

**REPORT ON IN CAMERA PROCEEDINGS BEFORE**

**GENERAL PURPOSE STANDING COMMITTEE NO. 5**

**COMMERCIAL FISHING IN NEW SOUTH WALES**

**CORRECTED PROOF**

**At Jubilee Room, Parliament House, Sydney on Monday, 12 December 2016**

**The Committee met at 10:00 am**

**PRESENT**

The Hon. R. Brown (Chair)

The Hon. L. Amato

The Hon. R. Colless

Mr J. Field

The Hon. J. Graham

The Hon. G. Pearce

The Hon. M Veitch



Evidence in camera by **GARY BORDIN**, sworn and examined

Evidence in camera by **GRAEME BYRNES**, sworn and examined

Evidence in camera by **ROSS FIDDEN**, sworn and examined

Evidence in camera by **TROY BILLIN**, sworn and examined

Evidence in camera by **GEOFF BLACKBURN**, sworn and examined

Evidence in camera by **DARREN WARD**, sworn and examined

Evidence in camera by **GARY JOBLIN**, sworn and examined

Evidence in camera by **GREG GOLBY**, sworn and examined

**The CHAIR:** Welcome to the hearing of the inquiry into commercial fishing in New South Wales. I am Robert Brown, the Chair of the Committee. The Committee has agreed to receive your evidence in camera. At no time during your evidence will any media or members of the public be in the room. The only people in the room are Hansard who record your evidence, the secretariat and the members. The decision whether to publish the transcript of your evidence, either in full or in part, rests with the Committee. I understand you would be open to publication of some of what you are about to say and you will be given the opportunity to determine what you do agree to and what you do not.

We can return to the issue after the hearing. Until such a decision is made, please note that you are bound by the confidentiality of today's proceedings. The Committee is giving you the opportunity to present the evidence in camera; do not go out the door and blab to the media. I will have other procedural comments to make before we get started. Witnesses who appear before parliamentary committees are protected by parliamentary privilege for the things they say during the hearing. What they say cannot be used against them in later court proceedings.

However, I ask that witnesses ensure their comments are relevant to the terms of reference and be careful when using individual's names in order to avoid unnecessary harm to people's reputations. As I said before, this evidence is in camera. It is important to remember that parliamentary privilege does not apply to what witnesses say outside of their evidence at the hearing, either before or after the hearing. I urge witnesses to be careful about any comments they make to the media or others after completing their evidence as such comments would not be protected by parliamentary privilege.

**The CHAIR:** Thank you very much, gentlemen. Because there are eight of you we are going to have to manage this fairly carefully. Would one of you, not all of you, like to make a brief opening statement? Do you have a spokesperson?

**Mr BLACKBURN:** Yes, I will.

**The CHAIR:** Thank you, Mr Blackburn. Can you keep it to about five minutes?

**Mr BLACKBURN:** It will be very short. We are a group of like-minded fishermen who present ourselves here to answer any and all questions that the Committee might have around the issue of the reform of the New South Wales fishing industry. We thank you for this opportunity and in the interests of time none of us will be making statements, but we are here purely at your disposal to fill in any information gaps and give a perspective that might not have been expressed in the public forum.

One short thing if I can just add: my understanding is that we are all appearing in our individual right, not as an actual representative of any organisation. You have in front of you a group of men of long standing in the industry who have held and do hold various roles within the industry and representative groups. We have a number of chairmen of different organisations. Again, we thank you. These are our personal opinions and do not represent the opinion of any group. I think that is a very important point to be made to the Committee.

**The CHAIR:** Thank you. We have plenty of time, so each of you will have an opportunity to have a say if somebody asks you a question or if you want to chip in and add something please do so. Try to keep your answers as succinct as you can; spit it out, get it on the table. We are in camera, so apart from unparliamentary language—ladies are in the room—we are here to find out what you think and your ideas. That is what we are here for. We will proceed with questions from Opposition members.

**The Hon. MICK VEITCH:** It is important you made the statement that you are here as individuals rather than representing groups. We hear a lot about the sustainability of the fish stock in New South Wales and the science or lack thereof that underpins the assessment of those fish stocks. Could a couple of you give your views about the sustainability of commercial fishing?

**Mr BLACKBURN:** I will speak to that. We are fishermen; our job is to catch fish for the people of New South Wales who do not access it themselves. We rely on government departments which oversee this process and that could be the Fisheries department or the Department of Primary Industries [DPI] in this instance. I believe that all our fisheries have been evaluated under a Fisheries Management Strategy [FMS] and we were judged to be sustainable in an environmental sense. There is a lot of noise around this; sort of throwing lawyers at each other. I personally have no overriding concerns in the fisheries that I operate in about my impact on it; I do have an impact on it and I acknowledge I do.

The environment is a big issue. If the environment is right then I can take my share for the people of New South Wales. OceanWatch Australia, of which I am the chair, is an environmental group that is committed to habitat issues and best practice. Industry has many, many initiatives around sustainability and about biocatch reduction. In 2004 OceanWatch and the fishermen of Australia won the United Nations environmental award for biocatch reduction, so there is an enormous body of work around sustainability. It is one of the Minister's, whichever Minister it happens to be, and the department's overriding concerns. The first duty of the Minister is the protection of the resource. That is not our province.

**The Hon. MICK VEITCH:** Anyone else?

**Mr FIDDEN:** I am the chairman of the Newcastle Fish Co-operative and have been for about 15 years. We have gone through recreational fishing havens and marine park strategies with the sanctuary zones. Our catch rates and supply rates have been consistent now for about 40 years. So even though our numbers, our membership has dropped by approximately 50 per cent in the last 15 years, our catch rates are still where they always were.

**The Hon. MICK VEITCH:** We hear a lot that New South Wales imports 86 or 87 per cent of our seafood. We are here to come up with recommendations for the Government. I would be keen to hear some views about how we can turn that around, how we can improve consumption of New South Wales wild caught seafood?

**Mr FIDDEN:** If I can, just briefly. I do not really know the exact specifics and the numbers on those details about the imports; I know it is a number that is touted a lot by some people.

**The Hon. MICK VEITCH:** The Government actually; it is in some of the government documents?

**Mr FIDDEN:** A lot of it is farmed produce, which we can't produce. So when you talk about farmed prawns, imported basa fillets, imported Nile perch, which has been imported for the takeaway trade basically, we cannot replace that. The wild fresh fish that comes into Australia is predominantly probably from New Zealand. We get a very, very small amount in tonnes that comes in from Indonesia but basically fresh fish that comes into Australia is only from New Zealand.

**The Hon. RICK COLLESS:** I ask a follow-up question. In terms of the labelling of that imported fish, do you believe that cooked fish should be labelled as well as fresh fish?

**Mr FIDDEN:** I have a different opinion to a lot of others. I also operate a restaurant and takeaway food outlets. My concern about that is we sell so much hoki. I sell hoki, I don't sell basa and other products like that. There is a huge demand for that product. It comes from New Zealand and it comes in frozen. It is a cheap, bottom end-of-the-line fish that is a good, high-quality fish. We don't really in New South Wales catch a product that could replace that at the same cost price. Our black fish, our mullet, our trevally—that is a fish that is a cheaper fish; it is not anymore, it is getting more expensive.

I feel that truth in labelling—I agree with truth in labelling but I don't necessarily need the place of origin to be the case. We could even, in my mind, sometimes be turning people away from fish towards chicken because they might say, "We don't want to buy that fish; it's not from Australia". If I use an Argentine flathead fillet, for example, I can sell it cooked for \$10 a piece. If I have to use a fresh frozen boneless Australian fillet, I have to charge \$25 a piece and that is just unsustainable to the general marketplace. So will they go and buy frozen chicken? And we know that chicken breast are \$9 a kilo at the moment. We just cannot compete.

**Mr BYRNES:** To your point, if we want to maintain the level of fresh New South Wales seafood going into the system, the best thing we can do is to stop closing down commercial fishing grounds. When Mr Obeid was the Minister, some 30 commercial fishing grounds and other areas were closed. We lost an enormous amount of seafood from New South Wales that went into the system. You should go to the South Coast now and

try to procure fresh local seafood. You might get some from Commonwealth waters, but you try to get some from estuarine waters—flathead, bream, whiting or even prawns—you cannot buy them because there is nowhere left to fish.

As I said in my submission, this is something that comes through from Indigenous fishers. They are aggrieved. I have never seen so many upset people as I did when I and other members of the Ministerial Fisheries Advisory Council met these Indigenous fishers on the South Coast. Their hearts are broken. Something needs to be done about that. There are recreational fishing havens now where these people have lived for thousands of years, but they cannot go back to those waterways to do the things they used to do. That situation needs to be fixed. As far as seafood supply goes in New South Wales, we have to stop closing down commercial fishing grounds. It is unconscionable. If we want the supply of seafood from overseas to New South Wales to go to 99 per cent, we should continue with that policy.

**The CHAIR:** Are all of you from the North Coast? Are there any South Coast fishers?

**Mr BYRNES:** I am a former South Coast fisher. As a result of those recreational fishing haven closures, I had to leave Lake Illawarra and the South Coast, and as far down as Durras Water to Batemans Bay. My father, my grandfather and my great grandfather fished there—we lived in the one area for almost 100 years—before the waterways were closed. We were forced to move. My brother, my father and I could have taken up other jobs, or we could have gone somewhere else to fish. We moved to Wallis Lake.

**The Hon. MICK VEITCH:** I want to pursue the issue of cultural Indigenous fishing. Legislation was passed in the New South Wales Parliament in 2010 that provided for cultural fishing, but it is yet to be enacted. Do you have any views about that?

**Mr BYRNES:** I will not speak for Indigenous fishers.

**The Hon. MICK VEITCH:** I do not want you to do that.

**Mr BYRNES:** In their mind, cultural fishing means being allowed to fish in those waterways as they always have done. That is not what I see as allowable under the current proposal for cultural fishing; it has no commercial aspect to it. I think that is correct. That is different from what they said to the Ministerial Fisheries Advisory Council earlier this year. That is what aggrieves them more than anything. They cannot derive a living from it in a cultural sense if they fish culturally. That means they cannot employ their young folk. The young folk go off and do things they should not be doing rather than being in a job. There are not many jobs in that area.

**The Hon. MICK VEITCH:** I know.

**Mr BYRNES:** They are doing it hard, and these young people are getting into all sorts of trouble. They just want to give their people a job and to keep to the family way of doing things. They cannot do that the way things are at the moment.

**Mr BLACKBURN:** I refer back to your comment about the consumption of seafood in New South Wales. A big step forward would be to change the language used by government around the commercial fishery. As we sit here now, there is a number of recreational fishing only areas that have signage that states "This waterway is protected from commercial fishing." It is very strong language, it is wrong, and it is misleading. It puts a negative connotation on every aspect of professional fishing. I make the distinction between professional and commercial fishermen. We are trying to have a professional industry.

In regard to the issues raised about Indigenous fishers and their disenfranchisement, not to mention our own lack of control, I have been subjected to three forced closures in my fishing career. I have physically had to move my family three times to different waterways. It is not as easy as it sounds because different areas have different conditions. It is an enormous strain and stress. However, with the proposal before us now, I believe there is the capacity for an entity such as a land council to obtain a share of the fishery and then be freed up so they can provide employment for young people because of the different management arrangements proposed.

It is no longer on the man; it could be a company. If they have a shareholding and the linkage is appropriate then you and you could go tomorrow, and you and you could go the day after. That would allow Indigenous communities, other family groups, or companies to be flexible with the management of their business and remain within the boundaries of sustainability. This all goes to family life and public perception. If people are happy and confident in the management of their fishery and they are being left alone to get on with it and to do the right thing, then that is far better than being clandestine and running around in the dark and hiding.

**The Hon. MICK VEITCH:** I have been travelling up and down the coast for the past 18 months standing around and talking in car parks at co-ops and wherever. I have also received copious amounts of

correspondence and many phone calls, probably 20 a day in some weeks, expressing views from all sides of the debate. One of the things put to me all the time is the issue of the potential for insider trading because of the way in which the Government has consulted with the sector. I can ask this question only within this in camera forum. Is there any veracity to those statements? If there is, how could that have occurred? On the other hand, are they statements being made by disgruntled individuals? I would like to hear your views about these allegations. Some of the submissions the Committee has received do not mention the names, but they go towards that issue.

**Mr JOBLIN:** We all got the paperwork six years ago saying that there was change coming, there would be reform of some sort. Two years ago paperwork went out to every individual commercial and professional fisher. Six months ago we all got paperwork saying what would happen. Two years ago we all went to meetings and nearly everyone here was on a panel; there were a lot of blokes from all different regions. We all went home and told our constituents what they would have to do and what shares they would have to buy.

I come from Ballina, and I went home and told the boys in the ocean trawl fishery that we would need more shares; I told them that Fisheries NSW said we would need more and I told them to buy some. Only two of us bought more shares; no-one else did. Then I was told I was insider trading. I asked how I could be when I told those blokes the day after the meeting that we all needed to buy more shares. I took that to heart; it upset me. I did not do anything wrong; I went to the meetings and came straight home and told everyone what happened. The paperwork came out six months ago and everybody knew the boundaries that they had to jump in July next year.

Everybody has had the same opportunity to buy shares and to get their businesses ready for next year. Until two years ago only one-third had done so. Probably 60 per cent or 70 per cent have tried to get their businesses ready over the past six months. No-one wants to get to July and find that they cannot go to work. That is stupidity. The people complaining are the ones who are not running their businesses properly. I do not care what anyone says, they need to move, they need to get their shares, and they need to get organised for next year to go to work. The insider trading thing is a myth. I know that everyone in this room went home and told their people to get ready.

**The Hon. RICK COLLESS:** All fishermen in New South Wales would have had access to that information?

**Mr BYRNES:** Without doubt.

**Mr JOBLIN:** Fisheries put it out there at the meetings.

**Mr FIDDEN:** In 2010, Fisheries NSW held port meetings up and down the coast. They were held in Sydney and on the Central Coast, and I went to one at the Newcastle Co-op. I really liked what I saw and what I was told. I was so interested and liked it so much because our industry needed change. I then went to a meeting the following day at Taree. I also went to another one at Port Macquarie on Thursday or Friday. The next week they held a meeting at Ballina, which I also attended. I then went to meetings at Maclean and at Coffs Harbour. I went to six of those port meetings and the same message was given at every one of them, and as a result I bought shares.

If you look on the DPI [Department of Primary Industries] website, there is a section there that says "Historical Documents". Every letter that went to fishermen, everything is outlined there as clear as clear water, and the people who ignored it, you come back and say to people, "This is the direction it is going. This is what you need to do. Shares will be linked to effort. The more shares you have the more effort you will have". Some people said, "That will never happen. They are not going to do it. They can go to buggery". Well, it is happening and they cannot say they were not told. A lot of the ones who were ignoring it and ignored all the advice were not even fishing then. They are nominated fishers, they have been leasing businesses and they are the ones who are doing the most whingeing.

**The CHAIR:** We will have to move on now.

**Mr JUSTIN FIELD:** Gentlemen, if I could just start by getting a sense of where you are all at. Could you give me an indication if your shareholdings are now at a level that will enable you to continue fishing next year? Have you traded shares in the last five years—I get the sense from some comments that that is the case—and will anyone be participating in the ASP? Maybe if we could start at one end. There are three questions and they are yes and no answers largely, just to get a sense of where you are coming from.

**Mr BORDIN:** I have got enough shares at the present moment to continue to fish. I am worried that if the TAC goes down or the total allowable catch goes down I may need to invest in some more, but at the present moment I think I have got enough to keep going.

**Mr FIDDEN:** I am involved in Estuary General Fishery Region 4 and Ocean Haul Fishery Region 4. Yes, I have bought shares and sold shares in the last four years to restructure my business. I have a little bit more to go but, apart from that, I am fine where I am now.

**Mr WARD:** Yes, I have. I have traded in shares, I have been on share committees when they were first structuring shares. At that stage we had to even allocate what we owned at the time. We were even told at some meetings we could not trade until it was put out to the public, which we were not allowed to do. But I have traded—I have got my business to the structure where I want it to survive. Maybe, with allowances, we might have to go up and down, but I am quite prepared to do so because I have seen what has happened in other States in this country that have been managed this way.

**Mr BILLIN:** I am in the Estuary General Fishery Region 2 and the Ocean Trap and Line Fishery and I have bought and sold shares in both of those things and I have structured my business to the way I am going to need it for the future to provide a good income for my family and hopefully for my family to have a good business in the future.

**Mr JOBLIN:** I own three fishing businesses, I am in five fishing classes, I have got two employees that work for me. So I have spent over \$100,000 the last couple of years getting my business to where I need to have it; it is over \$100,000 my wife informs me.

**Mr JUSTIN FIELD:** She would know.

**Mr JOBLIN:** Yes, big time. So, yes, as I say, I have got a couple more things to buy, but you have got to work to earn the money and buy them. So, yes, I have bought and sold.

**The Hon. RICK COLLESS:** Sorry to interrupt you, I was just wondering how you financed that. Did you have to borrow money from the bank or did you use your cash—

**Mr JOBLIN:** I have used all my savings, I can honestly say that, and I have borrowed a little bit of money from the bank. When the six-month thing come out, when all the paperwork come out, I went and borrowed \$60,000—I have got no qualms in saying it—and I spent that all on shares and to top up because, as I say, I have got two employees, three fishing businesses; they work for me, and my little brother is one of them, so I have got to make sure that I can sustain a business for him so he makes a living. So, yes, as I say, I have poured a lot of money into my business.

**The CHAIR:** Did you have any trouble with the bank, given the industry?

**Mr JOBLIN:** No. I had my house for collateral.

**The CHAIR:** Anybody else at the table have any trouble with the banks?

**Mr BLACKBURN:** There is no trouble; they just do not want to know you. Yes, I have bought shares in the last four to five years. I did borrow money. I am now 61½, 62. I was 60 years old and I took out a loan.

**The CHAIR:** You are just a pup.

**Mr BLACKBURN:** Not from this side of the eyes, I can tell you, especially through this process; it has been quite illuminating about human behaviour. So at 60 years old when the linkages were announced and I had decided I had to do something, I could not stop work, I did not want to stop work, I got a bank loan—sorry, it was not a bank loan; I privately funded through another loan source \$60,000 and purchased a third fishing business because the two businesses that I was operating on have been traditionally family businesses, one since 1977 and the other since about 1982,<sup>1</sup> just to provide some surety that when I needed more shares for whatever happened to have them. I have sold off some of the unwanted share classes when I was approached and I used that to finance to the share classes I wanted to go to. I still have numerous share packages that I just do not want that I need to divest myself of—as simple as that—to restructure the business in the new world, because this is a modern plan for a modern future.

**The Hon. RICK COLLESS:** So do you see the current arrangements will allow you to divest those shares that you do not need?

**Mr BLACKBURN:** If it proceeds as I have seen the advice with the share trading thing, I will be participating wholeheartedly because it gives me a vehicle where we have the case of a willing buyer. If other fishermen do not want the package that I have, I believe the department is looking at absorbing those shares that would be holding up the transaction because you have to get rid of all of them, and if the share class is not

---

<sup>1</sup> Mr Blackburn subsequently advised that the year should be 2000, not 1982.

wanted by the market at that time I think the onus is on the Government to take them out to improve it for the shareholders that remain so that those shares do not sit there as a threat for the future.

**The CHAIR:** Mr Byrnes?

**Mr BYRNES:** Yes, like my colleagues, I have bought and sold shares over the last five years. I think I have sold far more shares than I have actually bought. In terms of finance, that is what has helped me purchase the shares that I need to get me to where I need to be. Like Gary, I have a younger brother—although I tell people he is older; he doesn't like it—and we have to put together packages to keep each other going and we have done that. We are in a pretty good position for the majority of what we do, but at the same time we are going to have to purchase shares through the adjustment subsidy program to be able to get all our shareholdings to where we need to be. So we will be relying upon that as well.

Just as an aside, bear in mind that this program has been going on for some time. As Ross said, it has been going on for close to six years, this trading, people building up their shareholdings to where they need to be, and we have had that many false dawns as far as implementation of this program is concerned it is not funny. Chaps like us, and so many others out there, who have been investing in these shares have received no benefit, no return on investment for those shares.

So many of us have spent a significant amount of money for no return—we get no benefit out of it at this point until this linkage takes place, which is still six months away. It is an important point people need to remember.

**The CHAIR:** Mr Golby?

**Mr GOLBY:** Yes, I have invested. I bought a second business about two years ago and the information that I was sent to continue fishing—I am 54; hopefully I have another good 10 years, 11 years, in me. I love my fishing and I am excited at the prospects of where we will be going as an industry. I have a lot of hope in where it will take us. I did not borrow money. It was only about three or four years ago my parents passed away, so I had an inheritance from their house and I thought "I need to secure my employment", so I used my inheritance and I also borrowed \$20,000 off my now current wife—well, she was not current before but she is current now; she was my girlfriend, so she invested in me, that's good. I did not have to borrow but maybe I will need to. In the option I will be looking to purchase extra shares—not a great amount. The level of shares I have now is basically at the catch levels that I had prior to the reform coming in.

**Mr JUSTIN FIELD:** I do not mean to challenge you, Mr Byrnes. You mentioned that the thing that we could do to potentially increase the amount of commercial catch available in the market is to stop taking away zones but, Mr Fidden, you previously mentioned that over the last four years catch has not declined even though there are fewer fishers. So there seems to be a little bit of a tension there where we are catching as much fish, fewer fishers though, even though some areas are no longer available to commercial fishing. Have we got a bit of a balance right around this or are there still concerns about—

**Mr FIDDEN:** You mean between us?

**Mr JUSTIN FIELD:** On the one hand, you are raising concerns about grounds being taken away. On the other hand, the catch levels have remained the same over the past 40 years. I am trying to get a sense of how the sector feels about that, because you are catching as much as you were previously.

**Mr BYRNES:** It is an undeniable fact that once you close big waterways like Botany Bay, Lake Macquarie, St Georges Basin, et cetera—there were 30 of these waterways that were closed. They produce significant quantities of seafood; they no longer produce any. That is lost to the system. A rough calculation at the time was that in excess of a million kilos per annum was lost to the system. Has that product been taken up? If everything is exactly the same, that product has been taken up by elsewhere in the system. But if we are going to keep down that percentage of product that is imported into this country as opposed to product that comes from New South Wales, if we keep closing those waterways, if we keep reallocating access to the resource away from the seafood producers to somebody else, whether it is a marine park or a recreational fishing haven, or whatever it is, you will continue to go down that line of heading towards 99 per cent. It is an undeniable fact.

**The CHAIR:** Can I ask for a point of clarification? Are you catching the same amount of fish from a lesser area? Are the areas from which you are catching the fish on a downward sustainability curve or not?

**Mr BYRNES:** Part of the arrangements that we have—let us take the Ocean Hauling Fishery, for example, which is a large catcher of mullet. Those waterways that were closed, when you talk in respect of mullet, for example, does not mean that they are locked in there forever. At some point in their life cycle they come out of that waterway. Mullet that grew up in Lake Macquarie will be caught at Wallis Lake because they travel up and down the coast; they migrate. That might explain how the interaction occurs between those two things. But in terms of prawns, particularly greasyback prawns, which is specific to places like Wallis Lake and



at times Tuggerah Lakes, they never leave the estuary. So unless those prawns are harvested from that estuary at the time when they are ready to be harvested, they are lost to the system. That is how it works.

**The CHAIR:** Thank you.

**Mr BLACKBURN:** I would like to respond as well. I travel approximately 280 kilometres per day to go to where I am allowed to go to work. My traditional fishing grounds have been closed to rec. havens and marine parks. The time factor has been horrendous. The expense on top of my catch has been worse. It has lowered my standard of living in monetary terms and in relation to family, but it is something I have had to do. Many other men and women have been in the same position. The catches coming out—quite frankly, I cannot afford to miss. I am only as good as the next time I put a net or a trap in the water and that uncertainty and that pressure that has been created by the rec. havens and the closure of commercial fishermen out of areas that have traditionally been harvested sustainably has been intolerable and has led to social problems that people such as yourselves will be dealing with for generations.

**Mr JUSTIN FIELD:** I would like to come back to the question about cultural fishing. Mr Byrnes, you mentioned this in your submission as well. Do you think shares should be allocated through this reform process, like you mentioned, Mr Blackburn, whether it be land councils or the like? Should shares be allocated so that cultural fishing and Indigenous fishing groups can undertake commercial activities?

**Mr BYRNES:** I do not think it is a matter of allocating the shares. The shares are already allocated. It is matter of taking those allocated shares—whoever owns them—some entity, possibly, purchasing those shares and then having them for the exclusive use of those groups. Conceivably, this is entirely possible, but you would need an entity to hold those shares and that entity would then nominate whoever it is to work those shares. Again, I am not going to speak on behalf of Indigenous fishers, but the potential is there for a positive outcome for this group of people, this group of commercial fishermen who want to give their children and so forth a job. The potential is there through this program to do something really positive and really worthwhile.

**Mr JUSTIN FIELD:** To a large degree, this is only peculiar to the South Coast, which is the main community that is affected?

**Mr BYRNES:** To a large degree.

**Mr JUSTIN FIELD:** Do you think other commercial fishers in that region would support that? Would there be challenges with other commercial fishers?

**Mr BYRNES:** As a result of this program, once you get to the end of it, everyone has a little piece. Whoever gets that piece is pretty much irrelevant. It is the fact that they can only take so much out of the resource or only use so much, whether it is a day or something. I do not think they would have any concerns about who that was doing it.

**The CHAIR:** Before I pass over to Mr Pearce, I asked the question before about where you are all from. You are all from the North Coast. The reason I asked that question is we have had difficulty getting South Coast fishers to come here. It seems they are a bit more isolated and less organised than you are on the North Coast. The question of Indigenous cultural fishing—going back to the rec. fishing inquiry I ran years ago—it appeared to me that the only Indigenous people who wanted to talk about that were South Coast people. No-one on the North Coast came forward. Have you had any dialogue with any of the Indigenous groups on the North Coast about this issue?

**Mr BYRNES:** No.

**The CHAIR:** That is interesting.

**The Hon. GREG PEARCE:** Gentlemen, thank you for coming along. From what you have said, and if you could clarify my understanding of what you have said is correct, for at least the past five years there has been a market for the shares and there have been willing sellers and willing purchasers amongst yourselves. In other words, the process is working; a market is being established? I take those nods as yeses?

**Mr BLACKBURN:** Absolutely.

**Mr WARD:** Absolutely.

**The Hon. GREG PEARCE:** Your expectation is that come July next year that process will be successfully concluded and those who want to be operating as commercial fishers will be able to do that by adjusting their businesses by buying and selling?

**Mr BYRNES:** Correct.

**The Hon. GREG PEARCE:** And you have had no trouble working out a price for buying and selling?

**Mr JOBLIN:** No trouble whatsoever.

**Mr BYRNES:** No. Can I just jump back a fraction. Greg reminded me, I have had discussions with Indigenous fishers in the Manning River. They are in a similar situation. Again, I do not want to speak on their behalf, but it would be worthwhile if you could make some contact with the Indigenous fishers in the Manning region.

**The Hon. MICK VEITCH:** In the same situation as the South Coast gentlemen?

**Mr BYRNES:** South Coast.

**Mr FIDDEN:** They are a pretty happy bunch up there.

**Mr BYRNES:** They have purchased shares.

**Mr FIDDEN:** They have bought shares.

**The CHAIR:** That is interesting.

**Mr BYRNES:** Yes.

**Mr FIDDEN:** Yes, they are a family—

**Mr BYRNES:** Good guys.

**Mr FIDDEN:** They are really nice people.

**Mr WARD:** Third generation, professional.

**Mr BLACKBURN:** I would like to speak before we continue on. I am concerned that there is a perception that the allocation—I have picked the language up—would be outside of the current shares that have been made available. As commercial fishermen, it is the size of the pie. If you are talking about an allocation separate to the shares that have already been allocated and adjudged sustainable under the Fishery Management Strategy [FMS], I personally have no part with that argument. There should be no special allocation or primacy allocated. That is for other forums, other groups to work out. In this case, in this scenario, as a group—and I will speak for everybody here—we are concerned about the allocation that we have access to and anything outside of that allocation I do not believe has any bearing on what we are discussing here, except if there is an allocation made outside of the parameters that we are working with that would significantly derail, devalue and destabilise an industry that we are trying to stabilise.

**The Hon. RICK COLLESS:** That would be an additional allocation of shares?

**Mr BLACKBURN:** If there was to be an additional allocation, the risk of an additional one means that that would be an allocation that industry has no access to, and that can only devalue the market basis, the sustainability issue and everything. I think it is a vexed question and personally I would throw it out.

**The Hon. GREG PEARCE:** To be clear, you are against any additional allocation?

**Mr BLACKBURN:** Absolutely. The allocation is what we have, or else how can you manage it?

**The CHAIR:** Given that there have been some discussions about the Government perhaps having to stand in the market as a buyer, any allocation of shares to any group such as a cultural group, if it were within the allocation but within the shares bought by the Government, you would have no objection to that, would you?

**Mr BLACKBURN:** No, it is a market force. My allocation is what I have been able to afford and what I was historically given for my historical effort. I was given a leg in because I had history, because I had previous tenure.

**The CHAIR:** So stick to the rules, keep the pie the same, do not change it now?

**Mr BLACKBURN:** Pretty much. The other elephant in the room is the recreational catch. That features nowhere in this debate.

**The CHAIR:** I think the Government is planning to look at the recreational sector again after it has concluded this. Given that this has taken six years, there are people other than the commercial fishers who are interested in getting this process concluded.

**Mr BLACKBURN:** With the greatest respect to the new people amongst us around this issue, my very first representative meeting was in the APIA Club in 1986 and those very words were mirrored to me that when we sort you blokes out we will then look at the recreational fishing. That was 1986. It only took us nine years to put a man on the bloody moon and here we are still having the same discussions that I started when my beard was not this big and it certainly was not white.

**The CHAIR:** Point taken.

**The Hon. RICK COLLESS:** Can I just go back to the issue of the trading process that you all went through when you bought and sold the shares that you have now? Was that on the share trading platform that has been promulgated in the last six months or so?

**Mr BLACKBURN:** In my case, no. I had the friend of a man who had suffered a heart attack and needed a new heart come to me. Because I was leasing his business they asked me did I want to buy it. I did not want to but I did because it was the right thing to do.

**The Hon. RICK COLLESS:** It was on a personal trading basis rather than on the platform?

**Mr BLACKBURN:** Absolutely.

**The Hon. RICK COLLESS:** Of those shares that you have bought—collectively I ask you this question—you have known who you have bought them from and negotiated that price with that seller? Is that how it has worked?

**Mr BYRNES:** Correct. It has been in all manner of forms. You would see someone put a note up on the co-op or someone would put an advertisement in whatever it was that was circulating or you knew someone who knew someone who knew someone. Word would spread around throughout the industry.

**Mr WARD:** The Department of Primary Industries [DPI] has got a web page that they have had up for ages as a classified page to sell shares and trade shares.

**Mr FIDDEN:** In 2010 when Fisheries started this process they were offering \$15,000 for a business number as an exit grant program and then they set up a website where people, who were handing their business in to take the \$15,000 exit for the business number itself, could advertise their shares and sell them to other people on this site. That site has been upgraded to where it is now, but it has been there since 2010.

**The Hon. LOU AMATO:** All of you are pretty happy with the system? It is sustainable for all of you to make a living?

**Mr WARD:** Just the speed of it. As you said, we have paid fees for six years. You add up the fees over six years, it has brought us to the end.

**The CHAIR:** That is why a committee process like this is called quick and dirty. There are people who we will take evidence from who want it stopped. I can tell you that now. The Government has indicated to us that it feels that there are a vast bulk of commercial fishers who have got with the program. Certainly that is the evidence you are giving us today. But I can assure you this process you are doing today will not stop that process happening if the Government continues to do what it is doing by July. We will call this a sanity check. That is what this is. We have to give everybody a chance to have their say.

**Mr BLACKBURN:** Fair enough. It is an argument of ideas. That is all.

**The Hon. RICK COLLESS:** The trading platform that has been trialled is actually operational now as I understand it. Have any of you used that platform in order to buy and sell shares?

**Mr FIDDEN:** That was just a trial mock run that they ran, if that is the one you are referring to. It ran for a week just to sort the bugs out. For some people their computer operating system was not up to date. Some people could not access the modern systems because they had old software. Some people just did not have email addresses or they did not work. They have sorted most of those things out, from what we have been told.

**The Hon. RICK COLLESS:** As I understand it, the concept of the trading platform is that there will be packets of shares or components of shares that will be available at a price and you will have the opportunity to buy and sell without actually knowing who you are buying and selling from. Is that as you understand it?

**Mr BLACKBURN:** We believe so.

**Mr FIDDEN:** There will be a tender process. You will actually bid for what you want to pay.

**The Hon. RICK COLLESS:** Price will be a supply-and-demand issue.

**Mr FIDDEN:** And it will be anonymous.

**Mr BYRNES:** It is pretty much a blind auction. If I am a seller I will say that I want X for that and then there is someone on the other side who is a buyer who wants to buy those shares. Whether that is close or not—apparently the way this works is there is a computer program that then matches the two and the buyer and the seller are put together.

**The Hon. RICK COLLESS:** Do you see that as a positive step forward in sorting out the share issue?

**Mr BYRNES:** What was Churchill's description of democracy? The worst system of government ever devised by man. This is probably the worst system that you could ever devise except for all the others. The fishing industry is a bit funny. You might get a situation where someone wants a parcel of shares over here and someone who wants to sell a parcel of shares but this one will not talk to this bastard and will say, "I don't want to sell shares to him." The platform takes that out of it completely. It is anonymous. The money talks and the process goes through. It is probably the best system that you could come up with.

**The Hon. RICK COLLESS:** Given that it is a difficult place to be anyway.

**Mr BYRNES:** Exactly. It is a difficult space.

**The Hon. MICK VEITCH:** It replaces that informal, ad hoc arrangement that you have had in the past and moves to a more formalised system.

**Mr BYRNES:** Yes, plus subsidies, as Mr Golby said.

**The Hon. GREG PEARCE:** But most of you who are organised and have good businesses have already done it.

**Mr BYRNES:** Pretty much.

**Mr BLACKBURN:** Started to.

**Mr WARD:** Probably 80 per cent have done share transfers. When you look at other fisheries around Australia, it is a pretty cheap share to get into compared with other licences. I have three different licences: Torres Strait, Queensland and New South Wales. New South Wales is a pretty cheap fishery compared with a \$5 million gulf licence, \$7 million Spencer Gulf licence and a Queensland licence for \$300,000 or \$400,000.

**The Hon. LOU AMATO:** That opens the door to people—

**Mr WARD:** It is a well-managed fishery that was like ours, the Spencer Gulf fishery, years ago.

**The Hon. LOU AMATO:** Did that create a monopoly? Did that create a Woolies and Coles situation up that way because of the price factor? In other words, did it push the average person—

**Mr WARD:** They are all fishermen that own the licences and businesses.

**The Hon. RICK COLLESS:** Do they operate on a quota system or an input system?

**Mr WARD:** Most of them are night in the trawl fishery. There are a lot of night fisheries. They have their good and bad years.

**Mr BLACKBURN:** It would be a nightly or a daily quota as opposed to a weight or kilo quota.

**Mr WARD:** In the Spencer Gulf and the Gulf of Carpentaria they have just cut them down and cut them down. They have got a great fishery.

**The Hon. RICK COLLESS:** On that issue of a quota versus an input system, what is your feeling about the appropriate way to determine that?

**Mr BORDIN:** Can I answer that? I am on a quota system for the northern spanner crab. It is the best way to manage that fishery. It does not work for all fisheries but for single species fisheries it works well.

**The Hon. LOU AMATO:** If you see a decline in your catches over years, are you obliged to report that to any department?

**Mr BORDIN:** We are going to be under a full scientific total allowable catch [TAC].

**The Hon. LOU AMATO:** But up to this point you have not been—

**Mr BORDIN:** Yes, because every year New South Wales and Queensland have had a joint scientific study. Every year they know exactly what happens in Queensland and what happens in New South Wales.

**The Hon. LOU AMATO:** The first people who I would presume would notice a reduction in the catches would be you guys.

**Mr BLACKBURN:** If I can add to that, I report daily. I report what I catch, where I catch it, how I catch it, who catches it daily.

**Mr WARD:** All fisheries have a daily logbook that you have to report in.

**Mr BLACKBURN:** If you are under the impression that this is poorly managed or there are no rules—

**The Hon. LOU AMATO:** No. I am just looking at the sustainability of an industry. I am looking at how to have equilibrium between fish management and you guys continuing on a successful business for generations to come. That is what I am looking at. I understand there are supposed to be scientific studies, but I presume the first people who would know about a decline in fish stocks would be the actual fishermen themselves?

**Mr GOLBY:** Can I answer that please?

**The Hon. LOU AMATO:** Yes, of course.

**Mr GOLBY:** On a positive side of a quota, in most circumstances you will find the quotas are put on something in past histories of declining fisheries. In my fishery I am in the blue swimmer crab fishery in Wallis Lake. We catch 85 per cent of blue swimmer crabs in New South Wales. Our stocks are not under threat. We have got a very robust industry. But with our industry also what we are looking at, particularly in the reform, is putting a value to that. So take the pressure off the resource, allocate more value to it. The big challenge is, and part of the reform is, that blue swimmer crab sizes will be going up an extra multiple.

To put a quota on that, what it does then—and a lot of our fishers are not in favour of it—but I think the evolution which is what we have to look at as far as the industry is concerned, we cannot look at just July, we have to look at the evolution of five years down the track. Where will that stock be? Where is the pressure coming off it and the value coming onto, it which is the quota in its own way that complies with that. It says to you, "You must value add to this quota."

In particular, with the blue swimmer crab and the mud crab they are both live creatures when we catch, and if we choose to keep it we put it in a box; if we choose not to we return it to the water and it swims away. Just little things that we are doing as an industry, putting escape hatches in the traps we use. We can actually pick the size of the crab we want. It is all about putting value. The perception of a limit to your catch is really quite abhorrent to a lot of our fishermen but the adjustment, and I believe the actual evolution of where that fishery will go will far outweigh its short-term anxiety.

**The Hon. LOU AMATO:** That is what I was thinking. You are the people who should know best how to manage it.

**The CHAIR:** We have run out of time. Because this session is in camera, the transcripts of all the evidence given today need to go back to you by secured post. I ask each of you to provide your postal addresses and each of you will be sent a copy of the transcript. I take it you communicate regularly, so talk about the transcript yourselves and if you have any objections to anything being published or you want certain matters redacted or you want the whole transcript kept confidential, please advise the Committee. If you do not, Andrew will chase you as to how you want the evidence treated. The general stance of the Committee is that it publishes everything except that which will cause a problem.

I did not hear any questions taken on notice but if any Committee member wants to ask you a question it will be sent to you for clarification. If that is the case, we would like to get the answers back within 21 days of when you receive the request. In order to make sure that this process is not stalled, we will be holding a deliberative on 17 January and the Committee will try to give the Government an interim report which will address what it believes is urgent. A couple of issues that have been raised today are sending signals to the Committee on which it make or may not make recommendations.

This hearing is in camera. Your evidence is confidential until such time as the Committee decides what is not confidential. Issues like how many shares you bought or how much you borrowed or anything like that stays within this room. Your information is confidential but it relies on you when you leave this room not to speak about it. We know that some of you have travelled some distance and we thank you for attending. I assure you that your evidence has been very valuable.

**Mr BLACKBURN:** Thank you. I have one question that concerns most people. In my covering letter I intimated I had a flash drive. I have that flash drive here in case it did not turn up by post. It specifically relates to the commercial fishing reform site and the vile conduct of the people there. I most certainly want help of the Committee to get that looked at by the regulator in control because the vilification and bullying in this is abhorrent.

**The CHAIR:** If you want to table that.

**Mr BLACKBURN:** I do. I have some documents printed out, another lot, so I will table those as well.

**The CHAIR:** Bear in mind that this is not the Independent Commission Against Corruption.

**Mr BLACKBURN:** I know that.

**The CHAIR:** We have limitations to our powers.

**Mr BLACKBURN:** I do not know what to do with it. I have had many people come to me. This is a new world. Every man at this table, and I will assume this room and the ladies, if you have got an issue with somebody you talk it out and sort it out and move on overnight. But the behaviour that has been exhibited has been unconscionable. The reform has brought many tears.

**The CHAIR:** We will look at what you have presented but I will tell you now what we will be doing is we will write back to you and say, "Dear Mr Blackburn, we suggest you take this to X, Y, Z."

**Mr BLACKBURN:** That will be fine but it is a matter of record, that is all.

**The Hon. MICK VEITCH:** I appreciate it. I understand you. Both the Chair and I may have received very similar threats, so I fully appreciate what you are saying.

**Mr BLACKBURN:** For eight years.

**The CHAIR:** No, just recently.

**(Witnesses withdrew)**

**(Evidence in camera concluded)**