

Shoalhaven Crookhaven Shellfish Quality Assurance Program

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Issues Paper – Review of Local Government Rating System

Submission for Rate exemptions for oyster cultivation on Oyster Leases

Our organisation believes that rates should not be applied to Oyster leases.

Overview

The Shoalhaven and Crookhaven Rivers are located on the NSW South Coast, 125km SW of Sydney, and 150km ENE of Canberra. It is an extensive river system that transports high sediment loads to the coast. The Shoalhaven River is one of the larger rivers of NSW with a waterway area covering 28 square kilometres and drains an extremely large catchment of approximately 7300square kilometres. This makes it the sixth largest coastal catchment in NSW.

Recognising the importance of the local oyster industry, 114ha of the Shoalhaven/Crookhaven Rivers are currently classified by the NSW Department of Primary Industries as priority oyster aquaculture areas. Historically, lease areas exceeded 280ha, so current lease-holding represents approximately 40% of previous effort. There is also 35ha of current lease area that is in the National Parks.

In NSW there are approximately 300 oyster aquaculture permit holders who occupy 2813 hectares in 33 NSW estuaries and are located in 17 local government areas.

IPART suggest in the issues paper that oyster businesses have the capacity to pay rates and it would be equitable to remove the current exemption.

Oyster aquaculture businesses incur a range of government fees and charges including local government rates. Oyster aquaculture leases incur rent under the Fisheries Management Act 1994. A permit under the Act is also required to cultivate oysters and annual permit contributions are charged. Oyster businesses must have a seafood licence under the Food Act and pay state and local levies to the NSW Shellfish Program.

The industry already pays local council rates on their land bases that support their on water aquaculture operations. Land bases are where the industry makes most use of local government services. The oyster industry currently pays the direct costs of water and sewerage services, through these rates and pays their own costs for waste management as commercial operators. The oyster industry's demand on council services is related to the land base depot rather than the oyster aquaculture leases.

The water lease areas occupied by the NSW oyster industry are categorised as Priority Oyster Aquaculture Areas (POAA) under the provisions of the NSW Oyster Industry Sustainable Aquaculture Strategy (2014) and State Environmental Planning Policy 62 – Sustainable Aquaculture. The water based leases are situated below the high tide mark and are accessed by punts travelling over water.

Administratively, oyster leases and boating activities are controlled by NSW Fisheries and the RMS both of whom are paid appropriate fees by farmers. Local Government provides no services to the leases.

As filter feeders, oysters are vulnerable to the water quality of the estuary in which they are grown. The oyster industry is adversely impacted by poor water quality related to the service functions of councils in many estuaries. Sanitary water quality impacts on product harvest and is associated with stormwater and sewerage management, particularly on-site sewerage management.

Water quality also affects growth rates and product quality. Stormwater management, development control and unsealed road management are areas of council responsibility that contribute to water quality issues, particularly suspended solids and acid sulphate discharges.

If the rate exemption for oyster aquaculture leases is lifted then it is likely that the oyster industry will seek to hold councils more responsible for the water quality issues that affect oyster growth and cause harvest closures under the NSW Shellfish Program.

How do you apply a value to rate water leases?

Valuing oyster aquaculture leases for the purpose of rating would be complex and costly as lease areas have highly variable productive capacity and as such highly variable and changing value.

Some of the most important factors affecting the value of a lease area include:

- What the lease is used for such as catching, grow-out or finishing, and this can change depending on the season and the changes within the estuary such as water flow.
- Proximity to the farmer's land base.
- Water quality at the site and the site classification under the NSW Shellfish Program.
- Primary productivity at the site. This is affected by pest and disease status and risk, food availability, susceptibility to flood, freshwater and storm events.
- Species suitability. The species suitable for a particular lease can change rapidly with the advent of pest and disease issues, with the development of genetically improved stock (disease resistant) or new markets.

At present the industry's land bases that support the on-water operations are rated, and the water based aquaculture leases are exempt and that this system is best supports oyster farming.

Yours sincerely

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