

INQUIRY INTO COMMERCIAL FISHING IN NEW SOUTH WALES

Organisation: Hawkesbury River Seafood

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Partially
Confidential



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Hawkesbury River Seafood NSW Parliamentary Inquiry

SUBMISSION

Send to:

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

Introduction

Hawkesbury River Seafood is a family owned and operated business with two prawn trawlers operating in the Hawkesbury River. The owners are Tom Van Der Neut and Dane Van Der Neut. The business now contracts an extra four people as well as providing a viable and sustainable income for Tom and Dane.

Since then we have amalgamated our sole trader businesses into a partnership, sold both vessels to upgrade to a larger vessel which we tow two nets behind in the Broken Bay and Patonga areas. This has limited our flexibility to go upstream where you are only allowed to tow one net so we decided to invest in another trawler just recently.

Our business both as sole traders and joint partnership has and still remains viable and sustainable to this day. We feel the reform is unfair, unjust and morally wrong, the infrastructure surrounding the industry is vital however the latest changes will have a major impact on that infrastructure. The department and in particular, senior managers have spent over 2 decades restricting, removing, restructuring and reforming industry to justify their position until retirement creating more work, that is our strong view. We feel that in 2007 when shares were issued, they were issued fairly as the shares were only allocated to those that had already had their catch history verified in 1994 to become a recognised fishing operation under a restricted fishery.

Our security is undermined by the fact that every government wants to change our industry regardless of the fact that we are governed more by the climate than any input or output controls, we satisfy the Environmental Protection and Bio- Diversity Conservation Act (EPBC) with Fishery Management Strategies in place underpinned by Environmental Impact Studies for every fishery.

Our security is also undermined by a recreational sector that doesn't meet any sustainability criteria, uses plastic as a means to catch fish (which ends up as pollution in our waterways) and has secured the rights to funds that belongs to the people of NSW considering they pay a fee to access the resource.

Tom Van Der Neut

- Commercial fisherman in the Hawkesbury River since the 1970's.
- Bought his first prawn trawler from South West Rocks in 1984.
- Sat on Commercial Fisherman's Advisory Council (CFAC)
- Contributed to the building of the new wharf at Patonga.
- Has assisted many vessels in distress over the years both recreational and commercial including assisting with beached vessels.

Dane Van Der Neut

- Bought a prawn trawler in 2006.
- Commercial fisherman on the Hawkesbury River. (2007- Present).
- Became a board member of Australian Marine Alliance. (2011-2015)
- Sat at the Coalition of Co-operatives, Groups And Individuals (CNCGAI) (2014-2015)
- Assisted in the incorporation of CNCGAI to become Wild Caught Fishers Coalition (WCFC). (2015)
- Elected as President of WCFC. (2015-Present)

Comments on Fisheries Management

Tom Van Der Neut

The industry has been through many reforms, one that had a major impact on the income able to be earned. We were restricted from working in the Hawkesbury from midnight Friday to Midnight Sunday night and public holidays. This also impacted on the consumer and recreational sector as there is a great demand for seafood and bait on weekends and public holidays. This reform was implemented to provide clear access to the waterways to the recreational sector.

This change had a major impact on my business. Fishing activity is adversely effected by environmental factors, such as inclement weather, tidal changes. Being restricted to 5 days (4 or less when public holidays occur) seriously impacts my earning capacity in the event of being unable to work due to external factors such as bad weather etc. This restriction was introduced to appease the recreational fishing industry due to their political manipulation for votes only and was not based on scientific facts.

I have a major mistrust of DPI, it's senior managers and the way it constantly mismanages communication and reform to the industry. Of particular importance to my own business was the introduction of the Share Managed Fishery for Lobsters. When this was introduced I applied for and was allocated only 18 shares, which was not reflective of my true wealth. The minimum shareholding was 55 shares, however my initial allocation enabled me to work in the Lobster fishery but at a greatly reduced level.

My issue was that when the catch history was determined, the years used were not productive years in the Hawkesbury for Lobsters due to major floods. The floods ensured that the lobsters in my fishing grounds had moved out to sea to remove themselves from the fresh water.

I phoned Fisheries and also sent correspondence requesting that for myself (and others in the Hawkesbury) would they take into consideration the environmental factors impacting on our catch history for the selected years so that we could be fairly allocated shares. My requests were continually refused.

I had to re-mortgage our family home to purchase another 37 shares to bring my earnings back to where they had been. Investing in business is a necessity but buying your job back is not fair and just, and that is what I have already been forced to do in 2001.

Note: I have called DPI Catch Records to obtain copies of the correspondence from my file but was informed that the system has been down for 3 days and they would send them when they could access them. We would appreciate if we could provide this as evidence to accompany our submission and will ensure you receive it at the earliest convenience.

DPI's consultation with stakeholders regarding this new reform has been seriously flawed. The advisors, consultants and senior managers of DPI have not been speaking on my behalf. They have listened to a minority who are for the reform only. My concerns have been of no consequence, as I do not agree with their agenda of pushing through this reform at all costs.

DPI introduced a brand new catch and effort reporting system accompanied by a very expensive log book, while we absolutely recognise the need for accurate reporting of catch DPI have failed to introduce a logbook that is suitable for today's technology. The log sheets cannot be scanned or faxed due to the size, they must be folded in half and scanned twice.

We received a shock when being interviewed for a logbook offence by a compliance officer as she had printed all of our log sheets on A4, so the question is

What did these nonsense logbooks cost the taxpayer and why has no one been held accountable for this failure in management?

It is vitally important that DPI recognises that each region and fishing class has its own unique environment and factors that impact that fishery. History shows that senior managers have fundamentally failed to do so.

It is also vitally important that DPI recognises that the multi endorsed fisher ensures sustainability of the fish stocks as the species are not targeted all year and that the industry implements equipment and practices to ensure correct targeting of species and to protect the waterways. The Minister states we are unsustainable and unviable. This is untrue. The closing of the Cronulla Centre of Excellence now means that ongoing we do not have the scientists and the research to prove our sustainability. Fishers that are unviable for whatever reason leave the industry. The remaining fishers are viable, are supporting their families and their surrounding communities.

Dane Van Der Neut

Early in my career I would attend meetings with DPI and not have much to say however spent a lot of time observing and what I found was that senior managers can be very condescending towards fishers, disrespectful and most certainly pay little attention to what fishers have to say.

In 2009 I had my first real experience with the reform that we are now working through. A road show was held from border to border, this road show was bringing the Pyrmont Pact to the industry. I attended the Narara meeting on the central coast where there was not a lot of support for what was being proposed in fact the feeling of the room was for fisheries to leave region 5 out of the reform, region 5 has had enough of change. I remember that we were told that we didn't have to participate, we could be left alone.

I later found out that Seafood Industry Advisory Council (SIAC) actually stated at their last meeting in the waratah room at Parliament House that all of the port visits supported all 8 components of the Pyrmont Pact. Note that no minutes were provided from any of those port visits.

Ref- Attachment 1

The department introduced mandatory square mesh cod-ends in the prawn trawl fishery. As a fishery that catches catfish, stingrays and Bullrowts the cod end posed a risk to fisherman as the material caused the spike of the fish to stick and when we grab the cod end.

The fishermen had to fight to remove the mandatory requirement for the squid fishery, which was not an easy task. The cod ends are in our view a failing of the department to carry out adequate studies on the impacts of these cod ends.

Note- The Hawkesbury River is not known for small prawn harvests on a regular basis and the objective of the cod end is to avoid small prawn catches.

How much money was spent on the research into square mesh cod ends conducted by Matt Broadhurst?

The history of commercial fishing in New South Wales, including reforms to the industry since 1994

- In 1994 legislation was introduced by the liberal government, which envisaged the introduction of share management.
- Catch history was validated at this point in order to become a recognised fishing operation.
- The liberal government failed to introduce share management on all but 2 fisheries Lobster and Abalone.
- The remaining 5 fisheries became restricted fisheries with the catch history already validated.
- 27% of the States Rivers, lakes and estuaries reallocated to recreational only access. Seafood consumer banned.
- A further 37% locked up into marine parks and aquatic reserves.
- The Labor Party then moved to share management fisheries allocating fishing rights to all fishers that satisfied a criteria that demonstrated they were active in the fishery, although this was a very flimsy method it was adequate as the businesses catch history was already validated for them to gain access prior.
- The Coalition Government is now using the catch history built up by the fisher's mandatory requirement to fill in catch records to create catch shares.
- The catch shares are then shared equally meaning that a fisher that owned the wealth (catch history) prior would receive a mere portion and be required to purchase that wealth back.
- Security will now be determined by a committee that will determine how much can be caught even though reports say that the closure of the Cronulla Research Centre of Excellence limits the ability for adequate research to take place for such management regimes.

Ref- Attachments 2, 3 and 4

The value of the commercial fishing industry to the New South Wales economy

- Government constantly undermines the value of commercial fishing through consistence changes driven by political vote grabbing.
- The recreational fishing lobby lays claims to benefits that are a shared result between sectors e.g. recreational fishing trips, bait shops etc.
- The government has based the reforms around the fact the industry is worth \$90 million.
- A study has found that the industry is actually worth \$436 million and over 3000 jobs.

Ref- Attachment 5

The scientific research underpinning fisheries management

- The change of culture within the department to removing and restricting commercial fishing seems to coincide with the winding back of research in NSW.
- Since the closure of Cronulla Research Centre of Excellence the department has lost its ability to comply with legislation with regards to status of fish stocks.
- Knowledge of senior scientists was lost through the closure of Cronulla Research Centre of Excellence.

Ref- Attachments 4 and 6

The New South Wales Government's Commercial Fisheries Business Adjustment Program and its aims, including:

The Fisheries Business Adjustment Program initial aims were to make active fishers more viable by removing latent effort. The program is now activating latent effort and forcing active fishers to reinvest to purchase their wealth back either, before or through a share-trading scheme overseen by a probity manager. The probity manager doesn't look at any share trading prior to the share trading system, which is what is needed.

The mental health and wellbeing of fishers has been completely overlooked by this government to ensure that their agenda succeeds one way or another. Share trading has been constant since the announcement with fishers panicking and investors hoping to prosper through the new management plan.

What has been completely ignored is the fact that committees were discussing and making decisions on structural adjustment in the remaining 5 fisheries before share management even commenced, not to mention the fact that the Environmental Impact Assessments weren't finished.

The implementation of the restructure to date

Consultation

- Working groups with appointed reps were unacceptable as they did not have input regarding the true opinions and concerns from the majority of fishers.
 - Information is seemingly withheld from the broader industry.
 - Questions remain unanswered.
- 1) DPI cannot advise how much fishers will need to spend to bring them back to their level of income prior to the reform. In many cases fishers will need to go into debt to purchase shares. In some cases, finance is not an option as they are already financially bound to mortgages, business loans etc. How can fishers make life impacting business decisions without the necessary information provided to ensure they make informed decisions? How much will shares cost?
 - 2) Many fishers are concerned that there will not be enough shares available to bring them back to their level of income prior to the reform, which will impact the consumer that depends on that product. Will shares be available?
 - 3) We believe there would be evidence in the movement of shares and businesses to some individuals that were trying to increase their wealth due to prior knowledge of the expected outcomes of the reform. Why is the probity officer not reviewing all share trading since 2008 when this process began through senior managers of DPI?
 - 4) By using the equal allocation method, latent effort is being reintroduced to the market when reports and advice have all stated that latent effort needs to be removed prior to the reform. How can the catch history of one fisher be used to create catch shares and given to another fisher?
 - 5) The McKoy and Stokes report outlines the mismanagement of the department and how it is not in a position to do this reform. Why was the McKoy and Stokes report hidden from the public?

Ref- Attachment 3

- 6) The majority of fishers, their questions and concerns have been ignored by the Minister (as well as previous Ministers). This may be due to the Minister receiving incorrect advice and information from his advisors. The advisors currently assisting the Minister are not reflecting the views and needs of the commercial fishing sector. As is the case with the majority of correspondence to Ministers, government practice is to forward the correspondence to the relevant department for a response. In the case of the commercial fishing sector, having the DPI management respond to queries on behalf of the Minister, provides neither real answers nor consideration of the issues we are trying to address. DPI management is determined to push this reform through and is not concerned about the stakeholders involved. This is evidenced by the treatment and lack of respect received by stakeholders and the fact that questions addressed to callers follows a predetermined script, or that the answer to the question posed is unknown. For whatever reason, the DPI management is misleading the Minister about the true state of the commercial fishing industry.

Why has the Minister ignored the advice of industry and not left the structure of shares alone and sorted out the department that is the major issue due to fisheries mismanagement?

Senior Managers

- Senior managers in the department have been pushing for this reform since the mid 2000's without the science and socio-economic evaluations in place to verify that decisions were justified and correct.
- We feel that species like whitebait, shovelnose shark, stout whiting etc. were deliberately left off the by-product species list for Estuary Prawn Trawl fishery.
- in a meeting with anxious fishers in the Hawkesbury River told them that the 'by-product species list could be amended if they go through the reform'. This has been viewed as bribery to coerce the fishers to accept the reform.

- While I attended the working group meeting for estuary prawn trawl, I explained that we need to strengthen maximum shareholdings to protect our industry from corporate takeover, _____ responded “No corporates will invest in this pissy little fishery”. This again shows the level of disrespect the DPI management shows to the commercial fishers and our industry. It is of vital importance to the NSW people that the commercial fishing industry is not corporatised or made available to foreign ownership. The resource and access belongs to the people of NSW.
- Senior managers have been lobbying MP’s regarding the reform without providing them with a true reflection of the impacts and issues involved for the sector and the consumer.

Ministers

1) Minister Katrina Hodgkinson

- Refused to consult with fishers.
- Had no clue about commercial fishing.
- Closed down Cronulla Fisheries Research.
- Appointed a representative for commercial fishing regardless of support/ non-support from industry.
- Appointed a liaison officer (_____) that is clearly anti commercial fishing which is evident in the recent removal of sustainable commercial fishing operations in Victoria.
 Ref- <http://www.abc.net.au/landline/content/2016/s4578037.htm>
- Appointed Richard Stevens to the Ministerial Fisheries Advisory Council after he recommended the establishment of the council in the 2012 Independent Review, of which he was co-author.
 Ref- Attachment 7
- Appointed Ian Cartwright to the Structural Adjustment Review Committee after recommending the establishment of the committee in the 2012 Independent Review, which he was co-author.
 Ref- Attachment 8
- Ignored the mental health and well being of fishers.
- Seemingly wanted to corporatise the fishing industry.
- Clearly had little regard for consumers and their rights to access local caught seafood.

2) Minister Niall Blair

- Met with fishers and organisations.
- Claimed to have wanted to do the right thing.
- Dragged the process on while investors continued to buy up off struggling fishers who were scared out of the industry.
- Against all of the knowledge he had gained from industry, still went forward with the theft of active fishers catch history and redistribution to other fishers.
- Speculators are now in better position than before thanks to the Minister.
- Has activated latent effort.
- Has misled parliament.
- Has misled the public through statements in the media.
- Has ignored the mental health and well being of fishers.
- Has been provided reports from scientists that advise against this reform.
- Has ignored over 300 fishers, which has created a consultative structure that clearly demonstrated the need to stop this reform.
- Seemingly wants to corporatise the fishing industry.
- Clearly has little regard for consumers and their rights to access local caught seafood.

The impact on industry and regional communities to date, including economic, social and cultural impacts.

Fishers

- Mental health of the primary producers of the sea has been overlooked.
- The legacy of fisheries management since the last time liberals were in power in 1994 has been to restrict, remove, reduce, restructure and now reform.
- The 1994 fisheries management act has been detrimental to the health of fishers are constantly stressed about the changes the next government will introduce.
- Fishers have felt powerless against the radical views of the senior managers.
- Fishers have felt powerless against the ever-expanding radical lobby in the recreational sector, which have fraudulently used the votes of unsuspecting recreational fishers to progress their agenda in every political cycle.

Family

- Fisheries management has caused financial, marital and mental stress on families for decades.

Consumers

- 87% of seafood is imported in NSW.
- Seafood consumers are ignored as a key stakeholder when it comes to resource sharing.
- Seafood consumers are ignored by the department and ministers as an impacted stakeholder when changes are made to commercial fishing.

Community

- The impact on communities will be largely unknown until July 2017.
- There are examples overseas of the impacts to communities will catch shares and in particular ITQ, ITE. A paper states that communities suffer once catch shares are fully implemented.
Ref- Attachment 9

The economic modeling underpinning the restructure and any independent analysis of that modeling,

- The economic modeling produce by Ag Econ is guesswork; no real economic modeling has underpinned the restructure.
- Where is the cost benefit analysis?
- How much is the commercial fishing industry worth at first point of sale inclusive of cooperative sales and RRFR holder sales?
- How much will ITQ, ITE systems cost to manage?
- How much will the new Environmental Impact Assessments cost?
- How much will the new Fishery Management Strategies cost?

(v) The approach of other jurisdictions.

The approach of other jurisdictions throughout Australia is the reason we need to move away from ITQ and ITE because;

- We now import 72.5% of the product consumed and
- Most ITQ fishery's move to export product to remain viable through increased management cost of ITQ and ITE.

Ref- Attachment 9

Conclusion

The commercial fishing industry is at the thin end of the wedge with only approximately 900 fishers left of which most are struggling with some type of anguish due to the constant denigration and demonising of the industry in every political cycle.

The diverse, multi method structure of the commercial fishing industry is essential for the ongoing sustainability of this industry. Changing the structure and forcing fishers to reinvest in their current access forces fishers into a more specialised fishery structure, as they can't afford to reinvest in every fishery they take part in.

Ref- Attachment 6

Consumers have been neglected by every government in the creation of fisheries policy, food security is now a major issue with prawn farms in Qld contracting diseases which will increase the amount of imports consumers are forced to consume through constant government discrimination against the general public's rights to purchase locally caught seafood. To make matters worse, government through lockouts of commercial fishers from fishing areas, also discriminate against consumers to appease a radical minority group that want exclusive access to the publically owned resource.

- 27% recreational fishing havens
- 37% of the state marine parks and aquatic reserves.

Moving forward.

- Uphold current minimum shareholdings pre-announcement in May.
- Subsidise all share trading since the announcement in May.
- Review red tape requirements with industry.
- Review the department and establish a four-year term on all senior managers, advisors and consultants which will ensure proper consultation with established organisations that can demonstrate proper structures in place to represent grass roots fishermen.
- Removal of existing senior managers, advisors and consultants that have exceeded the four-year term.
- Re open Cronulla Research Centre of Excellence.
- Recognise consumers as a key stakeholder in the resource sharing debate.
- Recognise that loss of access for commercial fishers is loss of access for consumers.
- Allocate access to seafood consumers within Recreational Fishing Only Havens through commercial fishing access, alternatively abolish RFOH all together.
- Create special purpose zones for seafood consumers through commercial fishers in all marine parks unless science is provided to restrict that access.
- Transparent testing of dioxin levels in Sydney Harbour. What is the human health risk of the dioxin in Sydney Harbour with the latest human health risk assessment used in Fullerton Cove / Tillegary Creek?