

**Submission
No 93**

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

Name: Hozack Clisdell Lawyers

Date received: 9 December 2016

Our Ref: JCH:AH:21972

Your Ref:

9 December 2016

The Honourable Robert Brown
MGC Chairman
General Purpose Standing Committee
Number 5 Legislative Council
Parliament of NSW
Parliament House
Macquarie Street NSW 2000

EMAIL: gpsc5@parliament.nsw.gov.au

Dear Sir,

RE ENQUIRY INTO COMMERCIAL FISHING IN NSW ON BEHALF OF ROCCO PIRRELLO

We have been requested by Rocco Pirrello, a commercial fisherman, to make submissions on his behalf in relation to your Committee's enquiry into commercial fishing in NSW. We do so as follows:

1. Rocco and Karen Pirrello run a commercial fishing venture from their fishing vessel "Rockfish1" based in Ulladulla and are registered as owning 45 shares in the "Ocean Trawl – Fish Northern Zone".
2. Rocco Pirrello has been a commercial fisherman for most of his adult life of 35 years and has invested a substantial amount of money and time in his business to the extent that he is now recognised as one of the more established fisherman in the Southern region.
3. Rocco Pirrello is considering selling his 45 shares in "Ocean Trawl – Fish Northern Zone" but finds the NSW Governments proposal headed "Commercial Fisheries Business Adjustment Program" confusing and unfair in the circumstances.
4. Rocco Pirrello has participated in a trial run of the sale of his shares which he found unsatisfactory and now finds that he cannot make a commercial decision on which alternatives he should choose.
5. Rocco Pirrello understands he has the following alternatives:
 - 5.1 to sell his shares to another fishing business and surrender his business licence in which event the NSW Government will pay him \$20,000.00;

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- 5.2 to sell his shares in the proposed Subsidised Share Trading Market to be established by the NSW Government;
 - 5.3 to purchase shares from another fishing business;
 - 5.4 to purchase shares in the proposed Subsidised Share Trading Market.
6. As a result of the proposals put by the NSW Government, Mr Pirrello believes the market value of any shares in any fishery in NSW has been substantially affected, to his detriment.
 7. Mr Pirrello is also of the opinion that the payment of a subsidy of \$20,000.00 offered by the Government to exit the fishing business is insufficient considering the substantial investment that he has made in the industry over such a long time. For example:
 - 7.1 If Mr Pirrello is not able to sell his shares to another fishing business and then submits his 45 shares for sale through the Adjustment Subsidy Program, there is no guarantee that the offer to sell the shares through the Adjustment Subsidy Program will be accepted.
 - 7.2 If Mr Pirrello's sale of shares is rejected, then Mr Pirrello will be put in a position of needing to acquire a further 5 shares in the "Ocean Trawl – Fish Northern Zone" to make up the minimum shareholding requirement that has been introduced by the NSW Government from July 2017.
 - 7.3 However, at that stage, Mr Pirrello will have missed the opportunity to bid for those 5 shares through the Adjustment Subsidy Program.
 - 7.4 The result will then be that if Mr Pirrello is to purchase 5 shares from other fishing businesses on the open market there is no guarantee that those shares will be available for purchase and if they are he can be expected to pay a premium price for those shares as it is unlikely that fishing businesses would not be interested in selling such a small amount of shares unless it was financially attractive to do so.
 8. Mr Pirrello is also aware that the NSW Government is to introduce 'Quota restrictions' in the Ocean Trawl – Fish Northern Zone amongst other fisheries but those Quotas have not yet been determined. The imposition of Quotas creates uncertainty in the market.
 9. The result is, from Mr Pirrello's point of view, he cannot make an informed and commercial decision on whether or not to buy or sell shares in the Ocean Trawl – Fish Northern Zone.
 10. Mr Pirrello is of the opinion that the proposal put by the NSW Government will pit one fisherman against the other in negotiations between themselves to buy or sell shares which will drive down prices so that all fishing businesses will suffer. The subsidy offered by the NSW Government of \$20,000.00 will be inadequate to compensate fishing businesses for their loss.

11. Mr Pirrello feels that the proposals of the NSW Government are not only difficult to understand but will also be hard to administer.

Alternative Proposal

- A. Mr Pirrello proposes that the \$16 Million allocated towards the Adjustment Subsidy Program would be better utilised by offering compensation directly to those fishing businesses that wish to exit any of the fisheries and adopting a similar program which was offered as "buy back" options by not only the NSW Government but also the Commonwealth Government some years ago. Those programs were very successful in reducing the fishing effort and recompensing fishing businesses who chose to exit.
- B. Mr Pirrello also feels that as a result of his and the efforts of other fisherman in the industry building up the fishing industry over time, fishermen should be entitled to exit with dignity rather than having to negotiate directly between fisherman to sell shares to each other when the industry is in a state of flux as a result of the uncertainties now created by the recent NSW Government proposals.
- C. Mr Pirrello therefore requests the Committee to consider and recommend abandoning the Adjustment Subsidy Program and replacing it with direct offers of compensation to fishing businesses to encourage fishing businesses to exit the market and reduce the fishing effort leaving those fishing businesses that do not wish to exit to concentrate on developing those businesses and complying with the proposal quotas that are to be introduced.

We request that the requests of this letter be acknowledged and a response on the submissions be furnished at a later date.

Yours faithfully

HOZACK CLISDELL LAWYERS PTY LTD

JOHN HOZACK
Solicitor and Notary Public

cc-/ The Hon. Shelley Hancock, Member for the South Coast
cc/- Rocco Pirrello

This office will be closed for the Christmas break from **12.00pm on 23 December 2016 and will re-open at 9.00am on Monday 9 January 2017.**
From all of us at Hozack Clisdell Lawyers
we wish you a Merry Christmas and a Happy New Year