

**Submission  
No 90**

**INQUIRY INTO COMMERCIAL FISHING IN NEW SOUTH  
WALES**

**Name:** The Hon David Mehan

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# David Mehan MP

STATE MEMBER FOR THE ENTRANCE

**REF: 413/16/dm**

9 December 2016

The Hon. Robert Brown MLC  
Chair  
General Purpose Standing Committee No.5  
C/- The Director  
Inquiry into Commercial Fishing in New South Wales  
Upper House Committees  
Parliament of New South Wales  
Macquarie Street  
SYDNEY NSW 2000

Dear Chair,

**RE: Inquiry into Commercial Fishing in New South Wales**

Thank you for establishing this inquiry.

My local commercial fishers have expressed great concern about the impact the Government's Commercial Fisheries Business Adjustment Program is having and will have on their livelihoods.

My submission, which looks at the impact on the NSW Central Coast, is attached.

I look forward to your report.

Yours sincerely

**David Mehan**  
Member for The Entrance

**Submission**  
**to**  
**Legislative Council Standing Committee No. 5**  
**Commercial Fishing in New South Wales**  
**by**  
**David Mehan MP**

**Introduction**

In May this year the Minister for Primary Industries announced the start of the Commercial Fisheries Business Adjustment Program (BAP).<sup>i</sup>

He called it “a new era for commercial fishing” and said the government would:

“look after those fishers who want to stay in the industry and support those who wish to exit”

On 28 July I met with 30 local commercial fishers concerned that the changes proposed by the government will put many of them out of business. My assessment of the BAP is that it is intended that there will be fewer Fishers at the end of the program. Fishers who have already purchased their business will be required to re-invest simply to continue to work.

There are currently 62 licensed commercial fishers living on the NSW Central Coast. Half work almost entirely on Tuggerah Lake as Estuary General Fishers, the other half work the Hawkesbury River and waters offshore. They operate within Region 4 of the New South Wales Fishery. Most are small family operated businesses. Having met a large number of local Fishers I can say with some certainty that they make no more than a living from their business.

**Background**

The Commercial Fisheries Business Adjustment Program (BAP) is a continuation of a process begun under the Greiner government when it introduced the Fisheries Management Act 1994 which allowed for the introduction of a share market in fishing entitlements.

In 2007 fishers were granted an equal number of shares which gave them a simple right to harvest a particular type of fish in a particular way.

The BAP seeks to replace this simple arrangement with a “complex” system of fishing entitlements linked to effort and quotas. I note “complex” is the word used most often by the Minister<sup>ii</sup>, to describe the BAP.

The source of the BAP is the final report NSW Commercial Fisheries Structural Adjustment Review Committee release on 30 Sept 2015<sup>iii</sup> and accepted by the government in May this

iv  
year .

The aim of the Program is made clear at page 1 where the purpose of linking shares to fishing effort is explained as :

“Managing the number of operators by reducing endorsement numbers through increased minimum shareholdings”

Reduced endorsement operators means reduced fishing businesses which means reduced jobs.

In a response to a question on 13 August 2015<sup>vi</sup> , the Minister refers to 'misinformation' about the changes saying:

“One of the statements was that fishers will only be allowed to fish for 90 instead of 365 days per year.”

And he then said:

“This demonstrates a complete lack of understanding of what is actually occurring”.

But that is almost exactly what the Adjustment Program will mean for Estuary General – Meshing Fishers in my Region (Region 4).

At page 41 of the final report<sup>vii</sup> , the recommendation made and accepted by the government means that from July next year a fisher currently entitled to work 365 days a year will be limited to 88 days (note the DPI allowance will actually be 93) only.

If that fisher wanted to work more than 88 (93) days, additional shares must be purchased.

As fishers have said to me: “ we are being asked to buy our jobs back”.

*Examples:*

Allan Reed

Allan is an Estuary General Fisher.

Class	Shares held	Shares Required	15/16 catch/effort	July 2017 limits
Meshing	125	125	120 days	93 days
Mud crabs	125	125	1875kg	673.8kg
Prawns	125	150		

Allan works his business around the three entitlements. Meshing forms his main source of work with prawns and crabs available in different quantities at different times of the year. It will be apparent that from July 2017, unless he obtains extra meshing shares, that the

days available to him to work will be reduced. The limit to crab catch will be a huge hit to his income unless he obtains more trap shares and to continue to prawn he will need to obtain extra share in any event. What should be clear is that unless Allan can find the money to re-invest in his business he will go backwards in terms of income.

### Michael Baker

Michael holds an Ocean Trap & Line endorsement and fishes on his own from a small boat off the Coast.

Class	Shares held	Shares Required
Line West	60	60
Fish Trap	45	50

Michael purchased his fishing business in 2007 for \$30,000. He then purchased the shares needed to entitle him to do Ocean Trap and Line and will now need to obtain 5 extra trap shares to continue fishing past July 2017. The uncertainty over future effort and catch quota (the ITCAL process) has made planning his future difficult. He has advised me that, from his point of view, in good faith he has already purchased a right to fish and now he is being asked to purchase it again

### What is the problem this Government is trying to fix?

The Minister has said there are too many latent licence holders.

That is, fishing businesses which do not work their full entitlement or don't work at all <sup>viii</sup> .

On the Hawkesbury River, as of 30 April 2015, there were 52 endorsed Fishing <sup>ix</sup> Businesses, not all of them 'active', entitled to harvest the Estuary Prawn Trawl trade .

The final report recommends reducing this to 42.

However, the report also says there are only 41 "active" fishers who have logged some fishing effort between 2009 to 2013.

To get rid of the so called latent effort all active fishes on the Hawkesbury will have to purchase 50 extra shares by July 2017 or else they won't be allowed to fish.

Why should active fishers have to buy more shares in order to force the inactive fishers out?

Surely there are easier ways to address this issue.

### Conclusions

There are currently less than 1000 active commercial fishers working NSW coastal waters. Most have no economic security outside of their ability to fish.

There should be work enough for all of them and they should be allowed to work.

This state imports more than 80% of the fish it consumes.

The Central Coast cannot afford a further narrowing of the employment opportunities available nor can it sustain the reduction in local economic activity which will be the result of the BAP.

## **Recommendations**

The government should halt the BAP.

Guarantee active fishers that they will be able to continue to work.

And, establish consultative arrangements on a regional level with the fishers who work in the regions to work through the issues of sustainability and growing this industry into the future.

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i <https://www.parliament.nsw.gov.au/Hansard/Pages/HansardResult.aspx#/docid/HANSARD-1820781676-69350>

ii <https://www.parliament.nsw.gov.au/Hansard/Pages/HansardResult.aspx#/docid/HANSARD-1820781676-43>  
The full quote, Hansard 13 August 2015: This has been a genuine period of public consultation; we are not just ticking the box. Every suggestion and piece of feedback that has been provided, either to me personally, to the SARC or to the department, will be carefully and thoroughly considered. Unfortunately there is plenty of misinformation flying about on this issue, including from Clayton Barr, the member for the landlocked seat of Cessnock. His recent private member's statement in the other place was littered with misleading statements and demonstrates the risk of attempting a five-minute hit and run critique of a complex reform—

The Hon. Adam Searle: Point of order: The Minister is reflecting on a member of the other place. If he wishes to do so he must do it by way of a substantive motion.

The PRESIDENT: Order! While the Minister was sailing close to the wind, he had not quite crossed the line. The Minister has the call.

The Hon. NIALL BLAIR: —with different implications for different fisheries share classes. One of the statements was that fishers will only be allowed to fish for 90 instead of 365 days per year. It was also claimed that the changes are aimed at helping big operators and squeezing out smaller members. This demonstrates a complete lack of understanding of what is actually occurring. This complex reform is aimed at giving meaning to the share management of New South Wales fisheries first introduced in 1994 by the New South Wales Liberals and Nationals, but mismanaged by the subsequent Labor governments. The major challenge of this reform will be to redress the misallocation by previous governments and provide a modern, effective mechanism for fisheries management. It has taken a long road to get to this point and there are no easy solutions. Unhelpful and misleading comments will not add to the process. The Government is resolved to getting this process right.

iii [http://www.dpi.nsw.gov.au/\\_\\_data/assets/pdf\\_file/0004/656806/SARC-Final-Recommendations-on-Share-Linkage\\_final.pdf](http://www.dpi.nsw.gov.au/__data/assets/pdf_file/0004/656806/SARC-Final-Recommendations-on-Share-Linkage_final.pdf)

iv [http://www.dpi.nsw.gov.au/\\_\\_data/assets/pdf\\_file/0011/657920/Attachment-B-Government-response.pdf](http://www.dpi.nsw.gov.au/__data/assets/pdf_file/0011/657920/Attachment-B-Government-response.pdf)

v Ibid, page 1.

vi Op. cit

vii Op. cit., page 41.

viii <https://www.parliament.nsw.gov.au/Hansard/Pages/HansardResult.aspx#/docid/HANSARD-1820781676-56619>

Hansard 13 May 2015:

The Hon. PETER PRIMROSE: I ask the Minister a supplementary question. Could the Minister elucidate his answer by

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indicating which are the key concerns he believes need to be addressed first?

**The Hon. NIALL BLAIR:** Many of the concerns relate to the over-issuing of licences—the big latent licence effort that exists within many of the different categories in the commercial fishing sector. Many licence holders do not exercise their right under their licence although they have a legal right to do so. If they all went out tomorrow and decided to start fishing in particular estuaries it could have dire consequences, not only for the businesses that rely upon those licences but also for the fish stocks. We must ensure that the latent effort within those licence categories is addressed.

ix Op.cit, page24