

11 RESOURCE ASSESSMENT AND ALLOCATION ISSUES

11.1 Introduction

The Standing Committee considers that the sustainability of the State's fisheries are presently under direct threat from over-exploitation, by both recreational and commercial fishers, and indirect threat through habitat degradation. The Standing Committee recognises the present vulnerability of many of the State's fisheries and believes that the next few years may represent the last opportunity to implement fisheries management regimes that will ensure the sustainability of the resource for future generations. The sustainability and equitable distribution of the State's fisheries resources is dependent on allocation mechanisms which provide management agencies with objective, rigorous and defensible advice and habitat protection initiatives that can effectively work within the complex and sometimes conflicting existing regulatory framework.

11.2 Resource and Conservation Assessment Council (RACAC)

The NSW Natural Resources Audit Council (NRAC) was established in 1993 as an independent body reporting to the Government. Its main objective was to facilitate a systematic and comprehensive audit of all the values of public lands and natural resources of New South Wales on a regional basis. The Carr Government came into power in March 1995 with a commitment to provide a broad based mechanism for natural resource decision making. NRAC was restructured to facilitate this policy to become the Resource and Conservation Assessment Council (RACAC) in June 1995.

RACAC is made up of a 14 member council including representatives of the State and Commonwealth Governments, the timber and mining industries, the union movement, conservationists, the academic community and the indigenous community. RACAC is supported by the Resources and Conservation Division of the Department of Urban Affairs and Planning.

11.2.1 Present Role of RACAC

While RACAC may advise the Government on broad based land issues, it has focussed on forestry issues since its inception. RACAC presently meets once a month and reports to the forestry sub-committee of Cabinet.

RACAC's Terms of Reference are as follows:

- 1.1 Interim assessment of high conservation value old growth forest.
- 1.2 Coordination of comprehensive regional assessments of public and private forested land.
- 1.3 Undertake the development of a comprehensive, adequate and representative reserve system.
- 1.4 Facilitate the negotiation of regional forest agreements with the Commonwealth.
- 1.5 Facilitate the wilderness assessments in accordance with the following process:
 - assessment and identification of nominated wilderness to be performed by the National Parks and Wildlife Service in accordance with the *Wilderness Act 1987*;
 - RACAC to have regard to the process mentioned above and to make recommendations to the Forestry Sub-committee of the Cabinet Standing Committee on Rural and Natural Resources.
- 1.6 Undertake after reference whole-of-region analyses and make recommendations on the allocation and use of public and private lands.
- 1.7 Facilitate World Heritage, National Estate and other intra governmental strategic commitments.

- 1.8 Complete the work of the previous Natural Resources Audit Council.
- 1.9 Facilitate the implementation of the biodiversity survey program by assisting the National Parks and Wildlife Service inter-agency coordination and data exchange protocols.

11.2.2 The RACAC Assessment Process

11.2.2.1 Data Collection

RACAC aims to involve stakeholders and the community through regional resource assessments. These assessments involve the establishment of an extensive database using methods accepted by participating stakeholders. The data is then coordinated and compiled into an interim assessment which is made available for public discussion.

11.2.2.2 Negotiation

RACAC uses the interim assessment as the basis for inter-stakeholder negotiation on resource allocation issues. RACAC's 1996 Annual Report sets out the Council's role in the development of consensus on resource use in the forestry industry:

RACAC's task in undertaking the interim assessment is to draw together a wide range of scientific data and also to draw together the major stakeholders in the forest debate, including conservationists, industry and union representatives. This resulted in a first for Australia with long standing adversaries sitting down together to negotiate over the eastern forests of NSW.¹

RACAC considers such negotiation critical to the widespread acceptance of any management plan, with the Council's Annual Report stating:

¹ RACAC Annual Report 1996, p 63

A lack of consultation and consensus over forest issues has in the past led to piecemeal decisions lacking widespread credibility and acceptance.

From the outset, therefore the participation of the community, both directly and through their representative stakeholders was seen as a basis for a successful result. ²

11.2.2.3 Outcome

The outcome of the negotiations facilitated by RACAC are recommendations to the Government. Where the Government's response results in the loss of stakeholder access to the resource, compensation and structural adjustment programmes are formulated. In the case of the forestry industry, compensation and structural adjustment is determined by the Forestry Industry Structural Adjustment Unit of the Department of Land and Water Conservation.

11.2.3 Expanded Role of RACAC

The Standing Committee considers much of the present conflict in relation to fisheries management to be a resource allocation issue and that the resource is being impacted by the "tyranny of small decisions" arising from the plethora of Federal, State and local government agencies responsible for fish habitat management. The Standing Committee believes that these conflicts are exacerbated by a perception that NSW Fisheries' resource assessments are biased to favour a particular interest group and/or are based on incorrect or incomplete data.

The Standing Committee believes that the implementation of an unbiased, transparently compiled and widely accepted resource assessment process is the first step towards an equitable and sustainable allocation of the State's fisheries resources. The Standing Committee recognises that parallels exist between the management and allocation of both forestry and fisheries resources and believes that RACAC, through the development of forestry management strategies, has achieved a high degree of consensus among stakeholders in the forestry

² RACAC Annual Report 1996, p 65

debate. The Standing Committee understands that RACAC has already had limited involvement in the assessment of fish habitat and recreational fishing as part of its broader resource assessment role and considers that RACAC could contribute to a consensual resolution of existing fisheries resource conflicts. Specifically, an extension of RACAC's present responsibilities to an assessment of the State's fisheries would provide the Government with "rigorous and defensible advice" as the basis for equitable, objective and sustainable allocation outcomes. Accordingly, the Standing Committee recommends:

Recommendation 31

NSW aquatic resources, including fish and fish habitat, be assessed as part of the continuing work of RACAC so as to provide an accurate, current and ongoing assessment statement of the state of NSW fisheries.

11.3 Compensation

Where changes in the user mix or level of fishing effort occur over time, fisheries managers must find means of equitably and fairly reallocating the resource to ensure the long term sustainability of the fishery. Payments to fishery participants in exchange for a reduction or cessation in their fishing activities is one solution. Such compensation can be used to reduce effort in overexploited fisheries, eliminate unsustainable fishing practices, or reallocate fish stocks to users that attach a higher value to them.

The Commonwealth has recognised that reallocation, particularly from the commercial fishing industry to the recreational sector, will be a central issue for fisheries management in future. The National Steering Committee on Recreational Fishing wrote:

As recreational fishing continues to expand, especially in areas close to the major population centres, the allocation of resources between user groups will continue to be a major issue.

There is little doubt that in the future there will be resource reallocation from commercial to recreational in some

fisheries - particularly in shore and estuarine waters of major recreational importance.³

NSW Fisheries considers that the payment of compensation should be limited to where a property right exists and must be contingent on a detailed knowledge of the particular fishery gained through research. Dr Glaister told the Standing Committee:

What it comes down to is that if you are sure about a particular fishery—if you understand the dynamics of it, if you understand what can sustainability happen, and if you are willing to issue a strong property right to do that and wear the consequences—that is okay. However, if you have any doubt, it would be irresponsible of me as a public servant to advise the Minister to introduce a system—or, for that matter, for the Government to agree to a system—in which there was an open cheque, with a potential to blow out to hundreds of millions of dollars. That could happen, and future taxpayers would have to wear it. That is basically where I am coming from.⁴

While conceding that compensation schemes may have a role to play, Dr Glaister argued that the decision to pay compensation should be made by government, stating:

I think the issue of compensation and buy-backs again, without trying to duck the question, really is an issue for government. Buy-backs, for example, have been trialed in Canada and in New Zealand and places like that. Generally, as a rule of thumb, buy-backs tend to quickly soak up what is called latent effort, as the jargon is, which is basically effort that is not effectively being currently deployed, in other words, boats that are perhaps not being

³ National Recreational Fisheries Working Group (1994). *Recreational Fishing in Australia: A National Policy*, National Steering Committee on Recreational Fishing, C/- Department of Primary Industries and Energy, Canberra, p 14

⁴ Evidence of Dr Glaister, 7 July 1997, p 26

used to full capacity, et cetera. People who own those assets generally favour the quick exit, take the money and run. That is certainly, in a long-term planning sense, a way of removing a potential problem, so that you are taking them up at current market value and that then tightens up the management for the rest of the fishery. You have talked about compensation. Again I say that compensation is an issue that government must face, not public servants.⁵

The Standing Committee acknowledges that the present transformation of the State's fisheries management mechanisms will inevitably result in the displacement of some commercial fishers. At present, there is a perceived inconsistency within the *Fisheries Management Act 1994* in that the Act only provides for compensation to participants in a share management fishery that has been removed from Schedule 1, whereas compensation is not payable where a fishery ceases to be a restricted fishery. The Standing Committee believes that compensation is integral to sustainable fisheries management as it provides a socially acceptable means of reducing fishing effort. Some form of compensation and adjustment assistance should be available to commercial participants in any fishery that is either not economically viable or has been closed as a result of a resource allocation decision (for example, the establishment of a marine park). Accordingly, the Standing Committee recommends:

Recommendation 32

That the *Fisheries Management Act 1994* be amended to provide for the provision of adjustment assistance and/or the payment of compensation to commercial fishers who either are excluded from their fishery as a result of a resource allocation decision (eg marine park) or wish to surrender their endorsement. Specific compensation and structural adjustment packages should be determined by RACAC.

The Standing Committee considers that an agency parallel to DLWC's Forestry Industry Structural Adjustment Unit is required to process the compensation and

⁵ Evidence of Dr Glaister, 19 May 1997, p 70

structural adjustment claims of commercial fishers. Accordingly, the Standing Committee recommends:

Recommendation 33

That a Fishing Industry Structural Adjustment Unit of NSW Fisheries be established to determine, in consultation with RACAC and affected stakeholders, individual structural adjustment packages. The Government must ensure that this Unit is adequately funded.