

**INDEPENDENT STRUCTURAL ADJUSTMENT REVIEW COMMITTEE
MEETING #4**

**FRIDAY 5TH JULY 2013
TELECONFERENCE
3.30PM - 5.00PM
MEETING NOTES**

Members:

Ian Cartwright (Independent Chair)
Sevaly Sen (Independent economist)
Mary Lack (Independent fishery manager)

Permanent observers:

Andrew Goulstone (Director Commercial Fisheries, DPI)
Tricia Beatty (Executive Officer, Professional Fishermens Association)

Executive support:

Dallas D'Silva (Industry Liaison Manager, DPI)

1. Welcome and agreement of agenda

The chair welcomed members and observers and confirmed the agenda items for discussion. Key items are cost recovery policy, cross-region Estuary General permits and a general update on the status of reform program.

2. General update

DPI and the PFA provided an update of the various components of the reform program. The working groups have now met and DPI has started the process of modelling possible linkage options for further consideration by the groups. The statement of intent was released by the Minister for Primary Industries on 31 May 2013. A copy of the statement will be sent to all share holders.

DPI will be developing a set of draft principles and guidelines to set interim total access levels for share linkage. These draft guidelines will be presented to the working groups for comment.

A probity plan and independent probity advice will be sought regarding the design and implementation of the exit grant program. The exit grant scheme will also be peer reviewed by independent experts with experience in Commonwealth fisheries structural adjustment.

DPI has met with officers of the Rural Adversity Counselling Program, which is run by NSW Health. This service is available to assist fishers in addressing the social implications of the reform program. The details of this service will be communicated to fishers via the DPI newsletter and the PFA.

Tender documentation for the delivery of consultation services is under development by DPI and will be approved by the Minister prior to public release.

DPI is also working with the central agencies on the proposal to modify the discount factor applying to the new commercial fishing share management fees that will apply from 1 July 2013.

The 2nd edition of commercial fishing reform newsletter is closer to finalisation. The SARC will provide comments to DPI by 10 July on the draft information sheet for financial institutions.

3. Cost recovery policy

The SARC acknowledges the benefits of clear policy on future cost recovery arrangements and the added certainty and confidence this brings to industry. A formal cost recovery policy is to be developed over the next 2 years and this will be influenced by many factors, including defining public vs private good and attributed vs non-attributed costs to industry. Other important factors include the final decisions on share linkage, how many fishers exit the industry and adoption of new technologies to support the delivery of efficient management and compliance services. Cost recovery will be an agenda item for the next meeting.

The SARC had a preliminary discussion on the pros and cons of the concept of fixing the level of costs recovery for several years to give fishers greater certainty in the short to medium term and agreed to discuss the concept in more detail at the next face to face meeting.

Action: SARC to discuss this issue at the next meeting in August.

4. Concessional zone permits

The PFA has raised the issue (out of session) with the SARC as to whether these permits should be considered in the linkage options. Over the last 5 years, DPI has flagged its intention with industry to review these permits. DPI will document the history of these permits (including what guarantees, if any, were given to permit holders when they were first issued) before providing a recommendation to the SARC regarding their future re-issue. The SARC will then consider this matter carefully and provide advice to DPI and the PFA at its next meeting.

Action: DPI to prepare a briefing on this issue for SARC consideration and advice at the next meeting in August.

5. Other issues

The PFA is in the process of applying for FRDC funding to explore alternate governance models for industry bodies in NSW. The application is consistent with the intention to establish an industry peak body.

6. Next meeting

The next meeting of the SARC will be a two day face to face meeting in Sydney on 28th 29th August 2013. (Note – this is the earliest date that the SARC members could get together and has subsequently been revised to 29th/30th August 2013).