

- NOT GOVERNMENT POLICY -

SEAFOOD INDUSTRY ADVISORY COUNCIL

Meeting 5 - 17 March 2006

Reception Room (South), L41 Governor Macquarie Tower
1 Farrer Place, Sydney

Confirmed Outcomes

ATTENDANCE

Hon Ian Macdonald MLC, Minister for Primary Industries (Minister's address)

John Roach (Chair), Graeme Byrnes (Deputy Chair) Ron Firkin, Jim Drinkwater, Don Johnson, Ron Prindable, Ian Charles, Bill Pearce, Roberta Dixon (nominee of M. Kessler), Stephan Schnierer, Paul Sullivan, Tony Troup, Grahame Turk, Barry Buffier, George Davey

Grant Johnson, Executive Officer

Apologies: Donna Smythe, Megan Kessler

Absent: Richard Bagnato, Nicholas Georgouras

Observers:

Hans Heilpern, Chair, Seafood Industry Conference; Anissa Lawrence (Ocean Watch Australia Ltd); Terry Outtrim, Director, Operations NSW Food Authority; Renata Brooks, Deputy Director-General, Agriculture, Fisheries and Regional Relations, DPI; Paul O'Connor, Director, Compliance Operations, DPI; Anthony Hurst, A/Director, Fisheries Management, DPI; Dianna Watkins, Manager, Commercial Fisheries, DPI; Stewart Webster, Manager, Industry Policy, DPI; Ian Lyall, Manager, Aquaculture, DPI; Jamie Gibson, Office of the Minister for Primary Industries.

COUNCIL AGENDA ITEMS

Welcome and Introductory Comments

Chairman noted the requirement for members to be aware of the role and function of Council and the role of members as detailed in the Seafood Industry Advisory Council Charter (see Attachment 1).

Action: The Chairman requested that members read the attached Charter to ensure their compliance with the Charter and their obligations as a member of Council.

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General Business

1. Members confirmed the Draft Outcomes for the 4th meeting of Council held 8 December 2006 (Attachment 2)
2. Members noted the Correspondence Report provided by the Executive Officer (Attachment 3).
3. Marketing of Protected Species – update and paper provided. Agreed to refer the matter of Marketing of Protected Species to a SIAC working group convened by Hans Heilpern (Chairman, Seafood Industry Conference) and consisting of industry (Grahame Turk), DPI and the NSW Food Authority. Council noted a preference to establish arrangements to authorise wholesale outlets to sell species caught interstate subject to effective documentation and compliance systems.

Action: Convene a SIAC working group meeting (Executive Officer with Hans Heilpern).

4. Product Traceability and Black Marketing Operation – update and paper provided. Council noted the effectiveness of the Black Marketing Operation and commended the NSW Food Marketing Authority on advertising the names of offenders, thereby avoiding bad publicity for non-offenders.
5. Malachite Green and Clove Oil – Update and briefing given.
6. Council noted the report provided by the Chair of Structural Adjustment Working Group (SAWG) and the Agreed Outcomes of Structural Adjustment Working Group meeting 16 March 2006 (see Attachment 4).

Council unanimously agreed to accept the SAWG Report (Agreed Outcomes 16 March 2006) and, in particular, to support the Working Group proposals for structural adjustment as copied below:

“Funded Share-Based Adjustment Package (Option 3)

The Working Group supports in principle the option discussed by the Group involving linking catch or effort to shares, clear specification of future rules and certainty about their continuity (including cost recovery) and providing exit grants.

While the Group recognises that this option requires further development, it potentially provides a mechanism to meet the structural adjustment goals and objectives set by SIAC, to optimise the expenditure of any funds available for that purpose and to enable fishers to make an informed decision about whether they continue in the industry or exit.

Securing an industry contribution to adjustment

The Working Group noted that \$12 million is being sought at the State level for structural adjustment, incorporating \$3 million from industry, \$3 million from the recreational fishing trust and \$6 million from the State government. Matching funding would be sought from the Commonwealth. Note that these contributions require ratification by the relevant parties.

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The Working Group recommends that in order to raise sufficient funds to service a \$3 million industry loan, an industry levy apply. That levy should comprise of a doubling of the existing EIS levy up to the point where the adjustment program is completed (noting that in the 2006/07 financial year, half of the funds will still need be used to fulfil industry's contribution to the EIS program). After this point, the levy should be retained at a level sufficient to service the remainder of the loan taking account of the number of fishing businesses contributing and the term of the loan.

Consideration should also be given to:

- *approaching the relevant State and Commonwealth government agencies seeking a part or full diversion of the fishery monitoring charges into servicing of any loan. This can only be done if the environmental and export approvals granted to each fishery are not compromised*
- *seeking a diversion of community contribution (share rental) payments into servicing any loan*

These latter options should be considered as short-term possibilities that could apply up until a substantial improvement in industry viability is achieved.

The Working Group recommended that any industry contributions made into the Commercial Fishing Trust Fund for structural adjustment purposes would need to be protected in some way, such as by establishing a committee to oversee the accounting of that revenue."

Council noted that DPI will discuss the options outlined by the Structural Adjustment Working Group with the NSW Department of Treasury as outlined in the Agreed SAWG Outcomes (and copied above) following discussion with the NSW Minister for Primary Industries.

Council unanimously recommended that the NSW Minister for Primary Industries emphasise in his discussions with the Federal Minister for Fisheries that SIAC supports the principle that the Commonwealth structural adjustment program should not negatively impact on NSW commercial fisheries.

The Working Group recommends that the NSW Minister for Primary Industries consult with the Federal Minister for Fisheries to prevent this displacement (for example, if any Commonwealth entitlements associated with a NSW Fishing Businesses are acquired all NSW entitlements should also be acquired) and to secure a positive outcome for NSW fishing communities (for example, uphold the principle of the licence splitting closure).

Council agreed that Jim Drinkwater, Ron Prindable and Paul Sullivan should be invited to attend the next meeting of the Structural Adjustment Working Group as observers.

Action: DPI to advise the NSW Minister for Primary Industries on the options outlined by the Structural Adjustment Working Group and agreed

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to by Council, and to discuss/progress with NSW Government agencies as required.

Action: Executive Officer to invite Jim Drinkwater, Ron Prindable and Paul Sullivan to the next meeting of the Structural Adjustment Working Group as observers.

[Note that several council members left the meeting following discussion of the above matters.]

7. Council received a briefing on the Stevens' *Report on the Review of Fisheries Management in NSW*. Some members noted that the Stevens' Report appeared to be lacking in certain areas in respect of which people were asked to comment in interviews for the purpose of this report (eg conservation, habitat protection, aquaculture and Indigenous issues) and requested that the Director General DPI be asked to explain this lack.

Action: Council agreed that a one (1) page summary communicating the recommendations of the Stevens Report be prepared by DPI for distribution to industry.

Action: Director General DPI to brief Council at its next meeting on the lack of certain issues (eg conservation, habitat protection, aquaculture and Indigenous issues) in the Steven's Report.

8. Council received an update on progress on implementation of the Category 1 Share Management process. Council agreed that meetings to discuss the proposed changes with industry MACs would be held in May.

Action: DPI to discuss the proposed changes with industry MACs at meeting to be held in May.

9. Council noted the briefing on the use of funds collected through the fishery monitoring program and/or other charges, and on the implications of the alternative use of these funds on the FMS implementation process and on export approvals of NSW commercial fisheries. Council reaffirmed the importance to maintain the State and Commonwealth approvals.

Council requested that DPI and the Council Deputy Chairperson discuss the matters raised in the briefing paper with the Commonwealth Department of Environment and Heritage, the NSW Department of Planning and the Nature Conservation Council, with a view to obtaining support for the temporary deferral of the monitoring program to enable the fees to be used to help fund industry's contribution to a structural adjustment program.

Action: DPI and the Deputy Chairperson to report back to Council at its next meeting on this matter.

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OTHER BUSINESS

10. Beach Access – Council agreed that the Chair of Council should write to the Director General NSW Department of Environment and Conservation regarding the issue of beach access and the need to expedite consideration of this issue, particularly in relation to the Woody Head Beach access issue for ocean haul fishers.

Action: Chair to write to the Director General NSW Department of Environment and Conservation regarding the issue of beach access (Executive Officer)

11. Port Jackson Buyout Program – Council noted the concerns of Sydney Harbour commercial fishers in relation to input and consultation with commercial fishers regarding the nature and timing of the buyout program.

Council agreed that Hans Heilpern and Graeme Byrnes represent SIAC at meetings relating to the Port Jackson commercial fishing buyout and matters relating to any possible reopening of commercial fishing in Port Jackson.

Action: Hans Heilpern and Graeme Byrnes to represent Council at meetings relating to the Port Jackson commercial fishing buyout.

12. Members noted the need to consider formation of an Executive Advisory Committee to consider how to handle high profile and urgent issues affecting commercial fisheries in the future. Draft framework to be considered at the next meeting.

Action: DPI to develop draft framework for Executive Advisory Committee for next meeting of Council.

Next Meeting

Early May – To be advised.

Meeting closed at 3:00pm

Grant Johnson
Executive Officer
Seafood Industry Advisory Council

20 March 2006