

# Chapter 4

## Fishing industry and financial assistance

### Introduction

4.1 This chapter will examine the impact on the fishing industry arising from the fishing closures of Fullerton Cove and Tilligerry Creek and the financial assistance package which has been provided to affected commercial fishermen.

### Fishing closures

4.2 Precautionary temporary fishing closures were introduced at Fullerton Cove and Tilligerry River on 3 September 2015. At its first meeting, the Expert Panel noted that one of the most likely primary pathways for human exposure, apart from drinking water, is the consumption of fish. The fishing closures were based on a preliminary risk assessment which indicated there were 'pathways to tolerable daily intake exceedances'.<sup>1</sup> On 27 October 2015, the fishing closures for Fullerton Cove and Tilligerry Creek were extended for a further 8 months to June 2016.

4.3 In September 2015, NSW Department of Primary Industries (DPI) (Fisheries) undertook preliminary sampling of fish, prawn and mud crabs in the Tilligerry Creek and Fullerton Cove areas:

The preliminary results showed PFOS to be present in the samples taken, no PFOA was detected in any sample.

The analysis of the results showed that based upon dietary exposure as determined by health based guidance values of Tolerable Daily Intake (TDI) there was low health risk concern for the general population...however for people who may consume large amounts of seafood from the areas, there is a potential to exceed the health based guidance values. Further, while health based guidance values are not exceeded for the general population, some species of fish and crustacea have the potential to significantly contribute to a person exposure to PFOS.

On consideration of these results the Williamstown Expert Panel has identified need for further analysis of a wider selection of seafood, as part of the Human Health Risk Assessment.<sup>2</sup>

4.4 During October 2015, the NSW DPI (Fisheries) collected prawn samples from Fullerton Cove and the Hunter River with the assistance of commercial fishers. The Expert Panel preliminary risk assessment of the samples indicated:

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1 Williamstown Contamination Expert Panel, Meeting minutes, 23 September 2015, p. 2.

2 Williamstown Contamination Expert Panel, *Preliminary Dietary Exposure Assessment – Seafood – Tilligerry Creek and Fullerton Cove, Williamstown NSW*, 3 November 2015, p. 1.

The levels of PFOS detected showed there was no significant food safety risk for the average consumer of prawns in the areas outside of the existing closure zone. There is the potential for higher exposure to PFOS for fishing communities, to consume prawns more frequently and in greater amounts than the average consumer, at two locations outside the closure area and this requires further investigation and evaluation in the form of a human health risk assessment.

Upon consideration of the findings commercial prawn fishers from the Hunter region have collectively agreed to extend their voluntary ban on trawling over the whole the Hunter River until further assessment is undertaken.<sup>3</sup>

### **Fishing industry impacts**

4.5 Ms Tricia Beatty from the Professional Fishermen's Association (PFA) noted that the area mainly impacted by the contamination and closures was the Estuary General Fishery:

That is a very diverse, multispecies, multimethod fishery that can operate in 76 of the New South Wales estuary systems. It is a very diverse commercial fishing industry with approximately 600 fishing businesses authorised to use 17 types of fishing gear. This fishery is a significant contributor to the regional and state economies by providing high-quality seafood and bait to the community... The Newcastle region is classified as region 4 and extends from Tuggerah Lakes to Crowdy Head. There are approximately 200 estuary general fishers in region 4 who hold an entitlement to fish the Hunter River and there are 24 estuary prawn trawl Hunter River endorsements.<sup>4</sup>

4.6 In terms of the impact of the closures to the broader fishing industry, Ms Beatty stated:

We cannot quantify the damage at this point in time of the contamination to our industry. The main impacts have been the access to our fishing stocks by the fishers, the devaluation of our fishing businesses, the additional stress to available stocks that are not available, the financial assistance difficulties our industry has faced, the impact to the local Commercial Fishermen's Cooperative and the sheer mental stress on commercial fishers and their families.

### ***Financial impacts***

4.7 It was clear from the evidence that the financial impact of the closures on the affected commercial fishers has been immediate and severe. The Wild Caught Fishers Coalition (WCFC) emphasised that an estimated 32 plus family operated fishing

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3 Williamtown Contamination Expert Panel, *Preliminary PFOS Risk Assessment for Seafood – Hunter River prawns*, p. 1.

4 *Committee Hansard*, 22 December 2015, p. 13.

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businesses had been impacted by weeks of being unable to work.<sup>5</sup> It described the affected fishermen as having their livelihood 'stripped', income 'taken' and generations of business growth 'wiped' and their local brand reputation 'burnt'.<sup>6</sup>

4.8 Similarly, the Commercial Fishermen's Co-op Limited (CFCL) outlined:

Fishers have had to remove children from child care, remove all non-essential spending, they are struggling to put food on the table. Some have mortgages on their homes, with repayments unable to be claimed, and many other personal expenses that cannot be met.<sup>7</sup>

4.9 Mr Robert Gauta from the CFCL the described the 'fishermen in this industry [as] small cottage-based fishers; they are not big-turnover businesses'. He noted that '[t]heir income is their major source of replenishment that they need, and they are hurting since the first day of the closure'.<sup>8</sup> The CFCL also noted that it had suffered a 'significant decrease in income due to the fishing closures'. It relied on 'commissions received from the product supplied by fishers to operate, and any reduction equates to reduced operating income, however, fixed costs remain'.<sup>9</sup>

4.10 The rigid nature of the commercial fishing industry was also a factor in the impact of the closures. Several fishers highlighted that they had made significant business investments or that the Hunter River Estuary Prawn Shares they had purchased were not transferable. The difficulty for fishers to move to other areas due to the closures was also emphasised. For example, Ms Beatty characterised the management arrangements the fisheries, based on shares and endorsements, as restricted and 'highly complex':

A fisherman who is endorsed to operate in one region is not necessarily able to operate in another region.

Due to the closures, fishers can no longer access traditional grounds. Some have advised that they are unable to go to other grounds as their fishing businesses are set up for that region. A fisherman might have a net set up for specific gear and for a specific targeted species, and his whole business might be based on that particular river. If he is told to go to another section....it may be quite impossible for him to do so...

As you can imagine, if you go fishing in one area all your life and you are forced to go to another area, your business costs are going to be higher and your time fishing is going to be longer, just to try to bring in the quantity again.<sup>10</sup>

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5 *Submission 30*, p. 5.

6 *Submission 30*, p. 4.

7 *Submission 27*, p. 3.

8 *Committee Hansard*, 22 December 2015, p. 16.

9 *Submission 27*, p. 4.

10 *Committee Hansard*, 22 December 2015, p. 13.

### ***Stress and mental health impacts***

4.11 The mental health impacts of the fishing closures were apparent in many submissions. The WCFC stated:

Livelihoods have been heavily impacted and the extent is dramatically showing. The emotional stress is taking a toll on each fisher individually that is causing personal concerns and increased mental fatigue. It has become evident that anxiety, depression and personal sense of self-worth is increasingly challenged, coupled with the unknown facts that again cause direct anguish to these men. Many fishermen are experiencing sleepless nights due to worry, financial concerns and the uncertainty of what their future holds hence the ability to fully be self-sufficient and provide for their families.<sup>11</sup>

4.12 Ms Beatty from the PFA also highlighted the 'significant stress and mental impact on fishermen and their families' and noted that fishermen who can go into other regions are now forced to have 'significant time away from their families'.<sup>12</sup>

4.13 Ms Chantel Walker from the WCFC told the committee that while there had been some drop-in sessions provided there were no free counselling services available for affected commercial fishers in the Newcastle area.<sup>13</sup> The NSW DPI noted that it had arranged a meeting on 21 October 2015 at the Newcastle Fishermen's Co-operative 'to provide social and financial support for fishers impacted by the closures':

NSW DPI Rural Resilience, Rural Financial Counsellors, Rural Adversity Mental Health Program (RAMHP), the Red Cross, the Salvation Army and Human Services attended the event. NSW DPI has intervened on two occasions seeking Salvation Army support for distressed families and on one occasion with RAHMP. NSW DPI is offering training for fishers (funded by NSW DPI) and is offering a two day overnight event for fishers wives or partners in January 2016 to assist them with developing skills and destress (funded by DPI).<sup>14</sup>

### ***Reputational damage***

4.14 A further consequence of the fishing closures was the impact on Port Stephens' broader reputation as an area of food and seafood production. For example the CFCL observed:

Due to the contamination and the precautionary closure of commercial fishing in the area, consumers are now questioning the safety of eating seafood from the region. Tests conducted have shown that this seafood is safe to eat but the seafood loving public have justifiable concerns that are

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11 *Submission 30*, p. 6.

12 *Committee Hansard*, 22 December 2015, p. 14.

13 *Committee Hansard*, 22 December 2015, p. 22.

14 *Submission 108*, p. 1.

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impacted on the price and demand of seafood from the region. This in turn further escalates the damage done by the contamination to the commercial fishing community of the region.<sup>15</sup>

4.15 The NSW Farmers' Association also noted the impact of the long term brand damage to the region. It stated that although 'it has been established that oysters do not present a health risk, the Tilligerry Creek Harvest Area will have ongoing monitoring for six months and is currently suffering from collateral "brand damage" because fishers continue to be subject to closure'.<sup>16</sup> It gave the example of an oyster business with a lease in Tilligerry creek which reported a 30 per cent drop in sales due to consumer concern about the contamination impact on Port Stephens oysters.<sup>17</sup>

### *Other impacts*

4.16 The closures had also created stress on the remaining fishing stocks which could be accessed.<sup>18</sup> Mr Kevin Radnidge from the WCFC noted that following the NSW DPI's testing of prawns, fishers were informed they could work an area 'between Hexham Bridge and Raymond Terrace'. However, he stated '[i]t is not a very big part of the river, and with 20-odd prawn trawlers up there we would probably wipe everything out in two days, so sustainability just was not there'.<sup>19</sup> The possibility of temporarily opening new fishing regions such as the Karuah River or Lake Macquarie to allow affected fishermen to utilise different areas had been raised with DPI but had not been accepted.<sup>20</sup>

4.17 Mr Gauta from the CFCL identified the uncertainty created by the contamination as the key problem for commercial fishers:

Probably the biggest issue we have is that we do not know. We do not know what you will get if you eat so many prawns or if you will get sick. We do not know if this is the start or the end of the leaching or the middle point of the leaching. That is what is hardest to deal with.<sup>21</sup>

4.18 Mr Adam Gilligan from the NSW EPA observed there would be a need for ongoing sampling in the fishing closure areas:

[E]ven where we have had oysters come back clear, we understand that while ever there are contaminants continuing to flow into the environment, the situation may change in those fisheries. And so even once we have done

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15 *Submission 27*, p. 4.

16 *Submission 35*, p. 2.

17 *Submission 35*, p. 6.

18 Ms Tricia Beatty, *Committee Hansard*, 22 December 2015, p. 13.

19 *Committee Hansard*, 22 December 2015, p. 20.

20 Mr Kevin Radnidge, *Committee Hansard*, 22 December 2015, p. 23.

21 Mr Robert Gauta, CFCL, *Committee Hansard*, 22 December 2015, p. 18.

a comprehensive set of sampling to understand the situation right now, there will be a need to do that again into the future.<sup>22</sup>

4.19 The related issue of delays in testing was also raised. Ms Beatty noted:

Industry has agreed to close the river until results of further testing are deemed acceptable to protect the brand of our seafood, which the industry is extremely protective of. However, our agreement was that this was conditional on continued testing, but that continued testing has not occurred. We are very disappointed that the schedule for testing in the future has not been arranged.<sup>23</sup>

4.20 Professor O'Kane, the Chair of the Expert Panel, hoped that some results might be available before June but acknowledged that '[e]verything is slipping a bit in time'.

This is why we are requesting that Defence do the exposure pathway work, with the analysis and sampling we have recommended. That is why we put that fishing ban on until the end of June 2016 because the timing needed to go through all the samples and the limitation on machines and so on to do the sampling, which is at least until the end of June.<sup>24</sup>

## **Financial assistance**

4.21 On 4 November 2015, the Commonwealth Government announced it would provide a financial assistance package to commercial fishers adversely affected by the NSW Government's fishing closures at Tilligerry Creek and Fullerton Cove. As part of the assistance package:

[C]ommercial fishers who derive the majority of their income from fishing in the areas affected by the bans may be eligible for an Income Recovery Subsidy equivalent to Newstart or Youth Allowance, and Business Assistance Payments of up to \$25,000.

Commercial fishers who have experienced financial hardship as a direct result of the closure of fisheries linked to the PFOS/PFOA contamination around RAAF Base Williamstown may be eligible to receive the Income Recovery Subsidy backdated from the date of the original fisheries closure on 4 September 2015.

The Business Assistance Payment is a \$5000 lump sum to eligible businesses to assist with immediate costs. Affected businesses may also be eligible for further hardship payments of up to \$20,000.<sup>25</sup>

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22 *Committee Hansard*, 22 December 2015, p. 54.

23 *Committee Hansard*, 22 December 2015, p. 14.

24 *Committee Hansard*, 3 December 2015, p. 13.

25 The Hon Darren Chester MP, Assistant Minister for Defence, 'Federal Government supports commercial fishers in Tilligerry Creek and Fullerton Cove', *Media release*, 4 November 2015, p. 1.

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4.22 The assistance package, which is administered by the Department of Human Services, will be available until June 2016.<sup>26</sup>

4.23 However, the financial assistance package provided to affected fishermen was viewed as inappropriate and inadequate. For example, Ms Washington stated:

The financial assistance package which is now being provided to commercial fishers took too long to be put in place given that their losses were immediate and obvious. In addition, what was ultimately offered does not in any way compensate the fishers for their actual losses and is merely an offering that assists survival.

As a result of the financial strain on commercial fisher families, an independent charity organisation, AussieCare, has stepped in to assist families with groceries though the Christmas period is most welcome. But the fact that this is necessary is clear evidence of the inadequacy of the Federal Government has provided.

Moreover, the final package offered was not designed in consultation with industry representatives or NSW DPI. As a result, the package does not address the seasonal nature, and other unique aspects, of the industry.<sup>27</sup>

4.24 The Wild Caught Fishers Coalition stated:

Financial packages that have been released to commercial fisherman are inadequate and the application process is lengthy and stressful. There has been very little if any consultation in relation to the effectiveness of these packages directly among those impacted. These packages do not provide the assurances required and do not cover income that would normally have been generated from a working business.<sup>28</sup>

4.25 Ms Beatty from the PFA noted that due to the risk-profile of the fishing industry many fishing families need to save significant amounts of money as they did not have access to banking loans. This meant that many fishers were unable to receive the financial assistance that was available because they had too much money saved. She stated:

We had a lot of difficulties in accessing financial assistance. The fishermen that I spoke to had never walked into a Centrelink office, and they found it demeaning to do so. They are proud fishermen, often fourth or fifth generational fishermen; they did not want to be demeaned by asking for financial assistance.<sup>29</sup>

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26 Department of Defence, *Submission 87*, p. 8.

27 *Submission 32*, p. 4.

28 *Submission 30*, p. 6.

29 *Committee Hansard*, 22 December 2015, p. 14.

4.26 Similarly the CFCL described the assistance packed as inappropriately 'geared towards farmer-type costs being designed for the Northern Cattle Farmers during their past export disruption':

The estuarine fishers from the specific region have, in general, low business costs but a normally steady income. This package only addresses assistance to business costs, not income. For income assistance the impacted fisher must negotiate through a number of bureaucratic processes which are asset dependent, often resulting in no assistance. To receive the equivalent to the Newstart Payment was an embarrassment to fishers, who have worked hard to provide for their families a lifestyle that reflected their effort.<sup>30</sup>

4.27 The NSW Farmers' Association noted that their members, oyster farmers in the Tilligerry Creek Harvest Area, were excluded from the Income Recovery Subsidy and Business Payments schemes set up in November.<sup>31</sup>

4.28 Mr Ian Lyall from the NSW DPI confirmed that financial assistance for affected businesses had been raised with Defence. However:

On 4 November, Defence released their assistance packages for fishers only—not for oyster farmers or the community. They developed that package without consultation with DPI or the fishers, so there are some hiccups in it.<sup>32</sup>

4.29 NSW DPI also noted that it was 'seeking amendment to the Farm Household Support program to get eligibility for fishers'.<sup>33</sup>

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30 *Submission 27*, p. 3.

31 *Submission 35*, p. 2.

32 *Committee Hansard*, 22 December 2015, p. 57.

33 *Submission 108*, p. 1.