



The Hon Niall Blair MLC

Minister for Primary Industries
Minister for Regional Water
Minister for Trade and Industry

The Hon Robert Brown MLC
Committee Chair
Portfolio Committee No. 5
NSW Legislative Council
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Mr Brown

I am writing to notify you that today the new commercial fishing share linkage and management arrangements commenced.

I would like to thank you for the important role you and the Portfolio Committee No. 5 (formerly the General Purpose Standing Committee No. 5) have played in providing valuable advice about these reforms.

Today marks a significant day in the commercial fishing reform journey. Catch and effort quotas commencing today will deliver improved security and certainty for relevant shareholders and the removal of redundant controls will help them improve their efficiency.

Following the Parliamentary inquiry into commercial fishing in NSW, the Department of Primary Industries (DPI) has made a significant effort to action recommendations put forward by the committee to assist fishers through the Business Adjustment Program.

DPI will continue to have a focus on small businesses and Aboriginal fishers within the NSW commercial fishing industry and will engage with these groups and consider them when making any decisions that affect this industry.

As you are aware, DPI has been working with the Australian Taxation Office (ATO) to seek clarification on the income taxation implications for those commercial fishers that participated in the Subsidised Share Trading Market (SSTM).

The ATO has confirmed, based on the Market Rules and Supplement No. 6. their view of the tax position of the Buyers and Sellers. Broadly, the ATO considers the following as being applicable with regards to the subsidy:

- The subsidy is a capital receipt in the hands of the seller; and

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- The buyer is not subject to income tax on the subsidy.

This means for buyers the subsidy is not included as assessable income when received and will not form part of the cost base of the shares if they are disposed of in the future.

For sellers the subsidy will form part of the consideration received for the disposal of their shares.

As the commercial fishing reforms continue to be implemented, the NSW Government will offer ongoing assistance. This includes professional advice grants, retraining grants, the Office of the NSW Small Business Commissioner's Business Connect program, the Business Adjustment Program hotline 1300 726 488, the Fisher Care Line 1800 137 929 and the FishOnline Helpline 1300 720 662.

The focus moving forward will be to help fishers optimise their businesses under the new arrangements, developing leaders in the industry, promote the product they catch and protect the resource to ensure future sustainability of the NSW commercial fishing industry.

Yours sincerely



01 DEC 2017

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