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NSW Commercial Fishing Industry: background to the 2012 review

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by John Wilkinson

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NSW Commercial Fishing Industry: background to the 2012 review

by

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SUMMARY

In the lead up to the March 2011 State election, the NSW Liberals and Nationals Fisheries Policy Statement, "[Securing Sustainable, Viable and Healthy Fisheries](#)", stated that their policy was "to ensure we have a strong and viable commercial fishing industry". Following on from this commitment, in March 2012 a review team, commissioned by the Minister for Primary Industries, Katrina Hodgkinson, issued a major report: [Independent Review of NSW Commercial Fisheries Policy, Management and Administration](#). This Briefing Paper seeks to set out the background to the 2012 independent review and its key findings. The review itself focuses on commercial, not recreational fishing. The same applies in respect to the present paper.

Major commercial fishing activities: The commercial fishing activities of NSW can be divided into the following fisheries, defined by a mix of the type of fish caught and the capture methods employed. [2.1]

Types of fish caught and value: In 2009-10 a total of 13,422 tonnes of fish of "wild" (or non-aquaculture fish) were caught in NSW, with a value of \$80.5 million. [2.1]

Note on aquaculture: Aquaculture lies outside the scope of this paper, the focus of which is on that part of the commercial fishing industry considered in the 2012 Independent Review. It is enough to say that oyster production is the oldest and most individually valuable NSW fishery. By the early years of the twenty-first century, the value of production was \$43 million. [2.1]

Imported seafood: As noted, in a [Media Release](#) from 14 November 2012 the Minister for Primary Industries said that 85% of seafood sold in NSW is imported. In 2008-09, imports formed 71.6% of fish produce consumed in Australia.¹ In 2009-10 Australia imported around \$1.5 billion of fish products. [2.2]

1994 Fisheries Management Act: What was envisaged under the Act was a consolidation of the industry. To achieve this, the 1994 Act sought to establish "commercial share management fisheries", a process that would involve deciding who should be eligible to take fish in that fishery, and then issuing "shares" in the fishery to those who are eligible. These "shares" could be "traded and borrowed against". As the Minister explained: "This will allow fishermen to enter and leave the industry freely and with dignity". [3]

Post-1994 reforms: The 1994 reform package was introduced by degrees. [4]

Timeline

1996	Abalone and Lobster Fisheries Share Managed
1997	OT/EG/OTL/OH/EPT Fisheries declared Restricted
2000	OT/EG/OTL/OH/EPT Fisheries declared Category 2 Share Managed Fisheries
2004	OT/EG/OTL/OH/EPT Fisheries declared Category 1

The reform strategy included buy-outs and cost recovery mechanisms.

Key features of the industry: : Since the 1980s the number of commercial licences in the State has fallen by over 2,000, to a figure of 1,100 in 2011.

Many fishing businesses with shares in a fishery report a catch of less than 5% of the total catch in the fishery. In at least 4, out of the 5 fisheries, over 60% of the fishers contribute less than 5% of the total catch. Share management, at this stage, does not appear to have produced the consolidation that was planned. [5]

Stevens report 2007: Commissioned by the Lemna government, in October 2007 Richard Stevens (former Director of the federal government's Fisheries Research and Development Corporation) published his [Report on Structural Adjustment in Commercial Fisheries in NSW](#). The report examined a range of options for structural adjustment, including cancelling latent entitlements, issuing a separate 'active' share and substantially increasing minimum shareholding levels. However, the study concluded that the most feasible and cost effective option for achieving the objectives of structural adjustment should incorporate a three step approach, building on the adjustment model previously endorsed by the Seafood Industry Advisory Council. [6]

2012 Independent Review Panel: Successive ALP State governments sought to reform the commercial fishing industry in various ways, including by enticing small-scale fishers out of the industry (through buy-outs) or hastening their exit (through increased cost recovery charges). However, by the time the O'Farrell government took office a substantial number of small-scale operators remained; these were often only active when fish were abundant and possessed the same number of shares as more viable fishers who operated all year round. Conversely the access of more viable fishers to the resource was diminished when small-scale fishers intermittently appeared on the scene.

Providing viable fishers with security appeared to mean, in management terms, that shares should equate to the degree of access to a fishery. As a means to progress this, the O'Farrell government provided Richard Stevens a second opportunity to examine NSW commercial fishing. [7.1]

Stevens and his colleagues divided their report around three main areas of concern, presented in terms of problem and remedy: structural adjustment; governance; and consultation. In November 2012 the O'Farrell government released its response to the review's recommendations, substantially endorsing the review team's advice. As noted, the Minister for Primary Industries (Katrina Hodgkinson) declared in a media release that:

A lack of investment, ageing commercial fishing fleets, too many fishers through poorly allocated fishing rights and excessive red tape have stifled the industry. . . With 85 per cent of seafood sold in NSW being imported, these new changes are needed to ensure that there is a continued availability of fresh, local seafood. [7.2]

Stakeholder responses: There has been a mixed reaction to the 2012 independent review from the NSW commercial fishing industry. [8.1] On the other hand, responses from conservation groups have been supportive. [8.2]

1. INTRODUCTION

In the lead up to the March 2011 State election, the NSW Liberals and Nationals Fisheries Policy Statement, "[Securing Sustainable, Viable and Healthy Fisheries](#)", stated that their policy was "to ensure we have a strong and viable commercial fishing industry". Following on from this commitment, in March 2012 a review team, commissioned by the Minister for Primary Industries, Katrina Hodgkinson, issued a major report: [Independent Review of NSW Commercial Fisheries Policy, Management and Administration](#).² The review's terms of reference can be found [here](#).

Responding to the review, in a [Media Release](#) from 14 November 2012 the Minister for Primary Industries said the Commercial Fisheries Reform Program will ensure the industry has long-term viability and sustainability of the State's fisheries resources. According to Ms Hodgkinson:

A lack of investment, ageing commercial fishing fleets, too many fishers through poorly allocated fishing rights, and excessive red tape has stifled the industry...With 85 per cent of seafood sold in NSW being imported, these new changes are needed to ensure that there is a continued availability of fresh, local seafood.

The same source set out the proposed key reforms as follows:

- linking shares in each fishery to either catch or fishing effort, meeting the original intention of share management as outlined when the former NSW Liberals & Nationals Government enacted the *Fisheries Management Act* in 1994;
- restoring confidence in decision-making processes through the establishment of a Ministerial Fisheries Advisory Council (MFAC), Peak Industry Body, and other improved consultative arrangements;
- an initial fee increase from July 2013, moving towards fees based on resource access;
- providing a way for some fishers to exit the industry and others to set-up their businesses for the future through the allocation of a \$16 million structural adjustment package; and
- removing unnecessary fishing controls and improving the general management of fisheries resources in NSW, which has hindered efficiency for far too long.

This Research Service publication seeks to set out the background to the 2012 independent review and its key findings. The review itself focuses on commercial, not recreational fishing. The same applies in respect to the present paper.³ In 1997 the NSW Parliament's Research Service published a briefing paper entitled [Commercial Fishing in NSW: Origins and Development to the early 1990s](#), the purpose of which was to examine the NSW commercial fishing industry as it had developed during the twentieth century. There followed in 2004 a further briefing paper entitled [NSW Fishing Industry: Changes and Challenges in the Twenty-First Century](#), the aim of which was primarily to look at the progress of the administrative changes introduced by the Fahey Government through its *Fisheries Management Act 1994*.

2. KEY FEATURES OF THE INDUSTRY

2.1 Production of NSW Seafood: Fish

Major commercial fishing activities: The commercial fishing activities of NSW can be divided into the following fisheries, defined by a mix of the type of fish caught and the capture methods employed.

(a) Ocean Trawl (OT). At the beginning of the twenty-first century, the Ocean trawl fishery was the most valuable in the State, with revenues of around \$30 million. Ocean trawling for prawns was developed after the Second World War in waters off Newcastle but expanded to grounds further north, off Evans Head, off the mouths off the Richmond and Clarence Rivers, and later off the Macleay River. Ocean trawling for fish is generally conducted using otter trawl fish nets. Boats operating in the fishery range from between 9 metres to 20 metres in length powered by single or twin diesel engines. In July 2010 there were 244 fishing businesses holding shares in the ocean trawl fishery.

(b) Estuary General Fishery (EG). This fishery includes all forms of estuary fishing other than prawn trawling, and includes the gathering of certain species from ocean beaches by hand. At the beginning of the twenty-first century about half of the State's fishing businesses operated in the estuary general fishery: around 750 fishing people working in around 24 of the State's 130 major estuaries. At that point in time, the estuary general fishery was second-ranked in terms of value, with the 1998-99 catch worth an estimated \$20 million. Usually the boats that operate are small and deploy meshing and hauling nets. The main species of fish caught are sea mullet, luderick, bream and school prawns. In July 2010 there were 622 fishing businesses holding shares in the estuary general fishery. The fishery is divided into 7 regions, running north to south.

(c) Ocean Trap and Line (OTL). The Ocean Trap and Line fishery is an ocean based fishery where traps and various line methods are employed. Target species included snapper, kingfish, blue-eye trevally and spanner crabs. According to NSW Fisheries, in 2002-03 there were "528 fishing businesses [which] held an entitlement to operate in the fishery, however not all endorsed fishing businesses operate in the fishery each year." At the beginning of the twenty-first century, the OTL fishery was the third most valuable, landing a catch worth \$10.4 million in 2001-02. In July 2010 there were 370 fishing businesses holding shares in the ocean trap and line fishery.

(d) Ocean Hauling (OH). Ocean hauling is a derivative of the very first method of fishing used in the early 1800s. Today operators in the fishery deploy hauling nets from beaches (mainly targeting sea mullet moving northwards along the coast to spawn) and hauling and purse seine nets from boats. Species targeted include sea mullet, garfish, yellowtail and blue mackerel. Around the beginning of the twenty-first century about 25% (370) of the State's fishing businesses operated in the ocean hauling fishery. At the same point in time, the 1999-2000 catch amounted to around \$5 million. In July 2010 there were 288 fishing

businesses holding shares in the ocean hauling fishery. The fishery is divided into 7 regions, running north to south.

(e) Lobster Fishery. Lobster fishing began in the 1870s (when they were caught by hand) but expanded rapidly during the 1940s when fishers began using diesel engine boats. The baited trap is the most prevalent method of catch. In the early twenty-first century the major regions for lobster fishing are Coffs Harbour, Port Stephens, Illawarra and Batemans Bay. In the early years of the twenty-first century, the lobster fishery was the fifth most valuable in the State: the 1999-2000 catch amounting to \$6.7 million. In 2004 there were 149 fishers endorsed to operate in the fishery. Six years later there were 108 fishing businesses holding shares in the lobster fishery.

(f) Estuary Prawn Trawl (EPT). Estuary prawn trawling began in Sydney (in Port Jackson) in the late 1920s. In the early years of the twenty-first century, estuary prawn trawling was conducted in only 3 of the 130 estuaries in the State: the Clarence River, the Hunter River and the Hawkesbury River. Small boats use otter trawl nets to target prawns and squid. At the beginning of the twenty-first century, the EPT fishery was ranked sixth in the State by value: the 1999-2000 catch amounting to \$3.9 million. In July 2010 there were 180 fishing businesses holding shares in the EPT fishery.

(g) Abalone Fishery. Abalone was originally caught by indigenous Australians. Small amounts of abalone were caught during the nineteenth century, and into second half of the twentieth century. Abalone is caught from the mid-north coast of NSW to the Victorian border. Commercial fishing for abalone, in this State, began in the second half of the twentieth century with the development of Abalone exports to Asia. Abalone is taken by divers, by hand, mostly from shallow reefs along the coast. In the 1960s the annual catch sometimes reached 400 tonnes, and in the 1970s (in some years) reached 1,000 tonnes. In the early years of the twenty-first century, the abalone fishery was the third most valuable in the State but its position has since declined. In 2009-10 the value of abalone caught was \$1.9 million. In July 2010 there were 45 fishing businesses holding shares in the abalone fishery.⁴

There are also 3 other small fisheries: the **Inland Fishery** (26 fishing businesses in 2007); the **Southern Fish Trawl** (23 fishing businesses in 2010); and the **Sea Urchin and Turban Shell Fishery** (37 fishing businesses in 2003).⁵

Types of fish caught and value: In 2009-10 a total of 13,422 tonnes of fish of "wild" (or non-aquaculture fish) were caught in NSW, with a value of \$80.5 million.⁶ The principal individual species caught by value (and by weight) are set out in the table below:

NSW Wild (Non-Aquaculture) Fish Catch 2009-10: Main Species (by Value and Weight)⁷

Species	Value	Weight (Tonnes)
King Prawns	\$9,185,000	466
Sea Mullet	\$8,042,000	3,182
Rock Lobster	\$6,753,000	122
School Prawns	\$4,090,000	600
Crabs	\$3,977,000	299
School Whiting	\$2,776,000	839
Bream (Black and Yellowfin)	\$2,731,000	231
Snapper	\$2,719,000	260
Yellowtail Kingfish	\$2,114,000	244
Abalone	\$1,904,000	73
Octopus	\$1,527,000	169
Sand Whiting	\$1,231,000	89
Squid	\$887,000	95
Australian Salmon	\$872,000	541
Dusky Flathead	\$823,000	98
Luderick	\$550,000	262
Silver Trevally	\$479,000	91
Mulloway	\$356,000	40
Cuttlefish	\$355,000	79
Pipi	\$342,000	16
Other Prawns	\$329,000	35
Rubberlip Morwong	\$190,000	36
TOTAL MAIN SPECIES	\$43,047,000	7,867
TOTAL ALL NSW WILD CATCH	\$80,502,000	13,422

On an overall level the NSW combined catch, of wild fish and aquaculture, ranks sixth (by value) amongst the catch taken in the fisheries of the Commonwealth and other States and Territories:

Australian Wild Fish and Aquaculture Catch 2009-10: by Value and %⁸

	Value	%
Tasmania	\$563,819,000	25.9%
South Australia	\$394,363,000	18.1%
Western Australia	\$367,721,000	16.9%
Queensland	\$323,718,000	14.9%
Commonwealth	\$316,737,000	14.5%
New South Wales	\$132,902,000	6.1%
Victoria	\$58,110,000	2.7%
Northern Territory	\$56,721,000	2.6%

The share of commercial fishing, in the State's gross state product (GSP), is relatively small. The combined contribution of agriculture/forestry/fishing, in 2009-10, was around 2.2% of GSP. The value of commercial fishing, alone, was around 0.04%⁹.

Note on aquaculture: Aquaculture lies outside the scope of this paper, the focus of which is on that part of the commercial fishing industry considered in the 2012 Independent Review. It is enough to say that oyster production is the oldest and most individually valuable NSW fishery. By the early years of the twenty-first century, the value of production was \$43 million.

In 2009-10 the following estuaries and lakes produced the majority of the State's oyster output:

NSW Estuaries and Lakes: Top 10 Contributions to Oyster Production 2010-11 (by value and %)¹⁰

Estuary or Lake	Value	Contribution to Production
Wallis Lake	\$10.1 m	28.3%
Port Stephens	\$4.8 m	17.1%
Clyde River	\$4 m	11.3%
Hawkesbury River	\$2.9 m	8.4%
Merimbula Lake	\$1.7 m	4.7%
Pambula River	\$1.5 m	4.3%
Camden Haven	\$1.5 m	4.2%

Hastings River	\$1.5 m	4.2%
Wagonga Inlet	\$1.2 m	3.5%
Brisbane Water	\$1.1 m	3.1%

2.2 Imported Seafood

As noted, in a [Media Release](#) from 14 November 2012 the Minister for Primary Industries said that 85% of seafood sold in NSW is imported. In 2008-09, imports formed 71.6% of fish produce consumed in Australia.¹¹ In 2009-10 Australia imported around \$1.5 billion of fish products. The four main sources of imports were as follows:

Imports of Fish Produce into Australia (by Value and %): Main Sources (2009-10)¹²

Thailand	\$322,342,000 (26%)
New Zealand	\$213,196,000 (17%)
China	\$172,987,000 (14%)
Vietnam	\$152,729,000 (12%)
TOTAL IMPORTS (ALL SOURCES)	\$1,500,000,000

2.3 Distribution of Seafood

The focal point for seafood distribution in NSW is the Sydney Fish Market (SFM). According to the SFM, it is "the largest market of its kind in the Southern Hemisphere. . .and trades over 14,500 tonnes of seafood annually."¹³ Product is acquired by wholesalers and on-sold to retailers. De Costi, for instance, are a large fish wholesaler in NSW. The firm operates a fleet of 22 vans and trucks and has a large processing facility at Lidcombe. M and G Oyster Supplies, according to the website www.seafish.org, are the largest distributor of oysters in the State. In respect to retail sales of fresh seafood, 40% is handled by fishmongers while around 17% is distributed through supermarkets.¹⁴ Commercial fishing co-operatives have also developed local markets.¹⁵

3. KEY FEATURES OF THE 1994 FISHERIES MANAGEMENT ACT

The objects of the 1994 legislation were explained by the then Minister for Fisheries, Ian Causley, in his second reading speech. He started by saying that the "primary focus" of the proposed legislation was "on the effective and sustainable management of the resource", with a secondary focus on "how that management is achieved", specifically by encouraging "commercial fishermen to adopt a business-like approach to their industry". What "we see today", he said, 'in many of our fisheries' is:

too few fish, conflict between user groups, excess commercial effort, overcapitalised boats and a lack of profitability in the commercial industry.¹⁶

What was envisaged was a consolidation of the industry. To achieve this, the 1994 Act sought to establish "commercial share management fisheries", a process that would involve deciding who should be eligible to take fish in that fishery, and then issuing "shares" in the fishery to those who are eligible. These "shares" could be "traded and borrowed against". As the Minister went on to explain: "This will allow fishermen to enter and leave the industry freely and with dignity".

The key sections of the *Fisheries Management Act 1994* were as follows:

Section 3	objects of the Act (which include the conservation of fish stocks and the promotion of viable commercial fishing, as well as acknowledgment of the public right to fish in the sea)
Section 26	establishment of a total allowable catch (TAC) committee
Section 28	the TAC may determine the total allowable catch of fish in any fishery
Section 41	identification of fisheries to be share managed (by their inclusion in schedule 1 of the legislation)
Section 42	provision of power to the Governor to designate fisheries as share managed (by inclusion in schedule 1)
Section 46	on the designation of a fishery as share managed, the minister must invite applications for shares
Section 50	shares are to be allocated to eligible persons in proportion to their catch history in the fishery
Section 57	introduction of management plans which would make provision for the classes of shares in a fishery and the rights of shareholders to take fish
Section 66	after the commencement of a management plans for a share managed fishery a commercial fishing licence does not authorise a person to take fish in fishery unless the licensee is a holder of shares
Section 67	a person who holds shares in a share managed fishery is not entitled (after the introduction of a management plan) to take fish, unless that person has a minimum shareholding established by the management plan

Section 68	the minister may endorse a commercial fishing licence for the taking of fish in a share management fishery
Section 78	the minister is to allocate amongst shareholders, in all relevant share management fishery, the whole total allowable catch of fish for the commercial fishing sector
Section 89	the director is required to establish and keep a share management fisheries register
Section 103	an individual may hold a commercial fishing licence only if the individual is a shareholder in a share management fishery
Section 111	regulations may declare that a fishery (not being a share managed fishery) is a restricted fishery ¹⁷

Share managed fisheries: Under this regime shares were to be the means for determining eligibility to an endorsement in a fishery (if the relevant minimum shareholding is met) and for determining levels of access within fisheries (via catch or effort - quota allocated proportional to the shares held). They were differentiated into categories or "classes". A licence (together with an endorsement) provides the basic entitlement to fish using certain equipment in certain waters (and in certain regions along the coastline) to take certain species of fish - as specified in the endorsement. In the Ocean Trap and Line fishery, for example, there were six classes of shares and six corresponding endorsements, issued variously for the catching of species of fish (such as sharks) and for the use of equipment such as lines and traps.¹⁸

Cost recovery: These reforms also sought to encourage cost recovery, with the legislation providing as follows:

Section 76	the Minister may determine management charges payable by fishers
Section 77	commercial fishers would be required to make a periodic contribution for their right of access to a fishery (a "community contribution") ¹⁹

Deregulation of fish marketing: At the same time that it set out to reorganise the commercial fishing industry, the Fahey government moved to reorganise fish marketing by obtaining passage of the *Fish Marketing Act 1994*. By means of this legislation, a parent company was established (Sydney Fish Market Pty Ltd), jointly owned by Sydney fish market merchants (seafood wholesalers and retailers) and the NSW Fishermen's Holding Company (fishing co-operatives and fishing people).²⁰

Key terms under the legislation: As defined by the NSW Department of Primary Industries, these include:²¹

Share management fishery: A fishery specified in schedule 1 of the Act to be declared as a Share management fishery. Specified fisheries include: estuary general fishery, ocean hauling fishery, ocean trap and line fishery, ocean trawl fishery, estuary prawn trawl fishery, abalone fishery and lobster fishery.

Shareholding: The share(s) held by a shareholder which may give rise to an endorsement subject to fishery specific rules.

Minimum shareholding: The minimum number of shares of a certain share class required to be held by a shareholder before an endorsement may be available to the fishing business owner or a person nominated by the fishing business owner to take fish on their behalf. Minimum shareholdings are specified in the relevant share management plans.

Endorsement: An authority on a commercial fishing licence authorising the holder of the licence to use specific gear for the taking of specific species from specific waters.

Restricted fishery: A fishery declared pursuant to Part 4 Division 3 of the Act. Restricted fisheries include: sea urchin and turban shell fishery, inland fishery and southern fish trawl fishery.

4. KEY FEATURES OF THE POST-1994 REFORMS

Timeline

1996	Abalone and Lobster Fisheries Share Managed
1997	OT/EG/OTL/OH/EPT Fisheries declared Restricted
2000	OT/EG/OTL/OH/EPT Fisheries declared Category 2 Share Managed Fisheries
2004	OT/EG/OTL/OH/EPT Fisheries declared Category 1

Initially the Carr government delayed the implementation of the share management scheme. Although in 1996 the abalone and lobsters fisheries were designated as share managed,²² Carr announced in 1997 that the Ocean Trawl/Estuary General Fishery/Ocean Trap and Line/Ocean Hauling/Estuary Prawn Trawl fisheries would simply be closed (or restricted) to new fishers.²³ In preparation for the eventual introduction of share management, the government oversaw the establishment of management advisory committees (MACs) for each commercial fishery. The MACs were to consist both of commercial fishing operators and representatives of government.²⁴

Carr eventually placed the five fisheries on a share management basis by obtaining passage of the *Fisheries Management and Environmental Assessment Legislation (Amendment) Act 2000*, Schedule 3 of which placed the hitherto restricted fisheries in Schedule 1 of the *Fisheries Management Act*. The new arrangements have been explained as follows:

In March 2004, the rest of the state's major commercial fisheries...were added to the share management scheme. Share management plans for these fisheries were finalised in 2007. . .with the exception of the abalone and lobster fisheries, these share management plans focus on regulating minimum share holdings, but these holdings are not linked to quota allocations. This means that these share management plans do not yet give effect to the establishment of ITQs.²⁵

This last reference is to individual transferable quotas, which provide a quota right to fish a certain proportion of the total allowable commercial catch (TACC) in any particular fishery.

Distribution of shares: According to the 2012 Independent Review:

the original intent of share management fisheries in NSW was to define the State's fisheries and link and allocate shares to commercial fisheries based mostly on catch history, to create well defined and strong, transferrable fishing rights. This did not occur.²⁶

Instead, as explained by the 2012 Review

Other than in the OH and OT fisheries, shares were allocated on a 'flat' or equal basis, with each restricted fishery endorsement holder receiving an equal number of shares, which, in general allowed the holder to use a standard amount of fishing gear (e.g. net length, number of traps or hooks).²⁷

The resulting allocation of shares is set out in Appendix 4 to the report of the 2012 Independent Review. Its view is that: "Overall, the manner in which shares

were issued in these fisheries may be considered as a case of administrative failure, which, in turn, has led to the current situation faced by fishers".²⁸

Minimum share requirements increased: In subsequent years minimum shareholding requirements were increased in the Ocean Trap and Line and Ocean Trawl Fishery. The minimum shareholding requirements applying to the Ocean Trawl Fishery were as follows:

Increase in Minimum Shareholdings: Ocean Trawl Fishery (2007- 09 /2009 -12)²⁹

	2007- 09	2009 -12
Inshore Prawn Trawl	32	40
Offshore Prawn Trawl	32	40
Deepwater Prawn Trawl	32	40

The minimum shareholding requirements applying to the Ocean Trawl Fishery have delivered a significant consolidation of shares and a reduction in the number of endorsements. For instance, the number of endorsements in the inshore prawn/offshore prawn/northern fish trawl sectors has been reduced by 30%. The number of endorsements in the deepwater prawn trawl sector has been reduced by 70%.³⁰

Buy-outs: In 2001 the then Minister for Fisheries (Eddie Obeid) announced that 30 recreational fishing areas (RFAs) would be established. Commercial fishing people, currently operating in the proposed RFAs, would have their licences bought out. Between 2001 and 2002, 223 fishers exited the industry through selling their licences back to the government.³¹

In 2010 the Keneally government announced a further round of buy-outs. In a paper (issued by then NSW Department of Industry and Investment) entitled [Future Directions for the Commercial Fishing Industry](#), the Department advised "business owners wishing to leave the industry" that "an exit grant fund has approximately \$1.5 million available" and those considering leaving could request "up to \$15,000 in return for the surrender of their fishing business."³² This resulted in the removal of 17 fishing businesses.³³

Cost recovery: As the NSW department of primary industries stated recently in its *Commercial Fisheries Reform: Questions and Answers*, "There are too many fishers in the industry. . . fee increase[s] may be a key factor to encourage inactive fishers to leave the industry and thereby improve the viability of those who choose to remain."³⁴ In 1997 the Carr government obtained passage of the *Fisheries Management (Amendment) Act 1997* which provided for establishment of a Commercial Fishing Trust Fund (CFTF). Fees levied on commercial fishers went into the fund and were used for compliance and research.³⁵ Four years later the Carr government raised the cost of a licence to \$416.³⁶

Management charges were also introduced for those operating in share managed fisheries, and subsequently increased. Three years after the 2001 increase in licence fees, Carr obtained passage of the *Fisheries Management (Amendment) Act 2004* which provided that a "management charge" could be

set for fishers in share managed fisheries, "so that there is a fee for the first fishery a shareholder operates in, with a reduced fee for each additional fishery."³⁷ By 2009 the management charge was \$839 for the first fishery and \$104 for each additional fishery.³⁸ Two years later the Keneally government eliminated the reduced fee for additional fishery activities, and applied a standard charge of \$839 for every fishery that a fisher operated in.³⁹

Seafood Industry Advisory Council: In 2005 the Seafood Industry Advisory Council (SIAC) was established to advise the Minister on future directions for the industry.⁴⁰ Between 2006 and 2007 SIAC established a number of sub-committees to examine structural adjustment in the industry, which resulted in SIAC subsequently recommending "specific adjustment targets of removing 100% of latent fishing businesses and 50% of active fishing businesses using shares as the preferred mechanism."⁴¹

Fish marketing deregulation revisited: The *Fish Marketing Amendment (Deregulation) Act 1997*, which took effect in 1999, provided that "a general fish marketing authority must not include a condition, term or stipulation that prevents or restricts the sale or supply of fish in the County of Cumberland."⁴² Its effect, which was to abolish the obligation on the Fish Marketing Authority to act as an open receival market, was also designed to accelerate consolidation in the industry. As the NSW Co-operative Federation pointed out (three years later), the Act "was expected to trigger rationalisation within the industry, with fewer coastal co-operatives handling most of the NSW catch".⁴³ The new arrangements also made it easier for fish merchants to bring in imported produce.⁴⁴

5. KEY FEATURES OF THE PRESENT FISHING INDUSTRY STRUCTURE

Overview: In January 2012 the NSW Department of Primary Industries explained that:

The NSW wild harvest commercial fishing industry is comprised of 10 major fisheries managed under two different management regimes. The two management regimes, which are both provided for by the Act, are known as 'Share Management Fisheries' and 'Restricted Fisheries'.

NSW Share Management Fisheries (category 1) are specified in Part 1 of Schedule 1 of the Act and include the Estuary General, Ocean Hauling, Estuary Prawn Trawl, Ocean Trap and Line, Ocean Trawl, Lobster and Abalone fisheries. The Share Management Fisheries regime provides fishers with a more secure fishing right than is available under the Restricted Fisheries regime. Shares in a category 1 Share Management Fishery are issued for a 10-year period and automatically renewed, and if a Share Management Fishery is terminated all shares in the fishery are cancelled and shareholders are entitled to compensation. Shareholders must pay a community contribution for their right to access a Share Management Fishery.

NSW Restricted Fisheries are declared under Part 9 of the General Regulation and include the Inland, Sea Urchin and Turban Shell, and Southern Fish Trawl fisheries. A Restricted Fishery may be terminated, without compensation, by revoking its declaration. Fishers are not required to pay a community contribution for their right to access a Restricted Fishery.⁴⁵

Number of licences: Since the 1980s the number of commercial licences in the State has fallen by over 2,000 as demonstrated in the table below:

Commercial Fishing Licences in NSW: 1984 - 2011⁴⁶

1984	3,259
1994	2,100
2000	1,686
2011	1,100

Latent effort: Many fishing businesses with shares in a fishery report a catch of less than 5% of the total catch in the fishery. In the five main fisheries of NSW (outside of lobster and abalone), the average percentage of latent effort is as follows:

Fishing Businesses Catching Less than 5% of the Catch (by Fishery): 2003 – 2005
(Average %)⁴⁷

Estuary General	62%
Estuary Prawn Trawl	48%
Ocean Hauling	75%
Ocean Trawl	70%
Ocean Trap and Line	69%

In at least 4, out of the 5 fisheries, over 60% of the fishers contribute less than 5% of the total catch. Share management, at this stage, does not appear to have produced the consolidation that was planned. A November 2012 paper produced by the NSW Government said that it was seeking to create a management system that:

provides the opportunity for many fishers (particularly inactive fishers) to exit the industry while at the same time assisting active fishers who wish to remain acquire additional shares at a subsidised rate. . .[and] assists the industry to autonomously adjust – i.e. once shares are linked to catch or fishing effort, shareholders will be able to easily modify the structure of their business and access to the resource to meet their needs.⁴⁸

Note on the role of co-operatives: The main activity of commercial fishing co-operatives is to handle/pack, transport and market wild caught fish/seafood for their members. In 2007/08 this amounted to around two-thirds of the total wild catch of about 15,500 tonnes. Around 5,415 tonnes was distributed from the fishing co-operatives to the Sydney Fish Market.⁴⁹

Fishing Co-operatives in NSW (North to South): 2011⁵⁰

Fishing Co-operative	Port Base
Brunswick-Byron	Brunswick Heads
Ballina	Ballina
Evans Head	Evans Head
Clarence River	MacLean
Coffs Harbour	Coffs Harbour
Macleay River	Jerseyville
Hastings River	Port Macquarie
Laurieton	Laurieton
Crowdy Head	Crowdy Head
Taree	Taree
Wallis Lake	Tuncurry
Newcastle	Newcastle
Hawkesbury	Brooklyn
Wollongong	Wollongong
Ulladulla	Ulladulla
Bermagui	Bermagui
Twofold Bay	Eden

6. STEVENS REPORT 2007

Commissioned by the Lemmings government, in October 2007 Richard Stevens (former Director of the federal government's Fisheries Research and Development Corporation) published his [Report on Structural Adjustment in Commercial Fisheries in NSW](#). The report began by noting that:

Fisheries management presents different challenges than in many other industries because of the community owned nature of the resource, the competitive nature of the operating environment, the diversity of stakeholders, the biological and ecological dynamics and uncertainties involved, and the risk of stock collapse through excessive fishing effort if appropriate management intervention does not occur. It is not surprising therefore, that structural adjustment programs have been in common use across Australian and overseas fisheries in recent years.

Progress has been made by the NSW Government and the commercial fishing industry over the past 15 years to rationalise the size of the NSW commercial fishing fleet. The recent implementation of the new share management arrangements provides a solid basis to build a sustainable and viable fishing industry based on a secure access right and flexible trading arrangements. However, a clear case remains for an accelerated structural adjustment program.

The report went on to say that the factors supporting the need for a dedicated program in the nominated commercial fisheries include:

- The need to ensure sustainability of fish stocks and the habitats that support them;
- The persistence of an unacceptably high level of effort (both latent and active) and overall fishing capacity confirmed through comprehensive environmental impact assessments and highlighted by the NSW Seafood Industry Advisory Council's objective of eliminating 100% of inactive fishing businesses and 50% of active fishing businesses;
- Lack of a mechanism for industry to autonomously adjust over time in response to the ongoing external pressures affecting the viability of commercial fishing such as operating costs and markets - shares do not presently provide a proportional level of resource access in any of the nominated fisheries;
- Potential for increased fishing pressure in State waters resulting from external programs such as the Federal Government's recent 'Securing Our Fishing Future' business exit scheme;
- The existence of complex regulatory requirements that have built up over many years and act to reduce operational efficiency;
- An ageing, poorly maintained fishing fleet symptomatic of decreasing profitability;
- Strong competition in the market place with catches from other Australian wild harvest fisheries, domestic aquaculture species (e.g. Atlantic salmon) and cheaper imported product which is often caught or cultured in fisheries with less stringent environmental controls.

To help address these issues, the report proposed that fisheries structural adjustment program in NSW should have the following objectives:

- (a) To ensure the ongoing conservation of fish stocks and the environment which supports them;
- (b) To maximize long term viability and economic efficiency of commercial fishing operations;
- (c) Establish a baseline from which the nominated fisheries will autonomously adjust without the need for repeated government intervention or assistance; and
- (d) To ensure the ongoing supply of NSW seafood to consumers.

The report examined a range of options for structural adjustment, including cancelling latent entitlements, issuing a separate 'active' share and substantially increasing minimum shareholding levels.⁵¹ However, the study concluded that the most feasible and cost effective option for achieving the objectives of structural adjustment should incorporate a three step approach, building on the adjustment model previously endorsed by the Seafood Industry Advisory Council, as follows:

The first step involved the offer of a modest exit grant payment targeted towards latent fishing businesses. To be eligible to receive an exit grant payment the shares would have to be sold to existing shareholders to ensure that at least one fishing business is removed each time an exit grant is made.

The second step would involve requiring all shareholders in all new category 1 share management fisheries to meet the minimum shareholding requirements (currently for new entrants) specified in the existing share management plans to obtain/retain an endorsement to fish. The aim was to promote a level playing field prior to migrating to the new management framework under step three.

The third step was the major adjustment phase which incorporated the broad adjustment approach previously recommended by SIAC and involved implementation of the following sub-programs: linking shares to resource access; regulatory reform involving the explicit explanation of future fisheries management policy so that fishers can make informed decisions whether they wish stay in the industry or exit; exit grant payments to facilitate an active market for shares, particularly during the adjustment phase.⁵²

7. 2012 INDEPENDENT REVIEW PANEL

7.1 Transition from Labor to Coalition government

Successive ALP State governments sought to reform the commercial fishing industry in various ways, including by enticing small-scale fishers out of the industry (through buy-outs) or hastening their exit (through increased cost recovery charges). However, by the time the O'Farrell government took office a substantial number of small-scale operators remained; these were often only active when fish were abundant and possessed the same number of shares as more viable fishers who operated all year round. Conversely the access of more viable fishers to the resource was diminished when small-scale fishers intermittently appeared on the scene.

Providing viable fishers with security appeared to mean, in management terms, that shares should equate to the degree of access to a fishery. As a means to progress this, the O'Farrell government provided Richard Stevens a second opportunity to examine NSW commercial fishing.

7.2 2012 Independent Review Report

In the lead-up to the 2011 State election, the Liberal Party-National Party released a policy statement on NSW commercial fisheries. The principal policy aims of the document were:

- the retiring of an independently assessed number of "fishing businesses" through exit grants
- to fully bring into effect property rights through share management⁵³

To initiate its changes, the newly elected O'Farrell government announced in September 2011 the establishment of a review into commercial fisheries policy, management and administration. The inquiry would be undertaken by: Richard Stevens (author of the previous report on structural adjustment); Peter Neville (former managing director of Queensland Fisheries and former chair of the Fisheries Research and Development Corporation) and Ian Cartwright (director of Thalassa Consulting).⁵⁴

In March 2012 Stevens, Neville and Cartwright released the [Independent Review of NSW Fisheries Policy, Management and Administration](#). The Executive Summary to the review noted that its focus was on:

two main areas: firstly, the shortcomings of commercial fisheries policy, management and administration in NSW, and secondly, what needs to be done to fix them. Historical context is clearly relevant, and strong, often irreconcilable views as to the solutions remain within industry, partly as a result of this history.

The Executive Summary went on to say that:

The fishing industry is one of NSW's oldest primary industries and with an initial 'first point of sale' value of approx. \$80 million for wild caught species, is the fourth most valuable food-based primary industry in this state. Through the

catching and marketing sectors, the industry provides fresh seafood to the NSW consumer, and makes a significant contribution to many regional communities along the NSW coastline. Catches by recreational and commercial fishers consist of well over 100 main species taken from fresh water, estuaries, inshore and oceanic waters, using a range of fishing gears over more than 2,100km of coastline. Fisheries resources are shared by both extractive (recreational, commercial and Aboriginal fishers) and non-extractive (e.g. catch and release recreational fishers and divers) users, and are subject to increasing conservation through the establishment of Marine Parks. Under these complex conditions, provision of affordable and effective fisheries management services to ensure desired biological and economic outcomes presents a significant challenge.

On the issue of sustainability and industry viability, the review stated:

While the exploitation status of around 50% of the key species taken by NSW commercial fishers are considered 'uncertain' or 'undefined' with six species considered biologically 'overfished', most appear to be sustainable according to scientific reports. However, there are some anecdotal reports of increasing depletions of some species in local areas due to fishing pressure.

There is a clear need to continue with efforts to ensure sustainability of the resource and, as far as possible, ensure an ongoing and consistent supply of quality seafood to the consumer, while catering for the needs of other stakeholders. To achieve this seafood supply requires the existence of well-managed and viable fishing businesses, operating profitably and responsibly, with the certainty necessary to enable sound business investment at all scales of operation. An inflexible and inappropriate management system burdened by an excess allocation of access rights (too many fishers for too few fish) continues to prevent industry self-adjustment. Loss of fishing areas to Marine Parks and Recreational Fishing Havens (RFHs) coupled with a range of unfavourable cost/price factors has further exacerbated the problem, leading to an increasing number of economically non-viable operators.

In November 2012 the O'Farrell government released its response to the review's recommendations, substantially endorsing the review team's advice. As noted, the Minister for Primary Industries (Katrina Hodgkinson) declared in a media release that:

A lack of investment, ageing commercial fishing fleets, too many fishers through poorly allocated fishing rights and excessive red tape have stifled the industry. . . With 85 per cent of seafood sold in NSW being imported, these new changes are needed to ensure that there is a continued availability of fresh, local seafood.⁵⁵

Stevens and his colleagues divided their report around three main areas of concern, presented in terms of problem and remedy: structural adjustment; governance; and consultation. The following account is restricted to the report's findings and recommendations on structural adjustment.

7.3 Structural adjustment

The Problem: The aim of the Fahey government's 1994 legislation was to introduce, in NSW fisheries, a property right which would be well defined and tradeable (facilitating the exit of those fishers who might want to want leave the industry). This has occurred effectively in the lobster and abalone fisheries, but shares have generally been over allocated in the other fisheries, with shares only partially linked to catch history. In the view of the committee, within the other fisheries there is no definition of the value of the share in terms of fishing access, inputs (gear or time spent fishing) or outputs (catch).

Remedy: To address this issue, the review team recommended an incentive framework involving a system of targeted exit grants (distributed by a tender system). In addition the team recommended establishing links between shares and output (either directly as quota, or indirectly as units of effort), as well as the setting of total allowable catch (TAC) and total allowable effort (TAE) limits. With the establishment of the links between shares and output, and the creation of TACs and TAEs, input controls that are no longer needed would be removed or streamlined and a proportional management charge would be introduced (based on the number of shares held). Each share would be linked to a direct proportion of the TAC or TAE. The change should be phased in over a period of years, not immediately, because of the hardship that could occur and the political sensitivities that it might engender. The ultimate outcome, of such measures, would be (according to the review team) "a reduced number of viable and well-managed operations."⁵⁶

Recommendation 6.1. Fishing businesses should cease to have a role, as a management tool, to limit access, once linkages (to catch, effort or a limited number of endorsements) are in place.

The government supported this recommendation: noting that where the share linkage ends up being the number of endorsements, the linkage will only be considered to be "in place" once the target number of endorsements has been met.

Recommendation 6.2. That shares in each fishery be linked directly to resource access, in the form of catch or fishing effort, to achieve the biological and economic objectives of the Act.

Supported by the government

Recommendation 6.3. That minimum shareholdings be applied to each fishery both as a means of linking the number of endorsements in a fishery to total effort (as a proxy for catch) as part of an agreed restructuring plan and/or a means of reducing management costs.

Supported by the government with the qualification that minimum shareholdings may not be needed for new or additional share classes.

Recommendation 6.4. To encourage share trading and consolidation, implement a targeted exit grant process to fishing businesses – with eligibility determined via a tender process. The amount to be offered for individual fishing businesses should not be capped. Exit grant payments should be made once the shares on the fishing business have been transferred.

The government supported this recommendation. Additionally the government supported the issuing of tenders for the transfer of shares, and the surrender to government of shares. This is both generally to facilitate the consolidation of shares, and particularly to assist shareholders who want to exit one fishery but remain active in others.

Recommendation 6.5. That structural adjustment should be implemented as a complete package through a three-year staged process - assisted by government and industry funding with a suggested level of funding for exits grants to be no more than \$15.5 million.

Supported by the government.

Recommendation 6.6. That the minister make two key decisions and announcements: one at the start of the structural adjustment process and another around 18 months later. The **first** key decision and announcement (supported by legislative amendments) would link shares with access; apply a moderate "base payment" charge on shareholdings; set total catch and effort levels in consultation with industry; undertake a process of exit grant payments; implement a process for consultation with industry (at the share class level) to determine the form of linkage; remove the limit on the number of fishing businesses as each share class becomes linked; and identify unnecessary input controls and regulations that could be removed. The **second** key decision and announcement would approve the final form of share linkage; and approve the determination of total catch, total effort or the number of standardised endorsements.

Supported by the government, particularly in light of the Minister having already foreshadowed the linking of shares with resource access and the setting of total catch and effort levels to begin by the end of 2014; the launch of an exit grant process; consultation with shareholders on the form of linkage (by the end of 2013); removing the limit on fishing businesses as shares become linked.

8. STAKEHOLDER RESPONSES

8.1 Industry responses

There has been a mixed reaction to the 2012 independent review from the NSW commercial fishing industry. Don Johnson, president of the Professional Fishermen's Association, welcomed the review report. He declared that, "The economic pressures on the fishing industry are enormous. . . [particularly] Battling to compete with cheap imports". Against this background, Johnson declared that, "What is important for the industry is that the 30% of fishermen who are catching 70% of the fish are looked after".⁵⁷

Geoff Blackburn, a board member of the Coffs Harbour Fishermen's Co-operative, declared that:

These reforms are intended to give participants in the industry certainty in their futures, confidence to invest in the industry. . .and confidence in the decision making process from the managers. . .⁵⁸

On the other hand, Danielle Adams (general manager of the Clarence River Fishermen's Co-operative) was reported as saying that:

If a number of members go down the buy-out path it could spell trouble for the co-op. If. . .throughput [decreases]. . .it makes supplying our clients a challenge, and, if the co-op needs to be downsized . . .[it] will have to be remodelled dramatically.⁵⁹

Matt Barber, a former commercial fisher from Batemans Bay, recently voiced similar concerns. In an item in the online publication *Fishing Boating-World*, Barber stated that, in his opinion:

They've squeezed out the small fishers and now they're going to price out those that are left. It will wipe out the industry and leave it open to the multinationals.⁶⁰

8.2 Responses from conservation groups

Responses from conservation organisations have been supportive. The Nature Conservation Council (NCC) of NSW declared that, "These reforms, if properly implemented, will help to make our commercial fisheries more economically and environmentally sustainable." The NCC qualified its support, however, advising that:

It is important that new fisheries management arrangements are based on the best available science. . .To be successful the proposed [ministerial] fisheries advisory council will need to include experts from the fishing industry and the conservation sector.⁶¹

The World Wildlife Fund (WWF) endorsed the position of the NCC, adding that, "These reforms are desperately needed if we are to have a sustainable and profitable commercial industry into the future".⁶²

9. CONCLUSION

The restructuring of the NSW commercial fishing industry has long been on the political agenda. The reforms under the Fahey government went some way towards consolidating the industry on what might be considered a more viable and sustainable basis. The current round of reforms promises to take the industry farther down that track, with the support of many but not all interested parties. While the industry is not large, relatively speaking in terms of GSP, it is significant, economically and in other ways, harking back as it does to our seafaring traditions. Imports are a major challenge facing the industry. Significant opportunities may also arise from the increasing consumption of seafood. Viability and sustainability remain the key terms for the industry.

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- ¹ Ruello and Associates, *A Study of the Composition, Value and Utilisation of Imported Seafood in Australia* (Clifton Beach, Queensland, 2011), p.36.
- ² See the "Commercial Fishing" section of the website of NSW Fisheries (part of the Department of Primary Industries) at www.dpi.nsw.gov.au.
- ³ The most recent information on recreational fishing dates from around the turn of the new century: NSW Department of Primary Industries, *NSW Government Response to the Legislative Council Select Committee on Recreational Fishing Report* (December 2011).
- ⁴ NSW Fisheries, *Structural Reform Program: NSW Statistical Information for Industry* (2010), pp.20-21; ABARES, *Australian Fisheries Statistics: 2010* (2011), pp.58, 60; NSW Fisheries, *Ocean Trawl Fishery: Environmental Impact Statement* (2004); pp.26, 37, 49, 50-51, 58, 61; *Estuary General Fishery: Environmental Impact Statement* (2001); pp.A-4, B-22, B-23; *Abalone Fishery: Environmental Impact Statement* (2005), pp.A-5, A-17, B-30, B-39, B-45; *Ocean Trap and Line Fishery: Environmental Impact Statement* (2006); pp.1-2, 12, 25; *Ocean Hauling Fishery: Environmental Impact Statement* (2002), pp.A-25, B-29; *Lobster Fishery: Environmental Impact Statement* (2005), pp.41-42, 55, 57; *Estuary Prawn Trawl Fishery: Environmental Impact Statement* (2002), p.2; NSW Fisheries, *NSW Commercial Fisheries Administration Guide* (2012), p.43.
- ⁵ C. Blount and D.G. Worthington, *Research to Develop and Manage the Sea Urchin Fisheries of NSW and Eastern Victoria* (NSW Fisheries, Sydney, 2003), introduction; Richard Stevens, *Report on Structural Adjustment in Commercial Fisheries in New South Wales* (NSW Fisheries, Sydney, 2007), p.35; NSW Fisheries, *Structural Reform Program: NSW Statistical Information for Industry* (2010), p.20; NSW Fisheries, *NSW Commercial Fisheries Administration Guide* (2012), p.7.
- ⁶ ABARES, op.cit., p.60.
- ⁷ ABARES, *Australian Fisheries Statistics: 2010* (2011), p.60.
- ⁸ ABARES, op.cit., p.58.
- ⁹ See "The Contribution of Primary Industries to the NSW Economy" on the website of NSW Department of Trade and Investment and Regional Infrastructure Services at www.business.nsw.gov.au.
- ¹⁰ NSW Department of Primary Industries, *Aquaculture Production: 2010-11* (2011), pp.5, 12, 14-15.
- ¹¹ Ruello and Associates, *A Study of the Composition, Value and Utilisation of Imported Seafood in Australia* (Clifton Beach, Queensland, 2011), p.36.
- ¹² ABARES, *Australian Fisheries Statistics: 2010* (2011), pp.20, 29, 99-100.
- ¹³ See "Our Company and History" on the SFM website at www.sydneyfishmarket.com.au.
- ¹⁴ See "Seafood Export Profiles: Australia" at www.seafish.org/.
- ¹⁵ NSW Primary Industries, *The Contribution of, and future opportunities for, NSW commercial fishing co-operatives*, Final Report, May 2009, p.14.
- ¹⁶ Hansard. NSW Legislative Assembly. 21 April 1994, pp.1648, 1650.
- ¹⁷ *Fisheries Management Act 1994*.
- ¹⁸ Andrew Goulstone and Alistair McIlgorm, "Initial Allocation of Harvesting Rights in the New South Wales Ocean Trap and Line Fishery, Australia" in R. Shotton (ed.), *Case Studies on the Allocation of Transferable Quota Rights in Fisheries* (Food and Agriculture Organisation, Rome, 2001), pp.165, 168.
- ¹⁹ *Fisheries Management Act 1994*.
- ²⁰ Sean Nicholls, "Catch of the Day" in the *Sydney Morning Herald*, 18 April 2003, p.29.
- ²¹ NSW Primary Industries, *NSW Commercial Fisheries Administration Guide*, January 2012, pp 39-42.
- ²² See "Abalone Fishery" and "Lobster Fishery" on the website of NSW Fisheries at www.dpi.nsw.gov.au/fisheries/commercial/.
- ²³ This was achieved through the issuing of the *Fisheries Management (General) Amendment (Restricted Fisheries) Regulation 1997*.
- ²⁴ See Alistair McIlgorm, "Lessons from the Inter-Sectoral Fishing Re-Allocation in New South Wales".
- ²⁵ W Gullett, *Fisheries Law in Australia*, LexisNexis Butterworths 2008, p 233.
- ²⁶ [2012 Independent Review](#), p 63.

- ²⁷ [2012 Independent Review](#), p 36. NSW Fisheries advise that, whereas the relevant text in the report reads "Other than in the OH and OTL fisheries), it should read "the OH and OT fisheries".
- ²⁸ [2012 Independent Review](#), p 37.
- ²⁹ NSW Fisheries, *Submission to the Department of Sustainability, Environment, Water, Population and Communities*, November 2011.
- ³⁰ Information provided by NSW Fisheries.
- ³¹ General Purpose Standing Committee No.2. Budget Estimates – Mineral Resources and Fisheries. Questions Taken on Notice during Hearing. 24 June 2002.
- ³² *Future Directions for the Commercial Fishing Industry* (2010), p.3.
- ³³ Information supplied by NSW Fisheries.
- ³⁴ See "Commercial Fisheries Reform: Questions and Answers" on the website of the NSW department of primary industries at www.dpi.nsw.gov.au.
- ³⁵ Hansard. NSW Legislative Assembly. 22 October 1997, p.1207.
- ³⁶ See Schedule 1 of the *Fisheries Management (General) Amendment (Fees) Regulation 2001*.
- ³⁷ Hansard. NSW Legislative Assembly. 31 March 2004, p.7783.
- ³⁸ *Future Directions for the Commercial Fishing Industry* (2010), p.3.
- ³⁹ *Future Directions for the Commercial Fishing Industry* (2010), p.3.
- ⁴⁰ NSW Department of Primary Industries, *Annual Report 2004-05*, p.99.
- ⁴¹ Stevens, *Report on Structural Adjustment in Commercial Fisheries in New South Wales*, p.2. "Latent" effort is a term used to describe a fishing operator's activity where it amounts to less than 5% of the catch in a fishery. See *Independent Review of NSW Commercial Fisheries Policy, Management and Administration*, pp.58-59.
- ⁴² *Fish Marketing Amendment (Deregulation Act 1997)*.
- ⁴³ *National Co-op Update*, January-February 2000, p.5.
- ⁴⁴ Fran Collyer, Jim McMaster and Roger Wettenhall, *Case Studies in Australian Public Enterprise Divestment* (Pacific Institute of Management and Development, University of South Pacific, Suva, 2001), p.73.
- ⁴⁵ NSW Primary Industries, [NSW Commercial Fisheries Administration Guide](#), January 2012, pp 6-7.
- ⁴⁶ Gerard Carter, *Fisheries Law in New South Wales* (1986), forward; Tony Battaaglone, Debbie Brown, Drew Collins, Padma Lal, Paul Morris, Patrick Power, Chris Reid, Heather Roper, Michelle Scoccimarro, Michael Stephens, Jeremy Witham and Doug Young, *The Use of Economic Instruments in Coastal Zone Management* (Resource Assessment Commission, Canberra, 1993), p.47; Centre for International Economics (CIE), *Fisheries in NSW: NCP Review of the Fisheries Management Act 1994* (CIE, Sydney, 2001), p.2; *Independent Review of NSW Commercial Fisheries Policy, Management and Administration*, p.58.
- ⁴⁷ *Independent Review of NSW Commercial Fisheries Policy, Management and Administration*, pp.58-59.
- ⁴⁸ NSW Government, *Commercial fisheries reform – questions and answers*, November 2012 on the website of the NSW department of primary industries at www.dpi.nsw.gov.au.
- ⁴⁹ NSW Primary Industries, [The Contribution of, and future opportunities for, NSW commercial fishing co-operatives](#), pp 6-7.
- ⁵⁰ Information supplied by the NSW Registry of Co-operatives.
- ⁵¹ Stevens, *Report on Structural Adjustment in Commercial Fisheries in New South Wales* pp.11-12.
- ⁵² *Ibid.*, pp.14-16.
- ⁵³ See the NSW Liberals and Nationals Fisheries Policy on the website of Craig Baumann MP at www.craigbaumann.com.au.
- ⁵⁴ Katrina Hodgkinson. Minister for Primary Industries. *NSW Works to Secure State's Commercial Fisheries*. 1 September 2011.
- ⁵⁵ Minister for Primary Industries (Katrina Hodgkinson). Media Release. *Long Overdue Reform of Commercial Fisheries*. 14 November 2012.
- ⁵⁶ Cartwright, Neville and Stevens, *op.cit.*, pp.ii-iv, 63.
- ⁵⁷ See "Restructure for Fishing Industry Welcomed" in the *Grafton Daily Examiner*, 16 November 2012.

⁵⁸ See Kim Honan, "Shake-Up for the NSW Fishing Industry" on the website of ABC Rural at www.abc.net.au/rural/.

⁵⁹ "Buyouts Major Threat to Fisherman Co-operative Future" in the *Clarence Valley Daily Examiner*, 26 November 2012.

⁶⁰ See Jeni Bone, "NSW Commercial Fishing Reforms 'Death Knell' for Industry" on the website of www.fishingboating-world.com.

⁶¹ Nature Conservation Council. Media Release. 14 November 2012. *NSW Government's Commitment to Fisheries Reform a Welcome Move*.

⁶² Ibid.