scenario for NSW in the long term, in one step. It set in train a process of individual restrictive fishing rights which are required for long term sustainability. The proposed share management scheme was weak in how these new rights should be applied to industry, given that fishers were too numerous, many part time fishers, that had been producing too much total fishing effort. It was assumed that implementing share management would lead to the industry “reforming itself”, and that “autonomous self adjustment” would appear naturally. However the socio-economic levels of dependence of fishers taking a small catch, lifestyle and elderly fishers meant many prospective rights holders did not see any need to trade rights, nor recognise that they would be the ones selling their shares and stepping out of the fishery! NSW fishers wished to remain fishing. They also did not see they would have to borrow to stay in the fishery, in a system where share values were stagnant.

Since 1997 the industry has been having a series of government adjustment programs to usher in share management. The removal of fishers from Botany Bay and Lake Macquarie, removed fishing capacity in those areas. The recreational fishing haven (RFH) establishment was again funds removing commercial fishers in RFH areas. So has there ever really been adjustment of commercial fishers to usher in the new rights regime?

Presumably the Funds for the recent adjustment (\$17m) are this step which was always going to be needed to implement share management. This amount was proposed in 2011 odd and still in 2016 the funds have not been applied to adjustment. This is unfortunate as the delay has increased the industry’ problems and not enabled people to plan their futures, leading to the current industry discontent.

I suspect this sum for reform was too small to ensure “autonomous self adjustment”. I did a back of the envelope calculation during the Marine Estates Process workshop led Dr Creese in Sydney mid-2015, and indicated that the risk to marine parks from the commercial fishing industry was higher than stated by DPI, because in my opinion \$17m was too little to reform the fishing industry to sustainable levels\$30m to \$40m was likely more realistic. The delay also tends to increase these funding needs and reduces the capacity of the fish stocks to come back after removal of fishing effort....delays are unhelpful.

The industry have been critical about the capacity objectives of the Department for the NSW commercial fishing industry. For example fishers see the Dept. forcing a 600 fisher industry from the current 1,000? This is a good question, as the size of a “viable fishing industry” as required by the FM Act is open to debate. Bio-economic modelling could assist, but practically the current situation needs to get the adjustment into place and get share trading between fishers happening.

Part of my concern in writing is to make sure the Parliamentary Enquiry does not “*throw the fishery management reform baby out with the bathwater*”. The experience of share management in the Rock Lobster fishery demonstrates the system can work, but the time span was 10-15 years in that fishery. This time for “stock recovery” is



one of the reasons I think additional funds for adjustment are required, to get to an autonomously adjusting system more quickly.

The challenge now is “*not to get out of the train while in the reform tunnel*”. Like getting the builder in to renovate your house, the fishery management reform process may need more money than initially expected, take longer than expected and has more impacts than expected...especially if there is a lot of discontent in the neighbourhood!

I wish to see the following:

- a) It is time to put the available \$17m of reform funds to work;
- b) The government fund an additional \$10m to remove capacity and small fishers in order to ensure the share system is viable and autonomously self adjusting into the future.

Thank you for this opportunity to submit these suggestions which I believe would help alleviate many of the current issues. I wish the committee success in their investigations.

Sincerely,

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