

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

Name: Ms Tisha Limon
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Partially
Confidential

KEY ISSUES :

Veil of secrecy

Mismanagement from the very beginning has caused the implementation to fail, and cause uncertainty.

The lack of consistency within the DPI regarding staffing, liaison managers, and the creation of a PEAK INDUSTRY BODY has caused the department to lose control of the process.

When Minister's continually state that it's CONFUSING and COMPLICATED, means they don't understand. It's the governments job to help Industry and the general public understand. This cannot be achieved if they themselves find it complicated.

Not releasing information in a timely fashion and clearly defining that information for fishers to understand, has left fishers in an unacceptable position of confusion and uncertainty , and leaves them feeling alienated from the process.

The department has obvious issues with their administration practices as they have not been able to provide basic information that should be easily accessed

No real forethought on how they were going to implement this restructure as they have made it up along the way to suit certain people, groups etc. This is not good Management

The lack of information to all fishers has created the 'Chinese Whisper' effect which has caused panic and uncertainty. Which leads to bad business decisions and favours the inactive/latent licence owners to take advantage and increase there share holdings.

ALL TRADING OF SHARES SHOULD HAVE BEEN STOPPED AT THE START OF THE RESTRUCTURE.

By not applying adequate insentive for fishers wanting to exit the industry has created amalgamation and shifting of activity

History shows the over allocation of shares. Why do we keep paying for historic mistakes made by the department and governments.

SARC Draft Recommendations- adjustment of business and purchase of shares (Next Page)

SARC Final Recommendations - need to purchase more shares now due to last minute changes (Next Page)

Allowing the amalgamation of Businesses has prevented the removal of 'Latent Effort' and facilitated the re-activation of this effort.

Insufficient data within the department is extremely worrying. ' they needed to get their house in order, before attempting any form of restructure '

Not implementing share linkage arrangements means fishers have no certainty on there required investment and has created speculation which leads to bad business decisions

Providing low interest rate loans with very lax borrowing criteria is setting fishers up to fail.

Allowing New Entrants to buy in during the restructure will prevent the success of ACTIVE fishers acquiring the shares they need to continue to work and has caused the extreme inflation of share prices and prevents the initial aim to REDUCE the number of businesses.

Key Issues Cont:

SARC Recommendations

~ Re - LINE WEST

"SARC consulted working groups on the draft recommendations. Working groups expressed their concerns that the new minimum brings no benefit for the negligible loss to fishing businesses under this arrangement and were concerned that minimum shareholdings would not creep up over time."

'SARC reiterated that there was no hidden agenda'.

Why then in the SARC Final Recommendations did the Line West minimum go up another 10 shares making the new minimum 60? Which means an extra 20 shares is required to continue fishing as of July 2017.

The changing of decisions at the last minute has been the only certainty in this restructure.

~ I do believe that SARC has performed their duty to the best of their ability with what they had to go on. But unfortunately due to the lack and inconsistency of the data needed, made their job extremely difficult. In some cases as in the Ocean trap and Line sector the need for readjustment and new linkage arrangements are not clear. We still don't have any idea of what is to come, yet we have to increase our shareholding.

~ SARC set out on a task that has been doomed from the start. Trying to fix something that was obviously not right in the beginning is never going to work. Perhaps now a rethink would be timely before more damage is done to the industry. Hopefully someone has a Plan B.

~ the committee needs to immerse itself in the two fish boxes full of information that we have had inflicted on us in the past six years. The amount of information from start to now is mind boggling and has caused a lot of confusion and mistrust, as the information provided changed on a very regular basis which is unsatisfactory, it shows me that there are huge problems within the department and their ability to implement the basics or if they even knew what they were doing half the time.

Eg. * Restructure, * Reform, * Exit Grants, * Tender Bids

* Share Trading, * BAP, * ASP, * SARC, * ITCAL, * TAC, * TAE, * MFAC, * EIS, the list goes on. By attempting to keep us informed has led us down a worm hole of the department's thought bubble and has ultimately made us all confused. The government and the department included.

Which is mismanagement.

~ Concerns from fishers regarding the Reform have really never been addressed except Managers saying, "it will be great all will be fine, don't worry, it will all be good in the end" Some issues raised by fishers throughout the reform are

~ Claims that shareholders will be able to unfairly capitalise on access to the funding

~ that the available money should be used for a buyout targeting latent effort or for those wishing to leave the industry, prior to the options for restructure of the industry being developed.

~ uncertainties about how much to bid during the exit grant process or to spend on obtaining shares if required, given the possible all-or-nothing result.

~ the availability of shares to purchase

~ activation of latent or inactive licences

~ other share classes buying into sectors where the subsidy will be higher and inflating prices

~ risk of investors/speculators purchasing shares to lease back to active fishers

***Unfortunately all of these things are already happening.

I personally know of a person who was in another fishery years ago and got a buyout.

They bought a Fishing Business 3 years ago and attached a lot of shares to that business. Now they are selling these shares at 3 to 4 times the purchase price.

There needs to be better rules when receiving an exit grant or buy out, not just five years, it should be forever.

As history keeps repeating itself, people who don't fish for a living and are investors are usually the ones who don't need to worry about money they are happy to sit and wait for the next buyout. It's very clear to me now that this is a common occurrence, and needs to be addressed. The department and Governments need to stop pandering to these types of serial offenders. These are the types that are destroying our Industry which will ultimately ruin small businesses in rural towns where these fat cats like to holiday.

~ The NSW Government had a chance to support and promote our industry.

~ The NSW Department of Primary Industries has a world class Fishing Industry to be proud of.

Start recognising what you do have and foster it, encourage it. Make real change to public perception and support the Commercial fishers. When we're gone, you're gone!!

If it's too hard to achieve better cohesion, it may be time to 'Drain The Swamp'

RE: Inquiry Commercial Fishing NSW

Note: this section contains confidential information that I request remain confidential and not be published, CONFIDENTIAL INFORMATION IS UNDERLINED IN RED

Thank you for finally giving me the opportunity to provide information regarding the NSW Commercial Fishing Reform.

It is of great concern that the Reform has been able to progress this far without DPI And State Government recognising the serious and detrimental issues concerning the implementation of the Business Adjustment Program.

Due to lack of proper consultation and Misinformation from Ministers ,The Department Of Primary Industries , SARC, Independent Advisors, Self interest groups , The General Public and any one else who has felt the need to interject and put forward there opinions to influence the powers that be at the cost of our industry.....

Has led us to where we are now. A confusing muddled mess .
Caused by,

MISMANAGEMENT.

My husband has worked in the commercial fishing industry for 20 years. We have travelled Australia working in different fisheries in W.A. S.A and NSW.

Our plan has been to own our fishing business for a long time. In 2011 we bought our business which is endorsed to fish in the Ocean Trap and Line Sector. Our initial outlay was for the business with 40 line West shares was _____ our vessel was _____ We borrowed this money from the bank at a high interest rate as a fishing business is not really classed as a secure investment. We started our dream business with the world at our feet. 2012 came the start of the Reform. When we purchased the business there was a mention of History from some friends , when I questioned DPI about this they said that there is no history anymore and it was shared fishery. They said they expected a few refining adjustments in the near future but history doesn't play apart in a share fishery.

Over the past few years I've had to learn pretty quickly on how things worked. But I can definitely say it hasn't been easy coping with the reform process . It has affected our day to day life for years now and it hasn't been easy.

Once the options paper came out from SARC it was a no brainier in realising we would have to invest more money. Our plan was to diversify our business from the start but to have to jump in so deep in the first 5 years has not been easy, we have made huge sacrifices and had to go without a lot of things. But all indicators told us that not having the shares and relying on the subsidised share trading market had to be avoided if possible as we just can't risk not getting the shares.

After the SARC Draft Recommendations were released we had huge concerns that we may not be able to continue if we didn't start diversifying our business. We had been through the processors of the Reform and had lost complete faith in the department and there sharetrading idea. The pressure and uncertainty pushed us to go deeper. In November 2015 we purchased a demersal fish Trap endorsement with 45 shares for _____. It was a relief to know that we hadn't missed out on being able to buy the traps. We also purchased 10 line West shares in that transaction paying _____. At that stage we were over the moon we had reached the new minimum share holding in line West. Little did we know that that SARC would change there Recommendations . That minimum would be changed over night from being 50 to 60. What a nightmare.

I have put in another transfer form purchasing 40 demersal trap shares costing _____o at least now we have met the new minimum in one endorsement. We will still need to run the risk in the share trading market for line west. Hopefully we will be successful.

The next pages of my report are my personal views on the reform and my interpretation of events of the past 4 years. It must be noted that this reform has been the hardest and most challenging situation we have had to face in 20 years of our relationship. Just the mention makes my toes curl. I'm currently not able to discuss this at home as it is to much for my husband and son to deal with. We are completely over it!!!!

Commercial Fishing in NSW

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Terms of Reference set by Committee

1. (a) the history of commercial fishing in NSW, including reforms to the industry since 1994,

Obviously the Fishing Industry has been in the process of Reform since 1994, these dates reflect the extremely lengthy process and the complete exhaustion (Reform fatigue) to the Department and Fishers alike. This Fatigue from the Department is inhibiting them to successfully implement the BAP. Which shows there may be serious flaws in the proposed changes or the historic decisions that were made way back when....

It is clear the DPI's agenda is based on independent analysis over these years, it is unclear why DPI always seeks the same people for their independent advice.

I am now aware that CONSULTATION issues were of great concern way back when and still haven't been addressed.

The committee needs to take note that obviously there are some major issues with the Restructure and the new Share Linkage arrangements.

It is incomprehensible that to this date 9 December 2016, Government and DPI are yet to deliver the First stage of the Reform Being the REMOVAL of " LATENT EFFORT"

(b) the Value of commercial fishing industry to the NSW economy,

~ The Fishing Businesses affected by the reform are small scale rural businesses. I can guarantee that these businesses are all from low socio economic areas, where having a Job / Business and making a dollar, is a gift. Unemployment is a huge issue in most small coastal towns.

~ Fishermen have always provided employment in rural communities. Predominantly supporting young men in the community.

~ it must be noted that Commercial Fishing is not a job for the faint hearted. Commercial Fishermen are a minority group....The value of knowledge is understated, it's a job of expertise and you must do your time and learn. It's not an occupation that you can just take up. Commercial Fishing / Fishers are stoic adaptable beings who are greatly undervalued due to the skewed view of the general public. Commercial Fishers should be granted the RESPECT and VALUE they deserve. Government needs to educate the public of the value of our industry and support it by promoting our seafood and turn the tables on importing seafood product from overseas this is the only way I see our businesses becoming even more viable and productive.

Note....

~ Support for Commercial Fishing will only come from proper education to the public sector of how important our industry is. Our industry needs to be properly represented and supported by Government. Our Industry has the potential to shine. With government support we could create a lot of jobs in our small rural communities.

~ see attachment 1.

~ see attachment 2.

~ see UTS Valuing Coastal Fisheries in NSW

(c) the scientific research underpinning fisheries management,

~ Please refer to DPI Website "Primefact 865", Where it clearly states that our resources are managed in a sustainable way.

~ I believe that there is a huge lack of any scientific evidence underpinning management. NSW government has changed legislation to only require one scientific study being required to inform their decision?

(d) current arrangements for the assessment of fisheries by the NSW Department of Primary Industries Fisheries Resources Assessment Unit,

~ possibly DPI administration practices and catch and effort reporting need to be improved for better data collection. It has been said that catch records could be falsified or fudged and who can say that there not??

~ We need more job creation and \$\$\$\$ for Fisheries Officers, Managers and Staff on the ground. At the forefront of our ports, wharfs, Boat Ramps etc, that's where the collection of Data should be recorded; as soon as the catch is landed. This should happen for all sectors Commercial and Recreational fishers.

Officers and Managers are then better able to educate and police the resource and collect vital data in the process.

First Nation peoples would be perfect candidates for these positions. Job creation in our small fishing towns is of huge importance.

Terms of Reference cont :

(e) the NSW Government's Commercial Fisheries Business Adjustment Program and it's aims, including

(i) the relevance of the Draft Productivity Commission Report into Marine Fisheries and Aquaculture

~ The Productivity Commission Report will have another huge impact on our industry. It will mean more structural adjustment, and further uncertainty for our sector. It is a shame that Federal and State Governments are unable to communicate properly, After 6 + years of Reform our future remains uncertain with the Federal Government now holding the cards and wanting immediate action by State Governments.

~ it is great to see the Productivity Commission recognising the need for better compliance regarding the recreational sector, and acknowledging First nations rights. Though I'm not so sure they have been rightly informed about the importance of food security and the importance of AUSTRALIAN PRODUCE.

(ii) the implementation of the restructure to date,

~ the implementation of the restructure leaves a lot to be desired, as stated previously it is MISMANAGEMENT AT THE GRANDEST SCALE.

~ consultation with Fishers started off ok but as the process has dragged on DPI and GOV are suffering Reform fatigue, and wish to just get it over and done with, no matter the cost to Industry.

~ The issue of "Latent Effort " not being addressed at the start of the process has provided several issues with implementing the BAP. Effectively by not removing the Latent Effort first , has led to more distrust in the DPI .

~ to open a industry under reform to new entrants is unfathomable, especially when existing fishers need to reach a new minimum share holding.

~ this process has been a day to day thought bubble of the dpi and the Government where deadlines are not met, last minute changes, undated letters, managers/ liaison officers not able to answer questions or not allowed too. Independent Advisors being employed to facilitate communication from Fishers to the Minister , Preview Market failings and misinformation. Unanswered Hotline calls . Sending information on a Friday Afternoon at close of Business.

~ The Stevens Report 2007, The Independent Review of NSW Commercial Fisheries Policy, Management and Administration Report March 2012, both stated that restructure is needed due to the " misallocation of shares" The Review Team also states that it "does not recommend that Government / Industry purchase shares through a buyout" SARC also stated that "LOW Interest Rate Loans" would not be in the benefit of Active Fishers as it inflates the price of shares and creates a debt trap.

~ all trading of shares should have been stopped at the start of the Reform process to allow the subsidy monies to be utilised in the best way to insure the restructure was successful in removing "Latent Effort" and provide a good incentive for ageing fishers who wanted to exit a means to do so and be fairly compensated.

~ unfortunately there are people who have no choice but to purchase shares needed for them to keep going to work which is causing concern due the unfairness of the allocation of subsidy monies.

~ the whole process has been a divide and conquer affair, set to pitch fishermen against each other. DPI is well aware that Fishermen do not communicate with each other and are solitary in their decision making. Very rarely communicating amongst themselves especially in respect of financial matters. We are still waiting for the Government to form a Peak Industry Body, which should have been formed at the beginning of the reform process so ALL Fishing Business owners could stay up to date and well informed and be able to give insights on the process and address issues as they arise. Its a shame the importance of a Peak Body went by the way side for the Government.

Luckily there have been some dedicated people within the Wild Caught Fishers Coalition who have shown fishermen that there are people out there willing to represent them and listen to there individual needs / issues. Although i am not personally a member of the WCFC yet, I acknowledge and thank the members for there dedication to the industry as a whole. This Industry body seems to be working for fishers and has gathered momentum over the last two years. WCFC may be the one and only positive to come from this whole debacle.

Unity will build a better future for our industry.

Terms of Reference cont:

(ii) cont :

~ all documentation from the Independent Advisors has stated that Active fishers should be supported. This has not happened to date.

~ DPI and SARC continually changed their decisions and have placed active fishers in a unpredictable situation which makes it impossible to make informed business decisions.

~ By not stopping New Entrants from buying into the industry during the reform process has placed active fishermen in an unacceptable environment to adjust there business successfully.

~ New Entrants being allowed to buy in has reduced the access to shares that would have been available for active fishers to buy.

~ it must be noted that I am not against new entrants as they are essential to the progression of our industry. I just can't understand why the department is allowing new entrants when they are trying to REDUCE the number of fishing businesses and effort in our sector. Seems nonsensical to me.

~ DPI were supposed to have checks and balances in place. Its clear there are a lot of scenarios that have not been factored into the equation. Therefore I must question the integrity of the restructure and the Departments capability to implement this reform properly. Which definitely makes me extremely concerned with what may pop up next! As we all know this reform is far from over. As for light at the end of the tunnel.... no , the tunnel just gets longer and darker.

~ Dpi has been extremely lax in supplying fishers with information needed to make informed decisions. e.g When the Minister announced the RAA Loans, to be able to meet the criteria for a loan you needed to have an activity statement from DPI. Activity Statements had not been provided to fishers. The activity statements did not arrive for some time around 3 months. Some fishers have said that endorsements that they had sold were still on there activity statement once finally received.

~ on several occasions dpi have sent out paper work which has not been dated. I would of thought all letters and documents from a government agency should be dated?

~ DPI web site is a treasure trove of information

Eg, Frequently Asked Questions Pages was great when it came out earlier this year when "NEW" information was added it would have "NEW" next to it. As the months drag on new info was added but there was no longer a "NEW" put next to it. So having to keep a close eye on this proved remarkably difficult as most of the time you could not save the info for comparison. When you did go to print it ,the print version would be something completely different and random. Some of these Questions/Answers are worded in such a way that is misleading as interpretation may differ from fisher to fisher. Not to mention the sneaky changes that were made at times. It has made me very cautious and wary of the information provided by the department which has been a common concern in the last few years. This issue has obviously been a concern historically also.

~ Share Register and specific fishery information, is a vital tool to allow fishers to see the movement of shares in the market. Unfortunately the updating of this information by DPI is pathetic, for want of a better word. The Share Holding Register has not been updated since the 10.10.2016. Even after many reminders from myself, the last reminder was 4 weeks ago where I was told it would be done by the end of the week. Still not updated. The specific fishery information is another great source of information on the movement of shares, last time it was updated was in August unfortunately some of the information was incorrect, after notifying the department of the problem the information remained published on the website uncorrected for 2 weeks.

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Cont :

~ In May 2016 the Minister announced he would be seeking an Independent Facilitator to advise him on some of the implementation issues fishers were having. I welcomed this as i thought i may be able have my opinion heard. No, not the case for some reason the department always asks the same people, groups of their issues not everybody? Not everybody has the same issues though we are all affected by the outcomes and decisions made. Months later and lots of detective work....there popped on the dpi site The independent advisor had given his report and the governments response and changes made by the reports recommendations came in the form of the Preview Share Trading Market." To help fishers better understand the system and give fishers an idea of share prices and availability of those shares".

~ unfortunately we were just used as puppets to test there system which is a ridiculous platform at best. Where you can't put in whole numbers and you must use a range, (see example below) and there is nothing to say what the running price of the share is. My 12 year old son could have developed a better application. To be honest, it's a joke. I also question the integrity of this platform and who is actually overseeing this process. And how much it has cost!

The preview market opened on 17 October, We received our LOG IN DETAILS from the department on Friday 14 October at 3pm .As for feed back that fishers were going to get regarding Share Price and Availability a week after the Market closed. We got feed back 7 weeks after on the 9 December and to be honest I can't make any sense out of the info that they sent to me its rubbish, and was a complete waste of my time.

Eg , of share trading market :

****Line west shares- currently 40 - new minimum 60 - cap on amount you are able to buy 20.**

~ Why would you place a bid in a range (1-20) when you need 20 to keep fishing?

~ Why would you place a bid in a range (1- 21) when you are capped at buying 20?

**** Demersal Fish Trap - currently 40 - new minimum 50 - cap on amount you are able to buy 10.**

~ Why would you place a bid in a range (1-10) when you need 10 to keep fishing?

~ Why would you place a bid in a range (1 - 11) when you are capped at buying 10?

~ Attachment 3, (someone on the committee may be able to crack the code)

~ Extract from DPI Information Sheet sent out in February 2014...." The Department is now setting up an online 'Stock Exchange' facility that will be run by an independent company (ies) to better inform the share market. This facility will provide for anonymous listings and give live market value information across all share classes. We hope to have this in place in a few months time"....

another broken promise and the system is definitely not worth it , almost 3 years of waiting for rubbish. Still no answer if shares will actually be there to purchase? Still no idea of the inflated prices that will be asked ?

~ There have been a few ideas on how people may be able to manipulate the share trading platform. These suggestions were put to a department manager who assured us the system would be monitored for this type of behaviour. I myself am not up to speed with being able to play the market but I'm sure there are people who are and people that will try. Unfortunately I don't have trust in the department to circumvent these thing from happening this system should of been kept completely separate from the department. Why did the department make all shares active in the share trading market next year? Was this because it is easier to activate all the shares? Or for other reasons.

~ in regards to the department not setting or giving guide lines to Fishers on the expected share prices, on all share transfer forms you have to put the price of the shares and provide the ' Contract of Sale' why can't the department provide a break down of these transfers That have happened in the last two years? Is there some reason why the department is not disclosing this or is it just another flaw I'm there practices?

~ FEES the fees were raised years ago to stimulate the removal of Latent Effort and encourage these businesses to exit the industry. Great idea in theory. I am very interested to know how many Fishing Businesses have not paid fee's on there businesses and if these non payers have been able to obtain Low interest rate loans or business buyouts? A year ago we were worried about the purchase of shares in our OTL Sector by other Share classes, but thought it silly that people would overcapitalise having to pay the fees on these endorsements as well as there own. Then the fees were stopped for this year an yet to be determined. It is extremely worrying and seems to be coming to light now that there are a lot of Businesses that haven't paid there fees for years. The committee needs to request answers from the department on how much money is owing in fees and this situation needs to be rectified. Subsidy should not be used to pay outstanding debt on fees. How have Businesses gotten away with Not paying there fees?

The committee needs to make themselves familiar with FORM 8 Transfer Form , and Business Buyout Forms on the dpi website ~ this will enlighten them on how the department is facilitating the use of the subsidy to pay fee debt back to the department