

Select Committee on the Cronulla Fisheries Research Centre

Closure of the Cronulla Fisheries Research Centre of Excellence

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Terms of reference

1. That the Select Committee inquire into and report on the closure of the Cronulla Fisheries Research Centre of Excellence, and in particular:
 - a) the basis for the decision including the documents and other records that were considered by the Minister, including any economic or financial analysis,
 - b) what consultation was undertaken prior to the decision with stakeholders, including commercial and recreational fishing groups, environmental groups and staff,
 - c) the costs and benefits of the decision to close the Centre and relocate its functions to other locations,
 - d) the extent to which the decision satisfies the Minister's responsibilities under the Fisheries Management Act 1994,
 - e) any advice received by the Minister on the ability to replicate the Cronulla facilities at other locations, including potential problems and other implications of the other locations,
 - f) the loss of the scientific expertise held by the staff who cannot relocate from Cronulla and the implications for sustainable fisheries management,
 - g) the impacts of the decision on service delivery to stakeholders,
 - h) the impact on staff and their families of the closure and the relocation, and
 - i) the impact on the heritage values of the Cronulla Fisheries Research Centre.

2. That the Committee report by 23 October 2012.

The Committee was established, and these terms of reference referred, by resolution of the Legislative Council on 21 June 2012, Minutes No 95, p 1105. The full text of the resolution is contained in Appendix 9.

Committee membership

Revd the Hon Fred Nile MLC	Christian Democratic Party	<i>Chairman</i>
The Hon Marie Ficarra MLC	Liberal Party	<i>Deputy Chair</i>
The Hon Niall Blair MLC	The Nationals	
The Hon David Clarke MLC	Liberal Party	
The Hon Cate Faehrmann MLC	The Greens	
The Hon Mick Veitch MLC	Australian Labor Party	
The Hon Steve Whan MLC	Australian Labor Party	

Committee Secretariat

Ms Madeleine Foley, Director

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Chair's foreword

I am pleased to present the Report of the Select Committee Inquiry into the Closure of the Cronulla Fisheries Research Centre of Excellence.

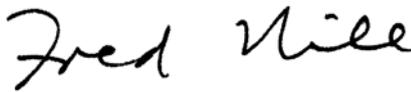
The terms of reference for this Inquiry arose out of the 8 September 2011 announcement that the Cronulla Fisheries Research Centre of Excellence (CFRC) would be closed and its functions transferred to other locations.

The Committee has found that the decision to close the CFRC was characterised by its omissions. It was not underpinned by an economic appraisal, cost benefit analysis or comprehensive assessment of any kind. Stakeholder views on the closure were not sought. Experts within the Department were excluded from providing advice on the decision itself or the management of its implementation. As a result, the decision will have serious adverse consequences for marine science and the management of the State's fisheries.

Although decentralisation is a worthy policy, each instance of decentralisation must be thoroughly considered on its individual merits. The Committee has concluded that the decision to close the CFRC was imprudent and devoid of the transparency and accountability required of major Government decisions. Therefore this decision should be reversed in the public interest as the majority of employees, particularly the scientists, wish to continue at the CFRC, including those who have already been relocated.

I would like to thank the many contributors to this inquiry, including my colleagues on the Committee. For many participants this has been a challenging Inquiry, and I would like to express my thanks to the 108 submission makers and 21 witnesses who have participated in it. I convey my particular gratitude to staff members of the CFRC for their contributions at the Committee's Public Forum and other participation in this Inquiry. I acknowledge that this has been an especially difficult process for you.

I commend this Report to the Government



Revd the Hon Fred Nile MLC
Chairman

Summary of recommendations

- Recommendation 1** 86
That the NSW Government reverse the decision to close the Cronulla Fisheries Research Centre of Excellence and not proceed with the closure.
- Recommendation 2** 86
That the NSW Government give all Cronulla Fisheries Research Centre of Excellence staff moved to other Sydney locations the opportunity to return to the Centre, and that all the Centre's scientific staff and their support staff moved to locations around NSW also be given the opportunity to return.
- Recommendation 3** 86
That the NSW Government halt any further progress on the closure of the Cronulla Fisheries Research Centre of Excellence.
- Recommendation 4** 87
That the NSW Government conduct a comprehensive economic appraisal of whether to close the Cronulla Fisheries Research Centre of Excellence and relocate its functions in accordance with the *New South Wales Government Guidelines for Economic Appraisal*. This appraisal should be completed by a body that is independent of the Department of Primary Industries and the Minister for Primary Industries.
- Recommendation 5** 87
That the NSW Government conduct a detailed analysis of the economic and non-economic value of the science carried out at the Centre. This analysis must involve consultation with the marine science community and scientists based at the Centre and take into account the impact on sustainable fisheries management arising from the potential loss of scientific expertise.
- Recommendation 6** 87
That the NSW Government comprehensively review the decision to close the Cronulla Fisheries Research Centre of Excellence on the basis of the economic appraisal referred to in Recommendation 4 and the analysis of the science referred to in Recommendation 5.
- Recommendation 7** 87
That the NSW Government publish on completion the appraisal, analysis and review referred to in Recommendations 4, 5 and 6 to ensure transparency and accountability in Government decision-making.
- Recommendation 8** 87
That the NSW Government make provision to meet its commitment to keep the Cronulla Fisheries Research Centre of Excellence site in public ownership, including by providing funding for ongoing upkeep of the site, should a decision be taken to proceed with the Centre's closure.
- Recommendation 9** 87
That the NSW Government immediately put in place a plan to ensure that research and scientific knowledge from Cronulla is not lost. The plan should include detailed project by project analysis of knowledge and data, it should include appropriate succession planning to ensure knowledge is passed on when change of personnel does occur.

Recommendation 10

87

That the NSW Government review all long-term temporary staff working at the Cronulla Fisheries Research Centre of Excellence and appoint those who meet the criteria for appointment as permanent officers.

Recommendation 11

88

That the NSW Government, for any temporary staff made redundant since the announcement of the decision to close the Cronulla Fisheries Research Centre of Excellence, restore the severance entitlements that were in place prior to the decision being made.

Recommendation 12

88

That the NSW Government make every effort to re-employ Professor Steve Kennelly and reinstate him to a position equivalent to the position of Chief Scientist of the Department of Primary Industries because Professor Kennelly is internationally recognised for his expertise in marine science and has an extensive and irreplaceable personal knowledge of NSW marine science research.

Recommendation 13

88

That the NSW Government develop a comprehensive policy document defining its 'Decade of Decentralisation' policy, setting out its principles, objectives and measures of success and that any relocation plans for the Cronulla Fisheries Research Centre of Excellence, or any other agency or site, be assessed against this policy, and this should include best practice guidelines for the decentralisation of agencies. Further, that any future proposal to relocate centres engaged in scientific research be accompanied by thorough planning for the retention of intellectual capital.

Chapter 1 Introduction

This Chapter provides background on the Inquiry, an overview of the Select Committee's terms of reference and a description of the Inquiry process.

Background to the Inquiry

- 1.1 On 8 September 2011 the Minister for Primary Industries and the Deputy Premier announced that the Cronulla Fisheries Research Centre of Excellence would be closed and its employees relocated.
- 1.2 The Cronulla Fisheries Research Centre of Excellence (CFRC) is a purpose built research facility on approximately three hectares on a headland in the Sydney suburb of Cronulla.¹ It was the first fisheries research centre in Australia having been identified for the purpose by Harald Dannevig in 1895.² The site as a whole is heritage listed, as are several individual aspects, these include the former hatchery building, the boat shed and the aquaria.³ There are three Aboriginal middens on the site that are also heritage listed. The CFRC site is wholly owned by the NSW Government. A map of the site is contained in **Appendix 7**.
- 1.3 Several different sections of NSW Fisheries are housed at the CFRC. These include scientific research, commercial fisheries management and licensing, recreational and indigenous fisheries management and licensing and the corporate services area of the Department of Primary Industries (the Department).
- 1.4 The Committee received evidence from various stakeholders containing at times differing figures on the number of employees and positions at the CFRC. According to the Department, the CFRC is host to 138 employment positions.⁴ The submission from the Save Cronulla Fisheries Team Committee added that the 138 positions were held by 152 employees,⁵ and that there are also 25 postgraduate students working at the Centre.⁶
- 1.5 Mr Peter Brown, a staff representative on the Cronulla Fisheries Relocation Working Group, advised the Committee that as at September 2012, 9 staff have relocated, 15 have secured employment in other parts of the Department, 29 staff have accepted offers to relocate (15 to regional locations) and 17 are awaiting the expiration of their contract terms.⁷ Most staff are scheduled to move from the CFRC in late 2012 and early 2013.⁸

¹ NSW Fisheries, *NSW Fisheries Heritage and Conservation Register*, 1997, p 81.

² NSW Fisheries, *NSW Fisheries Heritage and Conservation Register*, 1997, p 29.

³ NSW Fisheries, *NSW Fisheries Heritage and Conservation Register*, 1997, pp 73-81.

⁴ Answers to supplementary questions 6 August 2012, Dr Richard Sheldrake, Director General, Department of Primary Industries, Question 6, p 2.

⁵ Submission 96a, Save Cronulla Fisheries Team, p 18.

⁶ Submission 96a, p 18.

⁷ Answers to supplementary questions 3 September 2012, Mr Peter Brown, staff representative on the Cronulla Fisheries Relocation Working Group, Question 1, p 2.

⁸ Mr Kevin Cooper, Relocation Project Manager, Evidence, 6 August 2012, p 16.

- 1.6 The employees of the CFRC are to be relocated to eight sites in Sydney and regional New South Wales: Mosman, Newington, Parramatta, Port Stephens, Coffs Harbour, Nowra, Wollongong and Orange. The following table shows the functions performed at the CFRC and their destinations for relocation. This table is indicative only as job destinations may have changed over time.

Table 1 Destinations for Cronulla Fisheries Research Centre jobs

Function / role	Destination
Recreational and indigenous fisheries management	Nowra, Coffs Harbour and Newington ⁹
Commercial fisheries catch records	Coffs Harbour ¹⁰
Commercial fisheries management	Coffs Harbour ¹¹
Conservation manager	Wollongong ¹²
Two corporate support tax positions	Orange ¹³
Three information and communication technology roles	Parramatta ¹⁴
Two learning and development roles	Parramatta ¹⁵
Stock assessment	Mosman ¹⁶
Other scientific functions	Coffs Harbour and Port Stephens ¹⁷
Library	Port Stephens ¹⁸
Research and development	Port Stephens ¹⁹

⁹ Submission 14, Department of Primary Industries, p 10; Mr Robert Audsley, Volunteer Leader, Southern Sydney, NSW Fishcare Volunteer Program, Evidence, 3 September 2012, p 41.

¹⁰ Submission 14, p 10.

¹¹ Submission 14, p 10.

¹² Submission 14, p 10.

¹³ Answers to supplementary questions 6 August 2012, Dr Richard Sheldrake, Director General, Department of Primary Industries, Attachment, email from Ms Jeannine Biviano to Dr Richard Sheldrake dated 5 September 2011.

¹⁴ Answers to supplementary questions 6 August 2012, Dr Sheldrake, Attachment, email from Ms Jeannine Biviano to Dr Richard Sheldrake dated 5 September 2011.

¹⁵ Answers to supplementary questions 6 August 2012, Dr Sheldrake, Attachment, email from Ms Jeannine Biviano to Dr Richard Sheldrake dated 5 September 2011.

¹⁶ Submission 14, p 11.

¹⁷ Submission 14, p 11.

¹⁸ Mr Cooper, Evidence, 6 August 2012, p 17.

¹⁹ Answers to supplementary questions 6 August 2012, Dr Sheldrake, Attachment, Dr Sheldrake's talking points for addressing staff announcing the closure of the CFRC, 8 September 2011.

Terms of reference

- 1.7 On 21 June 2012 the Legislative Council appointed the Select Committee to inquire into the closure of the CFRC. The Inquiry's terms of reference are set out on page iv.
- 1.8 Pursuant to the terms of reference the Committee is required to examine various issues including the basis for the decision, documents and advice relied upon in making it and consultation undertaken with stakeholders. Other matters contained in the terms of reference include the costs and benefits of closing the Centre, and impacts on marine science, fisheries management, service delivery and staff.

Conduct of the Inquiry

- 1.9 The inquiry process included seeking written submissions, conducting three site visits, and holding three public hearings and a public forum at Parliament House.
- 1.10 The Committee would like to thank all individuals and organisations who made submissions to the Inquiry and those who appeared before the Committee as a witness or forum participant.
- 1.11 The Committee particularly thanks current and former members of staff at the CFRC who provided the Committee with their personal stories at the public forum and in submissions.
- 1.12 In addition, the Committee would like to express its gratitude to the marine scientists and other staff who facilitated the Committee's site visits.

Submissions

- 1.13 The Committee advertised a call for submissions in *The Daily Telegraph*, *Sydney Morning Herald* and the *St George and Sutherland Shire Leader*. The Committee also wrote to key stakeholders inviting them to make a submission to the Inquiry. The closing date for submissions was Friday 30 July 2012.
- 1.14 The Committee received a total of 108 submissions, as well as a number of supplementary submissions.
- 1.15 A list of submissions is contained in **Appendix 1**. The submissions are available on the Committee's website: www.parliament.nsw.gov.au/cronullafisheries.

Public hearings

- 1.16 The Committee held three public hearings at Parliament House on Monday 6 August, Monday 3 September and Monday 10 September 2012.
- 1.17 The Committee heard evidence from the Hon Katrina Hodgkinson MP, Minister for Primary Industries and senior Departmental representatives. Also appearing as witnesses were various marine science experts, representatives of commercial fishing interests and staff members at the CFRC including Professor Steve Kennelly, Director of the CFRC.

1.18 A list of witnesses who appeared at the hearings is reproduced at **Appendix 2**. The transcripts of the hearings are available on the Committee's website.

1.19 A list of the documents tabled at the hearings is at **Appendix 5** and a list of the answers provided to questions on notice is at **Appendix 6**.

Public forum

1.20 The Committee held a public forum at Parliament House on Monday 3 September 2012 at which a number of former and current members of staff spoke about the decision to close the CFRC and the impact it has had on themselves, their colleagues and their families.

1.21 A list of forum speakers is reproduced at **Appendix 3**. The transcript of their speeches is available on the Committee's website.

Site visits

1.22 On Monday 6 August 2012 the Committee undertook a site visit to the CFRC. The Committee was provided with a briefing from the Cronulla Fisheries staff and toured the facility. This visit greatly assisted the Committee's understanding of the CFRC and the work conducted there.



The aquaria at the Cronulla Fisheries Research Centre of Excellence.



Committee members at the Cronulla Fisheries Research Centre of Excellence.

- 1.23** Later that month, on Friday 31 August 2012, the Committee visited the Sydney Institute of Marine Sciences (SIMS) located at Mosman. SIMS is one of the destination locations for scientific research. The Committee gained first-hand insight into the science carried out at SIMS and heard about plans to expand some aspects of the site.



Committee members at the Sydney Institute of Marine Science.



Sydney Institute of Marine Science.

- 1.24** On Friday 28 September 2012 the Committee undertook a site visit to the Port Stephens Fisheries Institute at Taylors Beach. Port Stephens is also earmarked as a destination for some of the CFRC scientists. The Committee was provided with a detailed tour of the site and observed scientific experiments in progress.



Committee members at the Port Stephens Fisheries Institute.



Oyster research at the Port Stephens Fisheries Institute.

- 1.25** A list of the site visits undertaken by the Committee and the staff who met with the Committee is at **Appendix 4**.

Chapter 2 Making the decision

This Chapter considers the impetus for the decision to close the Cronulla Fisheries Research Centre of Excellence (CFRC) and examines the rationale provided by the Minister and the Department of Primary Industries (the Department). Justifications for the decision include the Government's commitment to its 'Decade of Decentralisation Policy' and that the closure will create jobs, boost regional economies and provide renewed opportunities for collaboration between CFRC staff and universities. Other grounds include that the CFRC has poor accessibility and limited scope for expansion. Throughout the inquiry, stakeholders voiced criticism of the Government's rationale for closing the CFRC and these criticisms will also be examined in this Chapter.

The impetus for the decision

- 2.1** The original impetus which led to the decision to close the CFRC was questioned by some stakeholders. The Committee heard from Dr Richard Sheldrake, Director General of the Department, that the first formal briefing on the closure was provided to him in May 2011²⁰ and that decision to close the CFRC was not considered by Cabinet or Treasury prior to being announced.²¹ The May 2011 briefing to which Dr Sheldrake referred is a three page document that does not posit a view for or against the closure of the CFRC but outlines the legal implications of the closure in terms of the employment entitlements of the staff. The briefing is reproduced at Appendix 8 of this report.²² The Committee has not received evidence on what led to the creation of that document.
- 2.2** During its hearings the Committee asked a number of questions about what prompted the initial decision to close the CFRC and when it took place but has also received no evidence on this from the Government. The Minister for Primary Industries, the Hon Katrina Hodgkinson MP, confirmed that there had been no consultation with stakeholders prior to her decision to close the CFRC.²³ Consultation with stakeholders is considered further in the next Chapter.
- 2.3** In her evidence to the Committee, Minister Hodgkinson engaged in the following exchange with Committee member, the Hon Steve Whan MLC:

The Hon. STEVE WHAN: What date did you first direct the department to look at decentralising and closing the Cronulla Fisheries Research Centre?

Ms KATRINA HODGKINSON: The director general came to me—we had to look at what parts of our departments would be suitable for a decentralisation program.

The Hon. STEVE WHAN: That was a general government directive to do that?

²⁰ Dr Richard Sheldrake, Director General, Department of Primary Industries, Evidence, 6 August 2012, p 13.

²¹ Dr Sheldrake, Evidence, 6 August 2012, pp 14-15.

²² Answers to supplementary questions 6 August 2012, Dr Richard Sheldrake, Director General, Department of Primary Industries, Attachment, 'Closure of Cronulla', ministerial briefing prepared by Mr Simon Kempsey, Director Human Resources, 5 May 2011.

²³ The Hon Katrina Hodgkinson MP, Minister for Primary Industries and Minister for Small Business, Evidence, 10 September 2012, p 33.

Ms KATRINA HODGKINSON: It was election policy, so we met our election commitments—unlike some.

The Hon. STEVE WHAN: I know it was election policy. A general directive was given to your department; is that what you are saying?

Ms KATRINA HODGKINSON: If I may, the director general put the proposal to me and we had a discussion about it.

The Hon. STEVE WHAN: What date was that?

Ms KATRINA HODGKINSON: It was early in the term of government.

The Hon. STEVE WHAN: Can you give us a date? ...

Ms KATRINA HODGKINSON: It was early in the term of government and the decision was not made on one day, it was over a series of days and we had many discussions about it. We considered what had been done in the past, what was going to be good for the future and we looked at various sites that might be appropriate for the decentralisation to go to. That took a little while. You would not buttonhole an exact date but I would say early in the term of the new Government.

The Hon. STEVE WHAN: Are we talking April-May 2011?

Ms KATRINA HODGKINSON: It was discussed over that time. I think the date—was it September or August that it was announced?

The Hon. STEVE WHAN: The email that the chairman mentioned before, which talks about a submission in May—which we confirmed in previous evidence did exist—was that a submission that was shown to you?

Ms KATRINA HODGKINSON: I am not quite sure which submission you are talking about.

The Hon. STEVE WHAN: When did you see a written submission on this for the first time?

Ms KATRINA HODGKINSON: I had various communications with my director general on this. That is all I can say really. I know something was developed after the decision had been made. I am not sure where that came from. Perhaps the director general who works in the department can tell you that.

The Hon. STEVE WHAN: You do not remember the proposal that was talked about in May 2011?

Ms KATRINA HODGKINSON: There probably was one.

The Hon. STEVE WHAN: Can you take that question on notice?

Ms KATRINA HODGKINSON: I can take that question on notice.²⁴

²⁴ Minister Hodgkinson, Evidence, 10 September, p 30.

2.4 In her answer to the question taken on notice the Minister did not provide a date but advised the Committee that:

The decision was discussed at length before it was announced on 8 September 2011. The final approval was made in the days leading up to the announcement. To the best of my knowledge the document from May 2011 was never submitted to me.²⁵

2.5 However the Director-General of the Department could not inform the Committee of the precise origin of the May 2011 briefing either:

CHAIR: Going back to my original question, could you tell us the first date someone recommended that the Cronulla fisheries be closed and by whom?

Dr SHELDRAKE: There is a brief on file dated May 2011. That brief was presented to me and I certainly read that brief.

CHAIR: Where did that brief come from?

Dr SHELDRAKE: That would have been generated from within the department.

CHAIR: Any particular section?

Dr SHELDRAKE: We had not restructured the department at that stage so we had a different structure than we have currently at the moment. So it came out of what was then the primary industries division of the department. The department has undergone considerable change and so at that stage the division was the division of primary industries.

CHAIR: I am speaking of a recommendation. Following up that, when was a decision made to close it then and by whom?

Dr SHELDRAKE: The announcement was on 8 September and that decision was on advice that I provided to the Government sometime between the May briefing and that final announcement date, 8 September.²⁶

2.6 Numerous stakeholders speculated about what triggered the decision to close the CFRC given that the reasons for it were not well substantiated by the Minister or her Department.²⁷

²⁵ Answers to questions on notice taken during evidence 10 September 2012, the Hon Katrina Hodgkinson MP, Minister for Primary Industries and Minister for Small Business, Question 1, p 1.

²⁶ Dr Sheldrake, Evidence, 6 August 2012, p 3.

²⁷ Submission 30, name suppressed, p 2; Submission 37, Bass Sydney Fishing Club, p 37; Submission 71, Dr Kevin Rowling, Principal Scientist, Commercial Fisheries Research, pp 2-4; Submission 73, Mr Peter Brown, staff representative, Cronulla Fisheries Relocation Working Group, p 2; Submission 85, Mr Kevin Mossberger, p 1; Submission 94, Mr Michael Hickey, p 2; Submission 97, name suppressed, p 1; Mr Peter Brown, staff representative, Cronulla Fisheries Relocation Working Group, Evidence, 3 September 2012, p 13; Ms Laura Seymour, Fisheries Management Officer, Cronulla Fisheries Research Centre of Excellence, Evidence, 3 September 2012, p 52; Dr Kevin Rowling, Principal Scientist, Commercial Fisheries Research, Evidence, 3 September 2012, p 55.

Rationale for the decision

- 2.7 This section canvasses stakeholder views on the rationale put forward in favour of closing the Centre including consideration of the extent to which the closure would fulfil the Government's goal of decentralisation.

The Decade of Decentralisation Policy

- 2.8 Departmental representatives and the Minister have stated that the fundamental rationale for closing the CFRC is the enactment of the Government's Decade of Decentralisation Policy.²⁸ Dr Sheldrake observed that the benefits to be gained from decentralisation can be huge and drew comparisons with the previous relocation of the Department of Agriculture from Sydney to Orange:

The benefit to the community is immense. Just as an example, in Orange our salaries into that town are around \$1 million a week. It was a large move. Then there is the multiplier effect of that. The same will occur for Port Stephens and Coffs Harbour, which was my point when I was answering the question previously. The communities benefit enormously from these moves.²⁹

- 2.9 In its submission, the Department pointed to the unique job opportunities that would be created in regional communities:

With the popularity and importance of recreational and commercial fishing to communities on the South Coast and North Coast, it was identified that the relocation would provide unique opportunities for people living in those Coastal communities to pursue a career and Government employment in a field which provides much of the social fabric to their own communities.³⁰

- 2.10 Similarly, the Minister observed that 'the decentralisation project will deliver much needed jobs for regional communities and will inject millions of dollars in salaries into their economies for years to come'.³¹ The Minister went on to list several other possible benefits of the closure:

... the net benefit to the host regional communities, community access to the Cronulla site ... greater synergies with universities arising from co-location and improved collaboration; improved relations with commercial fishers through their greater access to and interaction with [the Department]; and more efficient service delivery and greater understanding of regional issues that impact other stakeholders and clients.³²

²⁸ Minister Hodgkinson, Evidence, 10 September, p 29; Hon Andrew Stoner MP, Deputy Premier, Minister for Trade and Investment and Minister for Regional Infrastructure and Services and Hon Katrina Hodgkinson MP, Minister for Primary Industries and Minister for Small Business, 'Boost to Regional NSW with Decentralisation of Cronulla Fisheries Research Centre', *Media Release*, 8 September 2011.

²⁹ Dr Sheldrake, Evidence, 6 August 2012, p 19.

³⁰ Submission 14, Department of Primary Industries, p 6.

³¹ Minister Hodgkinson, Evidence, 10 September 2012, p 25.

³² Minister Hodgkinson, Evidence, 10 September 2012, p 25.

- 2.11** Mr Greg Pullen, Economic Development Manager of Shoalhaven City Council, reflected on what he thought the jobs relocated from Cronulla could do for the local economy in Nowra:

What will 35 jobs do for Nowra? That will create 35 employees; and if they all have their 1.2 children, or come as family units, that is another school teacher, probably a quarter of a policeman, and those sorts of things, with the multiplier effect from that payroll.³³

- 2.12** Expressing a similar view, Mr Peter Bailey, Chief Executive Officer of the Foundation for Regional Development, emphasised the value of having people move to regional areas and said that regionalisation was inevitable in the context of forecast population growth:

... one person moving to a country area is worth a multiplier total of about \$100,000. So the impact of moving people is quite significant. ... [and] with the growth of Sydney anticipated to be another 1.7-1.8 million people in the next 20 years we are doubtful that any government can keep up with the infrastructure pressures of a city growth factor like that. There really is no choice. We have let them slide into other States. Conversely, we find ways to encourage people to move to regional areas. It is a bit like the urban infill programs that governments are faced with now. The people of the North Shore line might not like it, but what choices does government have if it is going to fit another 1.8 million people into Sydney? The alternative is you move them into regional areas.³⁴

- 2.13** On the other hand, many stakeholders expressed support for the objective of decentralisation but felt that the closure of the CFRC was an inappropriate application of the policy.³⁵ For example, in his submission to the Committee, Mr Mark Speakman MP expressed his support for decentralisation subject to two strict qualifications: that the functions can be performed just as effectively after decentralisation and that it will benefit the taxpayer. In his view, ‘neither of those fundamental qualifications is fulfilled here.’³⁶

- 2.14** Some stakeholders questioned the use of the move to Orange as an example of successful decentralisation.³⁷ It was noted that the NSW Fisheries roles were relocated back to Sydney. For example, Mr Laurie Derwent argued:

The attempt to move Fisheries at the time to Orange was a dismal failure. I was there. Some of the key sections of licensing and commercial fisheries policy roles just never moved and those that did move to Orange were moved back to Sydney at a significant cost to the Government and delays in services. So why do we make the same mistakes? I also have to ask: If the move to Orange was so successful why is there a

³³ Mr Greg Pullen, Economic Development Manager, Shoalhaven City Council, Evidence, 10 September 2012, p 21.

³⁴ Mr Peter Bailey, Chief Executive Officer, Foundation for Regional Development, Evidence, 10 September 2012, p 4.

³⁵ Submission 7, Meredith Woodward, p 1; Submission 18, Mr John Masens, p 1; Submission 19, Mrs Flora Masens, p 1; Submission 25, Mr Mark Speakman MP, p 2; Submission 30, p 3; Submission 93, Mr Dean Hayes, pp 1-2; Submission 97, p 1; Cr Carol Provan, then Mayor, Sutherland Shire Council, Evidence, 3 September 2012, p 4.

³⁶ Submission 25, p 2.

³⁷ Submission 15, Sutherland Shire Council, p 5; Submission 43a, Mr Laurie Derwent, p 1; Submission 93, pp 1-2; Submission 101, Dr Steve Montgomery, former research scientist, Cronulla Fisheries Research Centre of Excellence, pp 7-8; Mr Laurie Derwent, Evidence, 3 September 2012, p 58.

Sydney office maintained for many key head office roles and why are so many passengers on the planes from Orange to Sydney departmental employees?³⁸

- 2.15** Others took issue with the substance of the Decade of Decentralisation Policy.³⁹ Dr Kevin Rowling, Principal Scientist of Commercial Fisheries Research at the CFRC, contended that the ‘decade of decentralisation’ was an election platform and not a substantive Government policy:

The Minister has frequently said that the decision was taken under the Government’s decade of decentralisation policy but that decade of decentralisation is not a policy at all; it is merely an election platform. If you look on the New South Wales Government website you will find hundreds of well-explained policies and they have objectives and ways of measuring if those objectives are being met. You will not find a decade of decentralisation because it is not a real policy; it does not have any clear objectives and it certainly has not got any way of measuring whether it is going to be a success.⁴⁰

- 2.16** Other stakeholders argued that the closure of the CFRC is not genuine decentralisation. Some inquiry participants observed that many jobs were leaving the CFRC but remaining in metropolitan Sydney. Others argued that NSW Fisheries was already substantially decentralised.

- 2.17** Mr Kevin Cooper, the Department’s Relocation Project Manager, advised the Committee that approximately 25 jobs would stay in the Sydney Basin.⁴¹ At a Committee hearing, Departmental representatives were challenged on how the retention of jobs in metropolitan Sydney achieves a decentralisation objective. Those representatives responded that some research being carried out at the CFRC is specific to Sydney waters and thus must continue therein.⁴² Professor Iain Suthers from the University of New South Wales observed that many of the research needs that underpin law and policy are Sydney specific:

... there are specific research needs which underpin local policy and law and can only be undertaken by government scientists or by tightly regulated consultants in consultation with the Minister. These issues particularly concern Sydney’s recreational fishing, marine parks, shark meshing and associated shark research and the Sydney Fish Market. The majority of the recreational licenses (60%) are located in the Sydney area; the majority of swimmers and shark attacks are in the Sydney area; all the dioxin and PCB contamination of fisheries are in the Sydney area.⁴³

- 2.18** On this basis, some stakeholders were perplexed as to why those scientists conducting Sydney-specific research needed to be relocated at all,⁴⁴ especially where their proposed

³⁸ Mr Derwent, Evidence, 3 September 2012, p 58.

³⁹ Submission 30, p 3; Dr Rowling, Evidence, 3 September 2012, p 55.

⁴⁰ Dr Rowling, Evidence, 3 September 2012, p 55.

⁴¹ Mr Kevin Cooper, Relocation Project Manager, Department of Primary Industries, Evidence, 6 August 2012, p 20.

⁴² Dr Sheldrake, Evidence, 6 August 2012, p 11; Dr Geoff Allan, Executive Director, Fisheries NSW, Evidence, 6 August 2012, p 8.

⁴³ Submission 60, Professor Iain Suthers, University of New South Wales, p 1.

⁴⁴ See, eg, Submission 8, Sutherland Shire Council, p 1; Submission 30, p 4; Dr John Stewart, Scientist at the Cronulla Fisheries Research Centre of Excellence, Evidence, 3 September 2012, p 64.

destination (Mosman) is even closer to the heart of metropolitan Sydney than Cronulla. For example, one submission-maker posited the following:

Why was it considered necessary to move ALL the functions out of Cronulla to regional areas? In recognition that some functions were to remain in Sydney, there has been a scramble to find sites in the Sydney Basin to house these Sydney-based staff. Why these staff could not remain at Cronulla as a cost effective option is baffling.⁴⁵

2.19 Supporting this view, it was pointed out that appropriate research facilities already exist at the CFRC whereas the Sydney Institute of Marine Science (SIMS) Mosman would need to substantially modify its site to accommodate the research.⁴⁶ Dr Rowling expressed his frustration as follows:

Despite later realisations that a number of staff needed to remain in the Sydney region for operational reasons, the Department has refused to consider continuing to locate these staff at the Cronulla facility. Even today, nearly 10 months after the announcement of the closure, suitable accommodation has still not been arranged for the research staff who will continue to be based in Sydney. The Department seems hell-bent on closing the Cronulla centre at any cost – and the excellent research facilities which exist at the site will apparently remain idle, while those staff who remain employed will have to suffer less than adequate facilities at other sites.⁴⁷

2.20 Other stakeholders held the view that NSW Fisheries is already substantially decentralised.⁴⁸ In their joint submission the National Parks Association, Nature Conservation Council, Australian Marine Conservation Society and the Humane Society International commented that the bulk of Fisheries scientific staff are located outside Sydney:

The decision to disperse and relocate nearly 150 staff currently undertaking necessary research at the Cronulla [Fisheries Research Centre of Excellence] is being promoted as part of the NSW Government's "Decade of Decentralisation". However, only 35% of scientific staff within DPI Fisheries are based at Cronulla, with a majority based outside Sydney. As the majority of staff are already working outside of Sydney, the decision to relocate a coherent research team from a leading marine facility to different regional areas to promote decentralisation is unnecessary.⁴⁹

2.21 When questioned on this issue, Professor Steve Kennelly, Director of Research for Fisheries NSW and the Director of the CFRC, advised that much decentralisation of NSW Fisheries has already taken place under his leadership:

... I am proud of my record. When I first got this job 12 years ago ... At Narrandera we had one person; now there are 24; Batemans Bay we had none, now there are eight; Coffs Harbour there were none, now there are five; and at Ports Stephen there

⁴⁵ Submission 30, p 4.

⁴⁶ See, eg, Submission 71, pp 3 and 7; Submission 25, p 3; Submission 87, name suppressed, p 1.

⁴⁷ Submission 71, p 3.

⁴⁸ Submission 66, name suppressed, pp 4 and 8; Submission 70, National Parks Association of NSW, Nature Conservation Council of NSW, Australian Marine Conservation Society, Humane Society International, p 3; Submission 92, Coast and Wetlands Society Inc, p 2; Submission 93, p 1; Submission 97, p 2.

⁴⁹ Submission 70, p 3.

were approximately 30, now there are 42. So I have been pretty proud of that, to try and get that happening, because it is necessary.⁵⁰

Job creation in regional New South Wales

- 2.22** The Government cited job creation as a rationale for the decision to close CFRC. Minister Hodgkinson advised the Committee that the relocation of the functions of the CFRC would lead to the creation of 165 new jobs in regional New South Wales:

Applying type-2 employment multipliers to the number of jobs being decentralised yields a total increase in regional employment of 165 new fulltime equivalent positions. This highly conservative analysis shows that even without factoring in economic benefits to the regional communities from these 165 positions, nor the benefits to our fishing stakeholders through improved relations and interaction with our employees, the decision has yielded a net benefit to the department and taxpayers.⁵¹

- 2.23** In its submission, the Department anticipated that the relocation of the CFRC would lead to consequential job creation and economic benefits in regional communities:

... based on previous relocation data, it is expected that for every relocated employee, 2.14 flow-on jobs will be created in the new locations.

This is a conservative employment multiplier (government administrative employees), and the overall economic impact on regions is likely to be more significant.

An increase in the size of the community, including jobs, will result in economic opportunities through consumer spending and procurement of goods and services by agencies/business units, while at the same time relieving government budgets through lower accommodation expenses.⁵²

- 2.24** In her evidence to the Committee, the Minister noted that ‘of the 138 employees currently based at Cronulla, more than 85 are office-based roles’ and on this basis these positions could be readily relocated.⁵³

- 2.25** The Public Services Association (PSA) are supportive of office-based jobs being decentralised. According to Mr Shane O’Brien, Assistant General Secretary of the PSA:

We support decentralisation where there are benefits to the community and to the taxpayers of New South Wales... In my view, an office-based job like that is something that could and should be relocated.⁵⁴

- 2.26** Mr Pullen explained that the transfer of staff will have the following benefits:

⁵⁰ Professor Steve Kennelly, Director of Research for Fisheries NSW, Director of the Cronulla Fisheries Research Centre of Excellence, Evidence, 3 September 2012, p 17.

⁵¹ Minister Hodgkinson, Evidence, 10 September 2012, p 25.

⁵² Submission 14, p 8.

⁵³ Minister Hodgkinson, Evidence, 10 September 2012, p 26.

⁵⁴ Mr Shane O’Brien, Assistant General Secretary, Public Sector Union, Evidence, 3 September 2012, p 21.

That would flow on to the small business sector in and around the area. I forget the number in Berry Street, but it is adjacent to the shopping centre; one would think that those people would then have access to the shopping centre and would spend lunchtimes walking around and spending money in our shops. Those are all side benefits that we would get from this proposal. You will find that those employees initially, if they come from Sydney, will want to go back to Sydney on a frequent basis to visit friends and relatives. But what we have found in most other instances is that eventually the friends and relatives will spend more time visiting them on the South Coast and consequently will be spending more dollars locally.⁵⁵

- 2.27** Rather than creating jobs, some stakeholders suspected that the move may lead to fewer jobs and in this respect suggested that the closure was a cost-cutting measure.⁵⁶ For example, Mr O'Brien described the process of closing the CFRC as 'forced redundancy by stealth' insofar as some of the jobs vacated by people who cannot move will not be filled:

We have also been told in negotiations in relation to employees who choose not to transfer their positions that whilst the principle is that they will go, the department will restructure according to who actually ends up in the new locations and that may mean that some positions are not filled. It is also very clear in the information that was obtained by various sources through the freedom of information process that a number of corporate service positions will not be filled. We were told that in our negotiations with the department. ... It is a case of, "We didn't intend for this to happen but a lot of people wouldn't go so we have had to restructure." It is essentially a bit of forced redundancy by stealth and it would not be the first time it has been done.⁵⁷

- 2.28** The cost benefit analysis tabled by the Minister during the Committee's hearing on 10 September 2012 calculated that 60 per cent of the financial benefits from the relocation 'are derived from payroll cost savings from a current estimate of 10 vacant positions that are currently not planned to be transferred to another location in NSW.'⁵⁸

Benefits of co-locating staff

- 2.29** The Department advised the Committee that the closure of the CFRC and transfer of its staff to other facilities will lead to improved collaboration.⁵⁹ For example, The Department's submission points to opportunities for increased collaboration with universities as a result of the relocation of CFRC staff to alternative marine science facilities:

Benefits of the relocation also include greater synergies from new arrangements for co-location with universities. The most obvious example is co-locating some staff who work on Sydney-based activities at the Sydney Institute of Marine Science (SIMS). NSW DPI is already an associate partner of SIMS. The strengthened alliance between

⁵⁵ Mr Pullen, Evidence, 10 September 2012, p 22.

⁵⁶ Mr O'Brien, Evidence, 3 September 2012, p 24; Dr Douglas Rotherham, scientist, Cronulla Fisheries Research Centre of Excellence, Evidence, 3 September 2012, p 59.

⁵⁷ Mr O'Brien, Evidence, 3 September 2012, p 24.

⁵⁸ Tabled document, the Hon Katrina Hodgkinson MP, Minister for Primary Industries and Minister for Small Business, *Benefit-Cost Analysis of the Closure of the Cronulla Fisheries Research Centre*, September 2012, p 1.

⁵⁹ Submission 14, p 9; Dr Sheldrake, Evidence, 6 August 2012, p 2.

NSW DPI and SIMS, including co-location of staff at the SIMS campus at Chowder Bay, will increase opportunities for research collaboration to improve management of fisheries in NSW, increase transfer of knowledge and accelerate uptake of new technologies of potential benefit to NSW, and reduce the need for duplication of facilities and services. It will provide new opportunities for students from SIMS to work with DPI.⁶⁰

- 2.30** In addressing the Committee, the Minister pointed out that SIMS is in partnership with a number of universities and its work is further augmented by collaboration with State and Federal government departments:

Since the decision was made agreement has been reached between the Sydney Institute of Marine Science, which I understand you have visited, in Chowder Bay, and the New South Wales Department of Primary Industries. SIMS is in a partnership between Macquarie University, the University of New South Wales, the University of Sydney and the University of Technology and obviously enhanced by collaborations with State and Federal government departments including the Australian Museum, the University of Wollongong and the University of Western Sydney.⁶¹

- 2.31** Dr Geoff Allan, Executive Director of Fisheries NSW, also referred to opportunities for collaboration with universities and emphasised that, in his view, students would travel to the new locations, new partnerships would be built and others strengthened:

We will have other students that will come to our new locations, we will build new partnerships. I think one of our scientists at Port Stephens has got 14 students currently at Port Stephens, another one has eight. So we really value our student partnerships, and by co-locating with the universities at both SIMS and to increase our co-location at Coffs Harbour we will build on those partnerships. The individual projects of those students are coming to an end but we will have new ones that will take their place.⁶²

- 2.32** Other stakeholders took a contrary view and described the Centre's closure as leading to fragmentation rather than increased collaboration.⁶³ The Committee received evidence that the value of the research conducted at the CFRC is due in part to the co-location of the team of scientists there.⁶⁴ For example, in correspondence forwarded to the Committee Professor James M Nance, Chief of the Fishery Management Branch in the United States Department of Commerce, National Oceanic and Atmospheric Administration wrote:

This laboratory [the CFRC] has an illustrious international reputation in this area of shrimp fishery bycatch research, and in my opinion it has gained this reputation because of the interactions of all the scientists gathered together in one facility. Closure of this facility and the opening of many smaller research stations would in my opinion detract from these important research efforts.

⁶⁰ Submission 14, p 9.

⁶¹ Minister Hodgkinson, Evidence, 10 September 2012, p 27.

⁶² Dr Allan, Evidence, 6 August 2012, p 7.

⁶³ Submission 8, p 3; Submission 84, name suppressed, p 1.

⁶⁴ See, eg, Submission 96, Save Cronulla Fisheries Team, Attachment, p 47 (letter from Dr James M Nance, Chief, Fishery Management Branch, United States Department of Commerce, National Oceanic and Atmospheric Administration); Dr Steve Montgomery, former Principal Research Scientist, Cronulla Fisheries Research Centre of Excellence, Evidence, 3 September 2012, p 61.

I offer these unsolicited opinions as a research scientist that has greatly benefited by the interactions I have had with personnel at this Fishery Research Laboratory. I respectfully request that you keep the Laboratory as it is presently organized to facilitate their invaluable interaction with scientists abroad.⁶⁵

- 2.33** Expressing a similar point of view, Dr Steve Montgomery, formerly a Principal Research Scientist at the CFRC, observed that it is optimal to have fisheries staff located together:

The New South Wales fisheries agency has always worked most effectively when it has been centralised so that we get synergies between different disciplines within the agency, and impromptu discussions ... when walking down the hallway or being able to schedule meetings in a small time frame. Modern communications does not get over this. That is more or less exemplified by the current situation with the amount of travelling being done by senior managers who have been relocated to country areas.⁶⁶

- 2.34** It was pointed out that the CFRC already collaborates with universities and that the site allows co-location of research scientists with commercial and recreational fishing licensing staff as well as students.⁶⁷ For example Professor Kennelly stated:

It is well known throughout most fisheries jurisdictions in the developed and developing world that having all facets of fisheries functions co-located is world's best practice in terms of delivering science-based fisheries management. Not only does this minimise the risk of function-based silos forming in one's agency, it also greatly reduces travel expenses and allows for proper cross-fertilisation of concepts, ideas, data, equipment etc. and therefore a much more efficient and cost-effective organisation ...

It is interesting to note that, 15 years ago or so, such barriers existed but NSW Fisheries consciously attempted to break down such barriers by co-locating these functions together at Cronulla. Breaking these groups into 14 different locations throughout the State would not be considered the best way to accommodate fisheries-related professionals by most agencies. Interestingly, Western Australia Fisheries ... are currently adopting the "Cronulla" model by co-locating their fisheries managers and policy people with the scientists at a coastal location in the outer suburbs of Perth.⁶⁸

- 2.35** Other stakeholders accepted that the commercial activities based at the CFRC, such as licensing, might be apt for decentralisation but objected to the relocation of the Centre's scientific activities. For example, Professor Suthers argued strongly that scientific research should not be dispersed elsewhere:

⁶⁵ Submission 96, Attachment, p 47.

⁶⁶ Dr Montgomery, Evidence, 3 September 2012, p 61.

⁶⁷ Dr Montgomery, Evidence, 3 September 2012, p 61; Dr Stewart, Evidence, 3 September 2012, p 65; Mr David Barker, staff member, Cronulla Fisheries Research Centre of Excellence, Evidence, 3 September 2012, p 66; Answers to supplementary questions 3 September 2012, Professor Steve Kennelly, Director of Research, Fisheries NSW, Director of the Cronulla Fisheries Research Centre of Excellence, Question 2, pp 1-2.

⁶⁸ Answers to supplementary questions 3 September 2012, Professor Kennelly, Question 2, pp 1-2.

Some sections of the CFRCE had no place at Cronulla and could be decentralized (eg licensing), although there is a good case for co-locating government research and management as observed internationally. ...

Science is an intensely social activity that cannot be conducted remotely via email and skype. There is a reason why the leading universities are based in large cities. Similarly, politicians need to meet centrally to network and debate, and scientists are no different. Imagine decentralizing Parliament House to Port Stephens – this may be described as ‘blind decentralization’ compared to ‘strategic decentralization’.⁶⁹

Accessibility

2.36 Poor accessibility was also put forward as a reason for closing the CFRC. Correspondence from the Premier, the Hon Barry O’Farrell MP, to the Sydney Coastal Councils Group on 22 December 2011 states that the CFRC has ‘limited access and constrained modernisation and expansion capacity’.⁷⁰

2.37 A number of stakeholders disputed that onsite accessibility at the CFRC was poor. For example, the Sutherland Shire Council stipulated that it was not aware of any concerns regarding vehicles moving through the site:

The Cronulla site has a two lane (average 11.5m width) road leading into it. There is also sufficient access for a multi-tonne truck to any building on site. There is a wharf that research, police officers and shark meshing boats use regularly giving excellent access to the estuary and ocean. Council is not aware of any issues or complaints regarding traffic moving through the area to the site.⁷¹

2.38 Mr John Burgess, a member of the Fishcare Volunteer Program run out of the CFRC also disagreed with concerns about onsite accessibility and argued that the geography at the site is one of the Centre’s strengths:

There is no limitation on access. It is quite a unique location at the end of the street. It is a headland surrounded by water on basically three sides. You have ocean on the eastern side, Main Bar to the south and going into the back of Cronulla Basin on the other side. It has a combination of rock shelf, deepwater and an estuary available to it. It covers a broad spectrum of what you are looking to do in managing a fishery and fisheries research. I heard someone say earlier about the conditions at Port Stephens. It is a brackish research station. It is not appropriate for the work we are going to take in at Cronulla.⁷²

2.39 In answers to supplementary questions, Dr Sheldrake, was asked to compare site access at Cronulla with that at Port Stephens. In relation to onsite access, Dr Sheldrake responded that: ‘The steep topography at Cronulla can present challenges to easy access for larger vehicles and trailer boats at Cronulla. Disabled access is better at Port Stephens.’⁷³

⁶⁹ Submission 60, p 1.

⁷⁰ Submission 8, Attachment A, p 1.

⁷¹ Submission 8, p 2.

⁷² Mr John Burgess, Executive Officer, Australian National Sportfishing Association Ltd, Evidence, 3 September 2012, p 45.

⁷³ Answers to supplementary questions 6 August 2012, Dr Sheldrake, Question 15, p 3.

- 2.40** The Committee asked for further clarification on this observation from Mr Mark Paterson AO, Director General of the Department of Trade and Investment, Regional Infrastructure and Services, who advised the Committee that:

There is no report [on access at the CFRC]. The steep, winding driveway at Cronulla is a challenge for large vehicles and vehicles towing trailers. The comment on disabled access was based on the number of buildings with ready wheelchair access at both sites.⁷⁴

Transport

- 2.41** In relation to transport links to the CFRC, a number of inquiry participants disagreed that it was difficult to get to the CFRC.⁷⁵ The Sutherland Shire Council provided details of transport options to the site:

There is a bus stop within metres of the site and taxi, ferry and train services in Cronulla, all within 5 minutes bus travel of the site. The Sydney CBD is 60 minutes from the site by public transport and Australia's largest domestic and international airport is 30 minutes away. There is NO location within NSW Department of Primary Industries that has such access. The alternative at Port Stephens, Nowra and Coffs Harbour certainly do not.⁷⁶

- 2.42** The Minister's opening statement advised that:

I have to stress that more than 75 employees are currently actually employed at the Port Stephens Fisheries Institute. Those employees have no problem accessing these world-class facilities.⁷⁷

- 2.43** Professor Bronwyn Gillanders, President of the Australian Society for Fish Biology, expressed her view that it is easy for visitors to drop into the CFRC on their way through Sydney:

Sydney is a transport hub. You can come through Sydney and pop off to Cronulla quite easily on your way to somewhere else. It is much harder to do that when you have to go to Nowra or other places along the coast, even Port Stephens.⁷⁸

- 2.44** In answers to supplementary questions, Mr Mark Paterson, Director General of the Department of Trade and Investment, Regional Infrastructure and Services, provided the following table detailing the distances between transport hubs and the research centres at Cronulla, SIMS and Port Stephens.⁷⁹

⁷⁴ Answers to supplementary questions 10 September 2012, Mr Mark Paterson AO, Director General, Department of Trade and Investment, Regional Infrastructure and Services, Question 12, p 15.

⁷⁵ See, eg, Submission 91, Mr Michael Ristevski, p 1; Submission 8, p 2; Submission 35, name suppressed, p 1.

⁷⁶ Submission 8, p 2.

⁷⁷ Minister Hodgkinson, Evidence, 10 September 2012, p 27.

⁷⁸ Professor Bronwyn Gillanders, President, Australian Society for Fish Biology, Evidence, 3 September 2012, p 37.

⁷⁹ Answers to supplementary questions 10 September 2012, Mr Paterson Question 15, p 18.

Table 2 Distance to transport (kms)

Site	Domestic Airport	International Airport	Train Station	Bus Stop
Cronulla	22	22	1	<1
SIMS	22	22	13	1.5
Port Stephens	29	29 (Newcastle) 213 (Sydney) ⁸⁰	53	<1

2.45 Dr Sheldrake compared the accessibility of the CFRC and the Port Stephens Fisheries Institute and commented that access to the CFRC is by narrow roads and by water:

Access to Cronulla Fisheries Research Centre is through narrow suburban streets, access to Port Stephens Fisheries Institute is on rural roads. Water access to both sites is available, both have boat ramps for small vessels.⁸¹

Potential for expansion

2.46 In evidence to the Committee, Dr Allan suggested that the space, topography and indigenous and heritage values of the site are problematic for expansion; although he noted that development was ‘not impossible’.⁸²

2.47 Mr Graeme Byrnes, former Deputy Chair of the Seafood Industry Advisory Council, expressed the view that Government money would be better spent on funding research than on maintaining the ageing infrastructure at the CFRC:

I just think so far as scarce government resources, scarce research dollars in particular, that we should be making the absolute best value out of both government and industry dollars to do actual research; it should not be spent on maintaining old buildings—that is the job of the National Trust or the Heritage Council, whatever.⁸³

2.48 Although limited capacity for expansion was cited as a reason for relocating the CFRC, the Committee also heard from Dr Sheldrake that the Government had not identified a need to expand the Centre in the immediate future.⁸⁴

⁸⁰ The original table provided by the Department advised that it was 29 kilometres from Port Stephens to the nearest international airport, Newcastle. Newcastle Airport has a very limited number of international flights and accordingly the distance to the Sydney International Airport at Mascot has also been included.

⁸¹ Answers to supplementary questions 6 August 2012, Dr Sheldrake, Question 15, p 3.

⁸² Dr Allan, Evidence, 6 August 2012, p 6.

⁸³ Mr Graeme Byrnes, former Deputy Chair, Seafood Industry Advisory Council, Evidence, 10 September 2012, p 10.

⁸⁴ Dr Sheldrake, Evidence, 6 August 2012, p 11.

2.49 The Committee received evidence that the CFRC had been expanded under the previous government on the advice of a cost benefit analysis conducted by Sinclair Knight Merz in 1998.⁸⁵ Professor Kennelly advised the Committee that the Sinclair Knight Merz report considered various options including the potential sale of the CFRC and determined that the most benefit was to be gained from retaining and expanding the CFRC. He further stated that as a result of the report's recommendations, the former Government spent \$2 million on upgrading the Cronulla facilities:

It was a very thorough financial Benefit-Cost Analysis of the accommodation needs of NSW Fisheries at the time and was approx. 50 pages long. It examined 7 different options and was quite comprehensive in that it included such things as refurbishment costs, rental costs, travel costs, travel time, etc. and included a host of sensitivity tests and other analyses. 3 of the 7 options allowed for the actual sale of the Cronulla property (valued at the time at \$5.2 million). However, even allowing for that windfall, the evaluation and ALL sensitivity tests concluded that Option 3 provided the highest financial returns of all options (including those that involved selling Cronulla). This Option 3 was to refurbish Cronulla to go from accommodating 95 staff to 145, Wollstonecraft to go from 12 to 37 and Port Stephens to go from 50 to 75. This option was subsequently adopted by NSW Fisheries in ensuing years and over \$2 million was spent to upgrade the Cronulla facilities.⁸⁶

2.50 Several stakeholders questioned relocating the staff from CFRC given the upgrade to the laboratory facilities at the site.⁸⁷ Mr Burgess commented that, in his view, the CFRC possesses adequate space for expansion and development, although parking could be improved:

There is plenty of space there. The buildings by and large are single-level buildings. The scientific facility there is a two-level building and, I might add, that was subject to expenditure of about \$3 million only about seven years ago to bring those scientific facilities up to world-class standard. I attended that opening when Minister Macdonald was the Minister. There is still a fair degree of vacant land available. The only problem one would experience in travelling to Cronulla is that it is hard to park a car there. At any one time there are probably 100 cars parked in the car park which belong to the staff. If that area was to be utilised in a better way and you have aboveground and below ground car parking and there is more than adequate space there to greatly expand that facility.⁸⁸

2.51 In its submission, the Sutherland Shire Council noted that the largest building on the CFRC was purpose built for further expansion:

The largest and most modern building on the site was purpose built to have a second story added at minimal cost. There are also three very large vacant building lots on the site allowing for massive expansion if required. In fact, just one week prior to the announcement of the closure, an additional six staff were moved into Cronulla.⁸⁹

⁸⁵ Submission 8, p 2; Answers to supplementary questions 3 September 2012, Prof Kennelly, Question 1, p 1.

⁸⁶ Answers to supplementary questions 3 September 2012, Prof Kennelly, Question 1, p 1.

⁸⁷ Submission 34, South West Anglers Association, p 1; Submission 36, name suppressed, p 1; Submission 66, pp 3-4; Submission 87, p 1; Submission 97, pp 1 and 3; Mr Burgess, Evidence, 3 September 2012.

⁸⁸ Mr Burgess, Evidence, September 3 2012, p 45.

⁸⁹ Submission 8, p 2.

Proximity to stakeholders

- 2.52** In her evidence to the Committee, Minister Hodgkinson contended that an underlying philosophy of the decision to close the CFRC was to move the services provided by NSW Fisheries closer to the State's fishing communities, including the commercial and recreational sectors.⁹⁰ The Department's submission also espoused this view:

The decentralisation of the Centre from Cronulla would ensure Fisheries employees could be more closely and strategically aligned with the industries they service.

The majority of commercially harvested fish are taken from waters north of Sydney, with the Clarence River and Coffs Harbour being two of the major commercial fishing ports making Coffs Harbour an ideal new location for the Commercial Fisheries Management.⁹¹

- 2.53** Mr Grahame Turk, Managing Director of the Sydney Fish Markets advised the Committee that although almost half of produce supplied to Sydney Fish Markets comes from interstate suppliers, there are several New South Wales fishing cooperatives that are important suppliers to the market:

New South Wales is a bit unusual compared to other States in that it is one of the smallest in terms of production but it is biggest in terms of market. The post-harvest sector in New South Wales is very important. The fishing sector is less important. It is about \$120 million out of a total nationally of \$2.2 billion. So, it is reasonably small in production. As I said earlier, New South Wales supplies about 55 per cent of Sydney Fish Markets total product. The biggest supplier of all suppliers to Sydney Fish Markets is the Commercial Fishermen's Cooperative in Newcastle, so it is the biggest. The northern cooperatives of Coffs Harbour, Maclean and Ballina and so on are very important suppliers too, but Newcastle is the biggest.⁹²

- 2.54** In support of the Minister's position, the Committee heard that other sites could be more convenient for commercial fishers on the North Coast than the CFRC. Mr Graeme Byrnes, Former Deputy Chairman of the Seafood Industry Advisory Council, stated that:

It is certainly more convenient for me to travel to either Port Stephens or indeed Coffs Harbour. Cronulla is really a flight away from me, living as I do on the Mid North Coast, and then a long taxi ride to get down there. So it would certainly be better for me.⁹³

- 2.55** The argument that decentralisation would bring NSW Fisheries staff closer to stakeholders was not accepted by other inquiry participants, several of whom observed that most fishing licenses are held by people who live in Sydney. In this regard the Australian National Sportfishing Association expressed the view that it makes sense for NSW Fisheries staff to remain at Cronulla:

Over 60% of recreational fishers in NSW live in the Sydney region and the majority of the State's commercial fishing activity is undertaken between Wollongong and

⁹⁰ Minister Hodgkinson, Evidence, 10 September 2012, pp 24 and 27.

⁹¹ Submission 14, p 6.

⁹² Mr Grahame Turk, Managing Director, Sydney Fish Market, Evidence, 10 September 2012, p 16.

⁹³ Mr Byrnes, Evidence, 10 September 2012, p 7.

Newcastle and it makes good commercial and business sense that the central hub for NSW Fisheries should remain located in Sydney (Cronulla) in close proximity to its major stakeholders.⁹⁴

2.56 Dr Allan pointed out that while most fishing licenses are held by people living in Sydney, most fishing is conducted outside Sydney, including in the Illawarra and the Hunter.⁹⁵

2.57 This was supported by the Minister in her opening statement in which she said that:

The truth is that of the 30 recreational fishing havens created in 2002, only one is actually based in Sydney, 20 are located on our beautiful South Coast, and the other nine are located on the North Coast.⁹⁶

2.58 Conversely, Dr John Stewart and Dr Veronica Silberschneider, both scientists at the CFRC, contended that the Minister relied on inaccurate advice as to where most fishing takes place. They and others questioned whether the closure will really bring scientific and fisheries management staff closer to the people who fish.⁹⁷

Minister Hodgkinson defended the relocation of scientific and commercial management staff to Port Stephens and Coffs Harbour respectively based on the inaccurate comments by the [Professional Fisherman's Association]. The PFA stated that 80% of the catch by volume comes from north of Sydney (see Parliament NSW Hansard 12 October 2011, pg 6065 as an example). In fact, the Department's own records, supplied by commercial fishers on a monthly basis, shows that around 55% of the commercial catch comes from north of Sydney.⁹⁸

Stakeholder views on the rationale

2.59 Many inquiry participants dismissed the foregoing justifications for the closure of the CFRC as lacking in merit⁹⁹ and several voiced that there were ulterior motives for the closure.¹⁰⁰

2.60 In a statement typical of many, Mr Peter Brown, a staff representative on the Cronulla Fisheries Relocation Working Group, outlined the frustration felt by staff who feel that the

⁹⁴ Submission 69, Australian National Sportfishing Association, p 2.

⁹⁵ Dr Allan, Evidence, 6 August 2012, p 21.

⁹⁶ Minister Hodgkinson, Evidence, 10 September 2012, p 26.

⁹⁷ Submission 17, Mr Tristan Sloan, p 1; Submission 92, p 2.

⁹⁸ Submission 59, Dr John Stewart and Dr Veronica Silberschneider, 2.

⁹⁹ Submission 11, Clarence Environment Centre, p 1; Submission 30, p 2; Submission 37, p 37; Submission 71, p 2; Submission 73, p 2; Submission 85, p 1; Submission 94, p 1; Submission 97, p 1; Submission 100, name suppressed, pp 1-2; Mr Brown, Evidence, 3 September 2012, p 13; Ms Seymour, Evidence, 3 September 2012, p 52; Dr Rowling, Evidence, 3 September 2012, p 55; Ms Tracey McVea, staff member, Cronulla Fisheries Research Centre of Excellence, Evidence, 3 September 2012, p 70; Mr John Rayner, General Manager, Sutherland Shire Council, Evidence, 3 September 2012, p 4.

¹⁰⁰ Submission 30, p 2; Submission 37, p 37; Submission 71, p 2; Submission 73, p 2; Submission 85, p 1; Submission 94, p 2; Submission 97, p 1; Mr Brown, Evidence, 3 September 2012, p 13; Ms Seymour, Evidence, 3 September 2012, p 52; Dr Rowling, Evidence, 3 September 2012, p 55.

rationale provided was dishonest and that senior bureaucrats knew that the rationale was untruthful:

We still don't know the true reasons for the decision to close the centre. We do know the reasons provided are completely without foundation. The staff knows this, senior management know this and we both know each other knows it. Yet, whenever an explanation for the real reasons is sought, senior management parrot the official line – lack of access, old site, limited expansion, put the staff closer to the stakeholders etc etc. Staff cringe when they hear the Minister say these things because they know they are not true. ... It is a source of real anger to the staff losing their careers that the department refuses to be truthful about the reasons for what is happening.¹⁰¹

2.61 Significantly diluted confidence in the Government was highlighted by some stakeholders as a detrimental result of the decision to close the Centre.¹⁰² In this respect Mr Brown made the following observations:

The staff feel that we have been deceived and the public misled about the reasons for the decision and the way in which it is being implemented. It brings no credit to the Government, the Minister or the bureaucrats in the department. Having witnessed the lack of due process, failure to follow basic standards of good governance, and deceptive and evasive conduct, staff have lost all confidence in the abilities of our executives to manage the fisheries resources of this State and to provide the leadership in ethics and good governance that are required for us to meet our obligations to the people of New South Wales. We also have no confidence in the implementation of the decision with respect to fairness of decision-making or the following of due process by these executives or by the relocation working group operating under the leadership of the executive director.¹⁰³

2.62 Other inquiry participants voiced equally strong views.¹⁰⁴ For example, Dr Stewart professed:

... it is quite clear to me that there is some hidden and vindictive agenda aimed at shutting down Cronulla Fisheries Research Centre at any cost. We still have no idea why the considerable number of staff, who have been identified as needing to remain in the Sydney area to do their jobs, cannot stay at Cronulla. We clearly have the best facilities and we pay no rent. The closure is clearly a senseless and wasteful decision.¹⁰⁵

2.63 Some stakeholders speculated that lobbying from disgruntled commercial fishing operators was the real impetus.¹⁰⁶ One submission-maker speculated as follows:

The following is the most plausible scenario that explains the closure of Cronulla: Recent management initiatives limited the activities of some north coast commercial fishers. These actions led to a small number of disgruntled operators placing their concerns directly to their local members of parliament via representation from the

¹⁰¹ Submission 73, p 2.

¹⁰² Submission 9, Ms Columbine Waring, p 2; Submission 73, p 2.

¹⁰³ Mr Brown, Evidence, 3 September 2012, p 12.

¹⁰⁴ See, eg, Submission 11, p 1; Submission 71, p 3; Dr Stewart, Evidence, 3 September 2012, p 64.

¹⁰⁵ Dr Stewart, Evidence, 3 September 2012, p 64.

¹⁰⁶ Submission 11, p 2.

Professional Fishers Association of NSW. Blame for fishers' restrictions was placed at the feet of managers and researchers based at Cronulla.¹⁰⁷

2.64 The Clarence Environment Centre expressed a similar view in its submission:

... the decision appeared to be a churlish response to research undertaken at the Centre that supported the establishment of new marine parks, something the incoming Coalition Government was committed to overturn.¹⁰⁸

2.65 One of the central criticisms of the way in which the decision to close the Centre was made was the claim that the Minister was not fully informed. In support of this view, some stakeholders suggested that the Minister had not visited the CFRC herself prior to making the decision to close the Centre.¹⁰⁹

2.66 Disputing this contention, in a response to a question taken on notice, the Minister advised the Committee that she had visited the Centre before making the decision to close it:

I have consistently received advice from the Director General about the limitations of the site, and this was reconfirmed to me when I visited the site outside of business hours prior to the decision being made.¹¹⁰

2.67 However, the Minister confirmed that she had not visited the site since the decision was made.¹¹¹

Conclusion

2.68 Even after considering the evidence discussed in this Chapter, the Committee is very concerned about the reasons put forward in support of the decision and especially the failure to consult with key stakeholders. We find the rationale to be wanting and have formed the view that the decision was hasty and ill-considered. The Committee's conclusions on these issues are canvassed in Chapter 5.

¹⁰⁷ Submission 30, p 2.

¹⁰⁸ Submission 11, p 2.

¹⁰⁹ See, eg, Submission 87, p 1; Submission 97, p 1.

¹¹⁰ Answers to questions on notice taken during evidence 10 September 2012, Minister Hodgkinson, Question 2, p 2.

¹¹¹ Minister Hodgkinson, Evidence, 10 September, p 33.

Chapter 3 Implementing the decision

This Chapter considers the processes followed in implementing the decision to close the Cronulla Fisheries Research Centre of Excellence (CFRC). Most inquiry participants contended that the decision to close the CFRC was not only poorly considered but also poorly implemented. Criticisms included that the process had not followed Government guidelines for decision making and implementation, which require the development of a cost benefit analysis or business case prior to the decision. Stakeholders also pointed to a failure to garner adequate advice through consultation prior to making the decision and during the change management process, especially consultation with staff.

Economic appraisal and cost benefit analysis

3.1 The Committee was informed that the decision to close the CFRC was not made on the basis of a cost benefit analysis or economic appraisal. The submission from the Department of Primary Industries (the Department) to the Inquiry acknowledged this and advised that it would complete a cost benefit analysis as soon as possible:

The cost of the decentralisation project is being managed carefully. A cost-benefit analysis will be finalised as soon as possible. The final cost depends on a range of factors, including the number of staff who elect to relocate. While there will be some relocation costs, the decentralisation project will deliver much-needed jobs for regional communities and will inject millions of dollars in salaries into their economies. The long-term benefits of the relocation to these regional communities will far outweigh any relocation costs.¹¹²

3.2 When questioned on the failure to complete a cost benefit analysis prior to the decision being made, Dr Richard Sheldrake, Director General of the Department of Primary Industries, responded:

The advice that I received was based on the opportunities for relocation of Cronulla to regional New South Wales; it was not based on a business case, adding up costs and benefits on a dollar basis on a time scale that would be relatively short. It was based on a decision to look at what the opportunities were for the regional relocation of Cronulla.¹¹³

3.3 The Committee has learnt that in response to concerns expressed by members of the public, the Office of the Auditor General questioned the Department on whether an economic appraisal had been conducted. In its answers to questions on notice, the Department provided the Committee with correspondence from Mr Rob Mathie, Assistant Auditor General of New South Wales, to Dr Sheldrake, dated 30 November 2011. Mr Mathie stated that the Office of the Auditor General would maintain a watching brief and to this end, Mr Mathie requested that the Department provide the Auditor General with the following:

- Financial analysis
- Cost/benefit/impact analysis

¹¹² Submission 14, Department of Primary Industries, p 8.

¹¹³ Dr Richard Sheldrake, Director General, Department of Primary Industries, Evidence, 6 August 2012, p 8.

- Implementation plan
- Actual costs associated with the project
- Benefits realisation plan.¹¹⁴

3.4 In his reply dated 16 January 2012, Dr Sheldrake advised that neither a change management plan or a business case had been finalised and did not provide any of the other requested documentation:

A Change Management Plan is in the process of being finalised following extensive consultation with staff and the Public Service Association. I enclose the latest draft for your information.

A detailed business case has not yet been finalised. This will be completed once the new location for all functions and positions currently located at Cronulla have been decided and a better estimate of the costs possible.¹¹⁵

3.5 In defending the absence of a business case, Dr Sheldrake asserted that in his view, proceeding without a cost benefit analysis was appropriate in this instance:

... a cost-benefit analysis is difficult when the benefits are going to accrue over a long timeframe. That is true not only of a project like this one. There are many projects, particularly in regional New South Wales, where the benefits are accruing to the broader community over a prolonged timeframe. In that case it is difficult to do a meaningful cost-benefit analysis. In this case, I believe that given what we were proposing and the opportunities that we have in the Department of Primary Industries to achieve this relocation it was appropriate to do it in the way we did it.¹¹⁶

3.6 Some submissions suggested that the absence of a business case or cost benefit analysis was contrary to government policy.¹¹⁷ For example, the Save Cronulla Fisheries Team asserted that this approach fails to meet the Government's commitments made under *NSW 2021 – A Plan to Make NSW Number One*:

The non-existence and/or non-disclosure of any business case, economic appraisal and cost-benefit analysis blatantly contravenes the Government's commitment under their "NSW 2021 - A Plan to Make NSW Number One" to "Restore accountability to Government" through 4 specific goals: Goal 29 – Restore confidence and integrity in the planning system; Goal 30 – Restore trust in State and Local government as a service provider; Goal 31 – Improve Government transparency by increasing access

¹¹⁴ Answers to supplementary questions 6 August 2012, Dr Richard Sheldrake, Director General, Department of Primary Industries, Attachment, letter from Mr Rob Mathie, Assistant Auditor General of New South Wales to Dr Richard Sheldrake, Director General, Department of Primary Industries, 30 November 2011.

¹¹⁵ Answers to questions on notice taken during evidence 6 August 2012, Dr Sheldrake, Attachment, Letter from Dr Sheldrake, Director General, Department of Primary Industries to Mr Rob Mathie, Assistant Auditor General of New South Wales, 16 January 2012.

¹¹⁶ Dr Sheldrake, Evidence, 6 August 2012, p 15.

¹¹⁷ See, eg, Submission 95, Dr Geoff Liggins, p 2; Submission 96, Save Cronulla Fisheries Team, p 5; Submission 101, Dr Steve Montgomery, p 1.

to Government information; and Goal 32 – Involve the community in decision making on government policy, services and projects.¹¹⁸

3.7 Both Dr Geoff Liggins, a senior scientist at the CFRC, and the Save Cronulla Fisheries Team, pointed to the *NSW Government Guidelines for Economic Appraisal* (the Guidelines), published by the NSW Treasury, in arguing that the decision to close the CFRC was undertaken in a way that contravened Government policy.¹¹⁹ Dr Liggins noted that the Guidelines require an economic appraisal on proposed projects to present an unbiased account of costs and benefits. He quoted from the Guidelines as follows:

In its review of economic appraisals to provide advice on proposed projects or programs, above all, Treasury looks for objectivity in an economic appraisal. Common sense is an important guiding principle. The economic appraisal should present an independent, unbiased assessment of all the costs and benefits of the various means of achieving the stated service delivery objective. The economic appraisal should not be a “business case” which simply promotes a preferred approach. The economic appraisal may form part of a business case, to explain how a preferred approach came to be selected.¹²⁰

3.8 The Guidelines provide that a project with a cost of over \$1 million ‘should be the subject of a full appraisal in its own right’.¹²¹ Some inquiry participants alleged that the Department had attempted to circumvent this process.¹²² They referred to an article published in the *Sydney Morning Herald* which, on the basis of internal departmental documents provided to the paper, contended that ‘bureaucrats working on the relocation of the [CFRC] to Port Stephens pushed to reclassify it from a “major project” to a series of “minor works” to convince Treasury to fund it and avoid having to present a business case.’¹²³

3.9 However, Dr Geoff Allan, Executive Director of Fisheries NSW, explained to the Committee that:

The initial [document] that was given to the Herald included a whole lot of costs not associated with Cronulla.¹²⁴

3.10 Dr Sheldrake confirmed to the Committee that:

The dollars [reported in the Herald] were significantly less than they were in that draft document. So there was no issue and it was dealt with the normal course of business.¹²⁵

¹¹⁸ Submission 96, p 5.

¹¹⁹ Submission 95, p 2; Submission 96, p 5.

¹²⁰ Submission 95, p 2; Submission 96, p 5.

¹²¹ New South Wales Treasury, *NSW Government Guidelines for Economic Appraisal*, July 2007, p 21.

¹²² Submission 21, name suppressed, p 1; Submission 44, Public Service Association of NSW, p 8; Submission 97, name suppressed, p 2; Submission 101, pp 2-3.

¹²³ Submission 97, p 2. See Nicholls S, ‘Department told to get Fisheries Plan under the Radar’, *Sydney Morning Herald*, 20 February 2012, accessed 5 October 2012 <www.smh.com.au/environment/conservation/department-told-to-get-fisheries-plan-under-radar-20120219-1th79.html>.

¹²⁴ Dr Geoff Allan, Executive Director, Fisheries NSW, Evidence, 6 August 2012, p 15.

¹²⁵ Dr Sheldrake, Evidence, 6 August 2012, p 15.

3.11 At the Committee's hearing on 10 September 2012, the Hon Katrina Hodgkinson MP, Minister for Primary Industries, tabled a cost benefit analysis on the closure. The Minister and Mr Mark Paterson AO, Director General of the Department of Trade and Investment, Regional Infrastructure and Services, were questioned on when the analysis had been produced and why it was not provided to the Committee earlier:

The Hon. CATE FAEHRMANN: Minister, I assume you have tabled the cost benefit analysis into the closure now. Do we have that?

Ms KATRINA HODGKINSON: I was asked to do that about two minutes ago.

The Hon. CATE FAEHRMANN: It is being tabled. Why was the cost benefit analysis not tabled with the questions on notice that we received this morning from the department with hundreds and hundreds of documents?

...

The Hon. CATE FAEHRMANN: Why was it not tabled then? Did it get written today?

Ms KATRINA HODGKINSON: I have nothing to do with the tabling of documents. I will have to defer to the director general.

Mr PATERSON: I will respond to two questions at the same time. There was a question about when the consultant's report would be concluded. I expect that to be the end of this month. In relation to the cost benefit analysis, it is dependent upon understanding the detail of who is going to move when and where, factoring into the cost—

The Hon. CATE FAEHRMANN: Sorry, Mr Paterson, my question was—

Mr PATERSON: I am answering your question.

The Hon. CATE FAEHRMANN: —why was it not tabled this morning? I do not care what is in it.

Mr PATERSON: Because it was not concluded.

The Hon. STEVE WHAN: It was completed today, was it?

Mr PATERSON: Yes.

The Hon. CATE FAEHRMANN: You completed it today?

Mr PATERSON: We did.

The Hon. CATE FAEHRMANN: We received the questions on notice this morning. The cost benefit analysis into this decision was completed today by your department?

Mr PATERSON: Yes.

Ms KATRINA HODGKINSON: Ms Faehrmann, forgive me. I do not know why, but I thought you were talking about the impact statement. Yes, the cost benefit analysis was tabled today.

- 3.12** The Committee later sought comment from Mr Peter Achterstraat, Auditor-General, on that document. Although unable to comment specifically on the cost benefit analysis, Mr Achterstraat advised the Committee that ‘Government guidance recommends the use of economic appraisal methods, including cost benefit analysis, to inform decision-making’. He concluded that ‘[g]enerally, the most useful time to undertake such analysis is before the relevant decisions are made.’¹²⁶

Calls for closure to be halted pending an economic appraisal

- 3.13** Throughout the inquiry vehement criticism was directed at the Minister and the Department for the lack of a business case or cost benefit analysis being carried out prior to the decision being made.¹²⁷ On this basis, a number of stakeholders called for the closure to be stopped at least until such time as a comprehensive cost benefit analysis could be completed. One submission-maker argued:

Mis-information... a lack of any credible costings analysis, and the lack of a business plan in place prior to the beginning of the process are all reasons why the proposed move should be immediately halted, and a public, open review of the business case and cost-benefit be undertaken.¹²⁸

- 3.14** Dr Will Figuiera, Senior Lecturer at the University of Sydney and President of the Australian Marine Sciences Association, argued that more research should have been conducted before a decision was taken:

One of the key points of our submission was that this has not been thought through. As an objective scientist I like to think I would entertain any option if it is to the benefit of marine science and the community more broadly, but I do not think that is clear. It might be; there might be areas where it is and areas where it is not.¹²⁹

- 3.15** Mr John Rayner, General Manager of Sutherland Shire Council, also advocated that in relation to the CFRC, decentralisation objectives should be weighed against the potential loss:

In this whole decentralisation issue and the impact on Sutherland Shire we feel also you need to question whether you really want to lose the assets we have on that site – the water quality, the proximity to the ocean, the bays, the unique nature of that site, and of course whether you want to lose the scientific knowledge to this particular site.

¹²⁶ Correspondence from Mr Peter Achterstraat, Auditor-General of New South Wales, to Chair, 25 September 2012.

¹²⁷ Submission 10, North Coast Environment Council Inc, p 3; Submission 40, name suppressed, p 1; Submission 64, Australian Marine Science Association, New South Wales Branch, p 2; Submission 71, Dr Kevin Rowling, Principal Scientist, Commercial Fisheries Research, pp 3 and 5; Submission 83, Ms Kris Wyld, p 1; Submission 94, Mr Michael Hickey, p 1; Submission 96, pp 12-16; Submission 106, Mr K J Rowling, p 1; Mr Peter Brown, staff representative, Cronulla Fisheries Relocation Working Group, Evidence, 3 September 2012, pp 12-13; Mr Shane O’Brien, Assistant General Secretary, Public Service Association, Evidence, 3 September 2012, pp 13-14; Dr Matt Ives, staff member, Cronulla Fisheries Research Centre of Excellence, Evidence, 3 September 2012, p 58.

¹²⁸ Submission 35, name suppressed, p 1.

¹²⁹ Dr Will Figuiera, Senior Lecturer, University of Sydney and President, Australian Marine Sciences Association, Evidence, 3 September 2012, p 36.

It is a question of ... the assets we have, and retaining them, balanced up against a decentralisation objective.¹³⁰

- 3.16** Dr Matt Ives, a fisheries modelling and assessment scientist employed at the CFRC, argued that the wild fisheries resources managed by the staff at the CFRC are worth over \$1 billion a year to the State and accordingly, in his view, even a slight decline in expertise could have significant impacts in real dollar terms:

With an economics background I cannot help but look at this from an economics point of view. If you add up the recreational and commercial fishing and the tourism value of this asset that we manage on behalf of the public, it is worth over \$1 billion a year to this State. That means if we lose all this expertise and we risk just a 10 per cent decline in that asset, that is \$100 million a year of value lost to this State. That comes in the form of fishermen wasting time and money trying to talk to licensing staff who do not understand what they doing, talking to managers about their policy and regulations. The stock assessment work that we do that I am involved in, the lack of data that will happen when we lose our scientists and so forth are all different things that are going to happen that will mean we will have less value out of this resource that we manage.¹³¹

- 3.17** Several stakeholders pointed to indirect costs that appear to have been ignored but which would have been taken into account if a thorough cost benefit analysis was conducted.¹³² Inquiry participants referred to the relatively recent upgrade to the laboratory facilities at the CFRC as money that will have been wasted if marine science does not continue at the CFRC.¹³³ For example, one submission-maker stated: ‘Recently all the laboratories at Cronulla were upgraded and now are state of the art facilities. What a complete waste of tax payers’ money to appease some political whim.’¹³⁴
- 3.18** A loss of research funding¹³⁵ and the loss of the CFRC brand were also identified as costs by some inquiry participants.¹³⁶ The New South Wales Branch of the Australian Marine Science Association and Professor Iain Suthers from the University of New South Wales both noted that the CFRC receives research grants amounting to millions of dollars per annum and suggested that these grants may be lost with the closure of the CFRC.¹³⁷ As one example of the funding available through research grants, Professor Suthers explained that ‘[o]ver \$100M

¹³⁰ Cr Carol Provan, then Mayor, Sutherland Shire Council, Evidence, 3 September 2012, p 10.

¹³¹ Dr Ives, Evidence, 3 September 2012, p 57.

¹³² Submission 60, Professor Iain Suthers, p 2; Submission 59, Dr John Stewart and Dr Veronica Silberschneider, p 3; Submission 64, p 2; Submission 69, Australian National Sportfishing Association, p 2.

¹³³ Submission 11, Clarence Environment Centre, p 2; Submission 19, Mrs Flora Masens, p 19; Submission 34, South West Anglers Association, p 1; Submission 36, name suppressed, p 1; Submission 66, name suppressed, pp 3-4; Submission 87, name suppressed, p 1; Submission 97, pp 1 and 3; Submission 101, p 3.

¹³⁴ Submission 36, p 1.

¹³⁵ Submission 59, p 3; Submission 64, p 2.

¹³⁶ Submission 11, p 2; Submission 15, Ms Melissa Murray, p 1; Submission 59, p 3; Submission 66, p 5; Supplementary Submission 96a, Save Cronulla Fisheries Team, p 11.

¹³⁷ Submission 60, p 2; Submission 64, p 2.

pa in research grants is awarded nationally by the ARC Linkage Program ... I have had 5 such ARC Linkage projects with the CFRCE.¹³⁸

- 3.19** Dr Stewart and Dr Silberschneider also pointed to the potential loss of substantial private funding for fisheries research:

We have personally made the Minister aware of at least some of the less obvious costs related to closing the CFRCoE and relocating its functions to other locations. Amongst these is the loss of large amounts of external funding generated by staff at the CFRCoE. The CFRCoE is world famous with a proven record of being able to deliver on large externally funded projects. Consequently, this reputation, in combination with the wonderful facilities, and the international reputation of its staff results in considerable external research funding each year. The loss of the brand that is the CFRCoE and the forced retrenchment of the majority of senior scientists will certainly see a loss of research funds generated for the people of NSW.¹³⁹

- 3.20** Other indirect costs pointed to by stakeholders included, among other things, less effective fish stock management, a loss to the local community, diminished service delivery and a loss of the heritage value of the site. These are considered in greater detail in Chapter 4 which examines the impact of the decision.

Change management planning

- 3.21** Some stakeholders were critical of the process undertaken to close the CFRC for a lack of adequate planning.¹⁴⁰ The Committee was informed that the relocation of the CFRC commenced without a change management plan in place. Mr Peter Brown, a staff representative on the Cronulla Fisheries Relocation Working Group, alleged that this amounted to a contravention of Government guidelines:

The relocation project was initiated with complete disregard for Premier's Directive D2011_014 Agency Change Management Guidelines published 1 September, 2011. The staff saw it as important that the Change Management Plan be developed in accordance with the DPC Guidelines and that this plan should be the primary planning document for the closure and relocation project.¹⁴¹

- 3.22** The objective of the Agency Change Management Guidelines referred to by Mr Brown is to manage organisational change within NSW Government Departments. The Guidelines recommend the following steps for implementing a change management plan:

1. Obtain Ministerial approval for the organisational change to proceed
2. Develop the change management plan
3. Consult employees and the relevant union(s) on the change management plan

¹³⁸ Submission 60, p 2.

¹³⁹ Submission 59, p 3.

¹⁴⁰ Submission 13, name suppressed, p 1; Submission 30, name suppressed, p 4; Submission 73, Mr Peter Brown, p 3.

¹⁴¹ Submission 73, p 3.

4. Submit the plan to the Director General of the relevant cluster for approval
5. Commence the organisational change.¹⁴²

3.23 A central criticism of the Department's handling of the change management process was that staff were not involved in planning for, or even consulted on, how to implement the closure. On the other hand, Departmental representatives stipulated that part of the process of closing the CFRC was the creation of a working group, which included staff representatives, and had met 42 times from the time the decision was announced.¹⁴³ The Department's submission elaborated:

A working group was established by Senior DPI management to ensure the relocation project would progress in consultation with the employees. The working group includes representation from the People, Learning and Culture (PLC) (Human Resources) Branch and senior managers from each of the major functional work units based at the Centre.

The Terms of Reference for the Relocation Working Group are:

- To ensure the essential work of Fisheries NSW is maintained or enhanced during and following the relocation. This involves aligning functions and people with the new sites.
- To understand the circumstances of staff that impact on their ability to relocate and to consider those circumstances where possible in implementing the relocation whilst retaining as many staff as possible.
- To identify critical projects that might be at risk of not being completed or meeting their milestone schedules and facilitate the creation of individual plans to manage their completion (e.g. Fish Online).
- To identify opportunities for organisational restructure and ways to carry out functions more efficiently.
- To maintain service delivery to stakeholders.
- To ensure business processes are maintained or enhanced (e.g. licensing, communication).
- To identify the needs required for new sites and manage the development of those sites.
- To have input into the future use of the Cronulla site and ensure the historical importance of fisheries research and management at this site is recognised.¹⁴⁴

3.24 The Department's submission also stated that '[e]mployees have been involved at all stages of the planning process to ensure functions are located in the best places to meet the needs of the agency, stakeholders and staff'.¹⁴⁵

3.25 Further, the Minister stated that:

¹⁴² NSW Department of Premier and Cabinet, *Agency Change Management Guidelines*, 1 September 2011, p 7, accessed 3 October 2012,

www.dpc.nsw.gov.au/__data/assets/pdf_file/0003/129117/Agency_Change_Management_Guidelines-20110911_POL_v02.pdf.

¹⁴³ Dr Allan, Evidence, 6 August 2012, p 12; Dr Sheldrake, Evidence, 6 August 2012, p 2.

¹⁴⁴ Submission 14, p 7.

¹⁴⁵ Submission 14, p 13.

The staff were informed very early in the piece of the decision. That is an important point that I want to make. Staff were given as much notice as possible. They were told in person, before everyone else, including stakeholders. I understand that the decision to inform staff as soon as possible meant that a lot of their questions could not yet be answered by senior DPI management.¹⁴⁶

- 3.26** However, this was contradicted by employees. The Committee was advised that staff representatives were excluded from the working group at formative planning stages.¹⁴⁷ Mr Brown commented that he and the other staff representative elected onto the working group were excluded from its meetings for several months while crucial decisions were being made:

When the announcement was first made they did not have any staff representatives on the working group. A number of staff, including me, expressed concern about that and eventually it was agreed to have two staff representatives, and a colleague and I were elected by the staff to do that. We made a number of representations at the beginning about issues that were of concern to us such as temporary staffing and severance payment issues, transparency in the process—we were not seeing minutes of meetings or anything like that. After about four weeks of meetings we were removed from the working group. ...

We were not allowed back onto the group until late January/early February. In the intervening period following our being removed from the committee in October–November all the decisions were made about who would be relocated in the Sydney region and who would go where. All those kinds of issues were worked out whilst we were not around to hear what was happening.¹⁴⁸

- 3.27** In addition, Mr Shane O’Brien, Assistant General Secretary of the Public Service Association (PSA), advised the Committee that the PSA was not permitted to participate in the working group:

The Public Service Association was specifically forbidden from participating in the working groups that the management established: that is, the working groups that the department told the Committee had had some 42 meetings. The Association has not been able to attend any of them.¹⁴⁹

- 3.28** The Committee also heard that Professor Steve Kennelly, the Director of Research for Fisheries NSW and Director of the CFRC, was also excluded from the Working Group.¹⁵⁰ This is addressed below under the subheading ‘consultation’.

Principles for decentralisation of government services

- 3.29** In criticising the approach taken by the Government, a number of inquiry participants drew comparisons with good practice in implementing decentralisation policies. A 2007 report on

¹⁴⁶ Minister Hodgkinson, Evidence, 10 September 2012, pp 24–25.

¹⁴⁷ Submission 73, p 2; Mr Brown, Evidence, 3 September 2012, p 25; Correspondence from the Save Cronulla Fisheries Team to the Committee, 11 October 2012, p 1.

¹⁴⁸ Mr Brown, Evidence, 3 September 2012, p 25.

¹⁴⁹ Mr O’Brien, Evidence, 3 September 2012, p 14.

¹⁵⁰ Correspondence from the Save Cronulla Fisheries Team to the Committee, 11 October 2012, p 1.

this issue undertaken by Dr Steven Ward for the Urban Development Research Institute of Australia received particular attention.¹⁵¹ That report lists the principal influencing factors that must exist for relocation to be successful. These include:

- relocation rationale: a feasible business case
- effective planning and project management: the receiving location must possess sufficient infrastructure
- the workforce must be convinced that the move is beneficial
- a good communication strategy is essential
- key employees must relocate
- outcomes of relocation
- Outside influences.¹⁵²

3.30 Although he did not criticise the Government's approach, Professor Kennelly, Director of the CFRC, outlined for the Committee the steps that he has previously taken in successfully relocating NSW Fisheries' scientists to regional locations:

In terms of regionalisation and getting jobs into country areas, I have learned a lot over the last 12 years of how to do it well and how to do it with a soft touch, if you like. What you need to do in these places is to identify particular people, particular scientists who, firstly, would not mind going to the location - but who are also go-getters, people who will form a team around themselves by attracting funding, attracting decent, quality staff and being able to produce good science for the particular field that they work in terms of fisheries science. For example, in Narrandera I identified a particular staff member who at the time I think was working in Cronulla and got him to see if he wanted to relocate. He was okay with it. Then you get him in there and without much funding associated with it. ...

That has been the way to do it, to find a winner, to find a particular person. There was another one at Coffs Harbour. I talked him into going to Coffs Harbour rather than Cronulla and he did so and he has formed a group there and it is all go. But you need to identify those people, those individuals. You cannot just do it as a blanket advertisement and hope for the best and hope you attract someone, because they are rare. Fishery science is not that common a job in Australia or anywhere in the world and good ones are sought after in North America, Europe and so on. So you need to identify the particular person and the particular job and the particular need and get them into those places. So that is what I have done there.¹⁵³

3.31 Mr Greg Pullen, Economic Development Manager of Shoalhaven City Council, described to the Committee his experience in having been involved in a number of relocations of

¹⁵¹ See, eg, Submission 71, p 3; Submission 96, Attachment, pp 134-217, Dr Steven Ward, Research Consultant, prepared for the Urban Development Research Institute, *The Decentralisation of Core Government Services*, December 2007.

¹⁵² Submission 96, Attachment, pp 134-217, Dr Steven Ward, Research Consultant, prepared for the Urban Development Research Institute, *The Decentralisation of Core Government Services*, December 2007.

¹⁵³ Professor Kennelly, Evidence, 3 September 2012, p 19.

government agencies to Shoalhaven. He compared those experiences to the relocation of the NSW Fisheries staff and functions from the CFRC:

I have been involved with Fisheries in the relocation since it was announced, liaising with Fisheries both at Port Stephens and Cronulla. Whilst I have participated in that, I must say at this point in time that some of the other relocations I have been involved in have had a much-structured delivery plan than what Fisheries appeared to have. I do not say that as a criticism; each agency does it differently.¹⁵⁴

3.32 When asked about best practice relocations, Mr Pullen used the relocation of naval administrative offices to Nowra as an example and outlined the support provided in that instance:

We organised bus tours of interested staff, took them on visits to various aspects of living in and around the Nowra area, had functions where local citizens could talk to staff, answer questions and so on and so forth, and provided things like newspapers in their staff canteen and things like that. We actively worked with agencies like that and with private companies. I have moved companies from America into Nowra. I have moved businesses from Sydney and Melbourne into Nowra. I am sort of familiar with their questions. I even know nowadays the answer to the question: Is there a ballet school in Nowra, because I have been asked those questions.¹⁵⁵

3.33 In answers to questions on notice, Mr Paterson defended the manner in which the relocation had been undertaken to date. He advised the Committee that staff have been able to travel to their proposed destinations and that the Department has sought information on education, transport and real estate in these locations:

All staff were offered and continue to be offered the opportunity to visit new locations. Staff were offered the opportunity to travel to Nowra by bus tour or similar soon after the announcement. ...

In addition to the travel, a number of other activities have been undertaken to support the transfer of staff. Information has been sought on pre-school options, public transport (including air travel), and real estate.¹⁵⁶

3.34 However, the Committee also heard that although tours to regional locations had been offered, they have not actually taken place. Ms Laura Seymour, a Fisheries Management Officer at the CFRC, explained:

Once our new location, Nowra, was relayed to us, we were pretty much left to our own devices to consider our own personal positions as little or no support was coming forward from senior managers to discuss our options.

We were initially promised a bus trip to visit the new location and surrounds as a group by Mr Richard Sheldrake, that never eventuated.¹⁵⁷

¹⁵⁴ Mr Greg Pullen, Economic Development Manager, Shoalhaven City Council, Evidence, 10 September, p 17.

¹⁵⁵ Mr Pullen, Evidence, 10 September 2012, p 17.

¹⁵⁶ Answers to supplementary questions 10 September 2012, Mr Mark Paterson AO, Director General, Trade and Investment, Regional Infrastructure and Services, Question 3, p 4.

¹⁵⁷ Submission 79, Ms Laura Seymour, p 1.

Consultation

- 3.35** Minister Hodgkinson confirmed that there had been no consultation with stakeholders prior to her decision to close the CFRC.¹⁵⁸ The Minister reasoned that it was important to inform staff as early as possible in the process:

Even though we had not yet dotted all the Is and crossed all the Ts with respect to the decision to decentralise functions and services from Cronulla to regional locations in New South Wales, my director general, Dr Richard Sheldrake, thought it was important to inform staff so that they would not learn of the New South Wales Government's decision through the grapevine or the media. He put this suggestion to me and we conferenced on it for quite a number of days. The staff were informed very early in the piece of the decision. That is an important point I want to make. Staff were given as much notice as possible. They were told in person, before everyone else, including stakeholders. I understand that the decision to inform staff as soon as possible meant that a lot of their questions could not yet be answered by senior DPI management.¹⁵⁹

- 3.36** This approach received widespread criticism during the Inquiry.¹⁶⁰ The Committee was advised that Professor Kennelly, the Director of Research for Fisheries NSW and Director of the CFRC, was not consulted in advance of the decision. During a Committee hearing Professor Kennelly was asked whether, in his experience, it was typical for him not to be consulted about a decision such as this. He responded:

I would not say that it is necessarily typical. My job has been to provide advice to Ministers and senior bureaucrats for 12 years, or more than that. I have provided all sorts of advice to previous Ministers in New South Wales, but also Federal Ministers, Ministers in Africa, the Middle East and the United States of America.¹⁶¹

- 3.37** The Committee was informed that Professor Kennelly's advice was also not sought about implementing the relocation including where staff might go and what facilities would be required to accommodate them. The Minister was questioned on this as follows:

The Hon. STEVE WHAN: In planning where people would go and the types of facilities needed, do you think it would be reasonable that the chief fisheries scientist would be consulted on the type of research facilities to which the staff would go?

Ms KATRINA HODGKINSON: My understanding is that his division is going to be in Port Stephens or is in Port Stephens, so it makes sense for the head to be located there with the staff.

The Hon. STEVE WHAN: I am talking about consultation with the chief fisheries scientist about the design of the facilities to which people are going. Do you think it reasonable that he be consulted about that, as he was consulted in previous years as chief scientist at the Department of Primary Industries about other new facilities?

¹⁵⁸ The Hon Katrina Hodgkinson MP, Minister for Primary Industries and Minister for Small Business, Evidence, 10 September 2012, p 33.

¹⁵⁹ Minister Hodgkinson, Evidence, 10 September 2012, pp 24-25.

¹⁶⁰ Submission 33, Cameron Reid, p 1; Submission 40, p 1; Submission 71, p 4; Submission 69, p 2.

¹⁶¹ Professor Kennelly, Evidence, 3 September 2012, p 16.

Ms KATRINA HODGKINSON: I understand he does not want to move.

The Hon. STEVE WHAN: I think you are avoiding the question, Minister. The question is: Should the chief scientist of your fisheries department have been consulted about the suitability of facilities to which people are moving?

Ms KATRINA HODGKINSON: The facilities are obviously suitable. We have a great—

The Hon. STEVE WHAN: That is your judgement and you are satisfied about that, are you?

Ms KATRINA HODGKINSON: I am. I have been right through the Port Stephens centre. I think it is excellent.¹⁶²

3.38 In answers to supplementary questions, the Minister advised the Committee that:

... I understand that [Professor Kennelly] was advised of the decision prior to the announcement and has had every opportunity to provide input into detailed planning for the relocation as a member of the Cronulla Relocation Working Group.

As the Centre Director for Cronulla Fisheries Research Centre, I understand he has decided not to attend most of the Working Group meetings.¹⁶³

3.39 This Minister's assertions were refuted by the Save Cronulla Fisheries Team:

Contrary to the Minister's response to her Question 11 and Mr Paterson's answer to his question 37(c), Professor Kennelly was removed from the Cronulla Relocation Working Group by the Group's Chair Dr Allan in November 2011, stopping his involvement with any transitory arrangements or planning.¹⁶⁴

3.40 In relation to planning for job relocation and in response to answers to supplementary questions provided by Mr Paterson, the Save Cronulla Fisheries Team expressed staff dissatisfaction with the process to determine which jobs would remain in Sydney and which would be transferred elsewhere:

Staff members were very dissatisfied with the process employed to determine what positions were retained in Sydney and consider it completely lacking in transparency or due process that would have provided safeguards against cronyism or other inappropriate favouritism. When considering the outcome they have concluded the process was not completed fairly. Staff members expect their senior management to lead by example and not seek to protect their own personal circumstances whilst doing nothing in support of staff.¹⁶⁵

3.41 There was a feeling among some inquiry participants that partly due to a lack of consultation, the Government did not understand the implications of the decision, including the nature and

¹⁶² Minister Hodgkinson, Evidence, 10 September 2012, p 32.

¹⁶³ Answers to supplementary questions 10 September 2012, the Hon Katrina Hodgkinson MP, Minister for Primary Industries and Minister for Small Business, Question 11, p 14.

¹⁶⁴ Correspondence from the Save Cronulla Fisheries Team to the Committee, 11 October 2012, p 1.

¹⁶⁵ Correspondence from the Save Cronulla Fisheries Team to the Committee, 11 October 2012, p 2.

importance of the research being conducted at the CFRC and the challenges associated with replicating that research elsewhere (the implications for marine research are considered in greater detail in Chapter 4). For example, the New South Wales branch of the Australian Marine Science Association argued that the lack of consultation has jeopardised research projects and called into question whether the government is meeting its contractual obligations:

As far as we have been able to determine, there was no attempt, either formally or informally, to engage in consultation with the various sectors of marine science represented by our membership (Universities and government agencies). For individuals running active research programs with the [CFRC] that involve post-graduate students and/or [Australian Research Council] funded Linkage Projects, this lack of consultation has been very costly, in most cases severely compromising the future work on these projects. In the case of formal grant arrangements, the government, via the [CFRC], has a contracted obligation to support the project with both case and in-kind support (e.g., facility use, personnel time, training in government science), to the level outlined in the Linkage agreement. In such situations the lack of consultation was particularly alarming.¹⁶⁶

3.42 However, Dr Allan claimed that research would continue and contractual obligations would be fulfilled.¹⁶⁷

3.43 The Committee was advised by Dr Kevin Rowling, a Principal Scientist at the CFRC, that the Minister has ignored offers of advice from fisheries experts since the decision was announced and also neglected to consult with stakeholders:

When many fisheries experts in Australia and overseas offered advice and counsel in the weeks after the decision had been announced, their opinions were completely disregarded by the Minister and the Government. ...

In the period since the announcement, there has been no ongoing consultation with regional communities and fisheries stakeholders, or the staff, or other stakeholders, and the Department has simply continued to ignore any sensible criticism, and pushed ahead with implementing this flawed decision.¹⁶⁸

Meetings with the Minister

3.44 The Committee was informed that some stakeholders have struggled to meet with or receive responses from Minister Hodgkinson and Dr Sheldrake, despite repeated attempts to do so.¹⁶⁹

3.45 Mr Brown and Mr O'Brien described concerted attempts to meet with the Minister that were repeatedly declined until an after-hours phone call requested a closed meeting with three members of staff for 9.00 am the next day.¹⁷⁰ According to Mr O'Brien:

¹⁶⁶ Submission 64, p 2.

¹⁶⁷ Dr Allan, Evidence, 6 August 2012, pp 6-8.

¹⁶⁸ Submission 71, p 5.

¹⁶⁹ Submission 43, Mr Laurie Derwent, p 5; Submission 44, p 8; Mr Robert Audsley, Volunteer Leader, Southern Sydney NSW Fishcare Volunteer Program, Evidence, 3 September 2012 p 42; Mr O'Brien, Evidence, 3 September 2012, p 29.

¹⁷⁰ Mr Brown, Evidence, 3 September 2012, p 30; Mr O'Brien, Evidence, 3 September 2012, p 29.

We found ourselves—that is, the association, its members and other staff—in the situation where we were continually directed to do something if we wanted to meet with the Minister, but every time we did it nothing eventuated. We got so frustrated that we nominated the last day before Parliament resumed in February to travel the Minister’s electorate office in the hope that she would be there clearing up electorate matters. We made that decision after trying to get an idea of when the Minister would be in her office.

... On the way to Yass there was considerable media coverage of the lengths to which the staff were going to meet with the Minister. My understanding is that the following Tuesday evening after business hours three staff members received a phone call from Mr Geoff Allan, the Executive Director of Fisheries, advising them that the Minister wanted to speak with members of staff the following day; they were not compelled to attend but they would be required at 9 o’clock and if they decided that they were going to attend they were not to discuss the fact that they would be meeting with the Minister with any of their work colleagues.¹⁷¹

- 3.46** Mr Brown said that the confidentiality of the meeting put him and the other two staff representatives in the unpleasant position of being staff representatives who were unable to consult with staff about an important meeting:

I actually resented the way that whole thing came about. I think we were put in a really difficult position. We were phoned late in the evening after work and told the meeting was on. We were sworn to secrecy about attending. We were not allowed to confide in our colleagues and I found that very difficult as a staff representative. Throughout this process I have tried very hard to meet with the staff and accurately reflect their opinions and stuff. We were given no notice so we all talked amongst ourselves on the phone that evening and tried to figure out should we go or should we not go.

As Shane [O’Brien] said, we kind of felt like we were snookered; if we go the Minister will use it against us to say that she met with the staff and all the rest of it whereas we did not feel we were representatives because we had not had that endorsement from the staff. If we did not go we would be accused of not taking up the opportunity to meet. We thought it was a bit unfair in that respect. Then we did meet we made it very clear, okay, we are meeting, we are not here as staff representatives, we are here as the nominees of the Executive Director and then we basically engaged in a discussion about our views on what was going on.¹⁷²

- 3.47** Then Mayor of Sutherland Shire Council, Cr Carol Provan, also described difficulties she had in obtaining an audience with the Minister:

... in the very beginning when we were first aware of what was happening we tried very hard to speak to the Minister and she was not available to us. That was very frustrating for us, and we were told, “This is what’s going to happen”, and either we came up with a plan of what we wanted on the site, and if we did not do it then they would do it for us. So we were I suppose between a rock and a hard place. We were very concerned that we were going to lose this site but then we thought we also would have the opportunity of saying what we would like to see there. So it was a very difficult time for us as a community and a council to know how to approach this.¹⁷³

¹⁷¹ Mr O’Brien, Evidence, 3 September 2012, p 29.

¹⁷² Mr Brown, Evidence, 3 September 2012, p 30.

¹⁷³ Cr Provan, Evidence, 3 September 2012, p 5.

Communication with staff

- 3.48** The Committee was informed by the Department that as steps to close the CFRC have been taken, the needs of staff have been ‘the highest priority’. Dr Sheldrake observed that:

The highest priority of this relocation was being mindful of the needs of the staff. I know that that has been foremost in the Minister’s mind. That is one of the reasons Mr Cooper has worked so hard to ensure that he identified staff needs, family circumstances and functional needs. He has done more than 200 interviews on site and has spoken to some people many times to understand their personal circumstances. We have identified those staff needs. Members of the Committee spoke to [a married couple working at the CFRC on its site visit] today. Their functions would have been separated and we worked hard to ensure that they stayed together. We have done that wherever possible to accommodate the needs of staff.¹⁷⁴

- 3.49** The Minister described how the process for decentralisation has been designed to ensure that the needs of the employees were met. She outlined that all ‘eligible’ staff were offered positions at the new locations and that, in her view, the Department has been adaptable to the varying individual needs of members of staff:

I understand and respect that some public servants will not relocate. I would like to briefly comment on how the department has worked with the employees. All eligible staff were offered positions at the destination locations, including Port Stephens, Nowra and Coffs Harbour. All staff have had the opportunity to confidentially discuss their needs relating to their transfer. These discussions have resulted in every member of staff having the opportunity to negotiate either their transfer date for those accepting their transfer or their last day of duty. For those staff unable to transfer, their last day of duty has been made as late as possible during the regionalisation process to give those staff the maximum time to seek alternatives to transfer. Fisheries NSW has agreed that six staff can continue at Cronulla through until the end of the year and move in the New Year so that schooling can continue uninterrupted this year.¹⁷⁵

- 3.50** Departmental representatives described various support mechanisms they had put in place to assist staff. Dr Allan advised the Committee that the Department had run workshops for employees to apply for other work within the Department and had also provided ‘skills development training’.¹⁷⁶ The Department further advised the Committee that it has provided onsite counselling for people in addition to its standard 24/7 hotline.¹⁷⁷

- 3.51** In terms of the process for informing staff of where their position would be relocated to, in November 2011, the Department of Primary Industries provided employees with a ‘Gantt chart’ of the locations to which each position was to be moved. Dr Allan explained that, in February 2012 the Department sent a letter to each staff member officially advising where their position would move. Another letter was sent three and a half months before each individual was scheduled to move advising that person that they had two weeks to make a decision about whether to relocate or exit the Department:

¹⁷⁴ Dr Allan, Evidence, 6 August 2012, p 17.

¹⁷⁵ Minister Hodgkinson, Evidence, 10 September 2012, p 25.

¹⁷⁶ Dr Allan, Evidence, 6 August 2011, p 5.

¹⁷⁷ Mr Kevin Cooper, Relocation Project Manager, Evidence, 6 August 2012, p 24.

We presented a Gantt chart of the locations in November to allow those staff—and a couple took up the advantage—to move early over the Christmas period of 2011-2012. Then we followed that up in February with a formal letter to people saying that your function will be moved to Coffs Harbour or wherever. That was not a compulsion, they did not have to make a decision at that time, but it was so they knew formally where their position was going to be located so they had certainty to make some plans. Then three and a half months before the scheduled move date for each position staff got a letter saying that you now have to make a decision, you have got a couple of weeks to make a decision and then you will move in three months or exit the department.¹⁷⁸

- 3.52** However, employees of the CFRC have advised the Committee that since the announcement of the closure, staff have received conflicting messages from the Department about the proposed location for their positions. For example, at the Committee’s public forum, Ms Jackie Gerrard described another staff member as being particularly distressed at the different locations proscribed for her move:

There was one woman and I am so pleased I had clean tissues in my pocket because her job was announced in the first change meeting. It was going to go to Parramatta, which was ultimately quite a good option for her because her husband works in that area. Five months later, “No, you’re going to Nowra”. She broke down; she sobbed. She had to leave the meeting within half an hour. Three months after that, “Oh no, your position is being moved to Orange.”¹⁷⁹

- 3.53** Individuals explained to the Committee that such conflicting messages impeded individual efforts to make plans for relocation or seek alternative employment. For example, Professor Charles Gray, the research leader of the Wild Fisheries Unit at the CFRC, advised the Committee that while he was initially informed by the Department that his team would be transferred to the University of Wollongong, several months later members were advised that the team would be dispersed to various locations, none at the University of Wollongong:

In January to February, like [Dr Douglas Rotherham], I received a letter stating that I would be relocated to the University of Wollongong. Although we were provided with those letters, senior bureaucrats within the department never actually negotiated with the university. I have never been given an official explanation as to why this is the case and neither has the departmental working group. The only notification we received informing us that we could not go to the University of Wollongong was when a few of us who were left received our letters in June-July of this year, stating that we were being sent to other locations. For more than six months my colleagues and I believed that we would be relocated to the university but nothing happened—it just faded away.¹⁸⁰

- 3.54** One submission-maker, a former staff member at the CFRC, contended that the advance notice of the closure of the CFRC provided by the Department, which was put forward as a key reason for announcing the closure before consulting with staff, was not meaningful without accompanying advice about where jobs would be transferred:

¹⁷⁸ Dr Allan, Evidence, 6 August 2012, p 4.

¹⁷⁹ Ms Jackie Gerrard, staff member, Evidence, 3 September 2012, p 55.

¹⁸⁰ Professor Charles Gray, Research Leader, Wild Fisheries Unit, Cronulla Fisheries Research Centre of Excellence, Evidence, 3 September 2012, p 60.

The [Minister's] statement about being given 12 months' notice for a possible relocation is also contrived. I and other staff were told numerous different locations in the last 12 months, from an initial choice of either Coffs Harbour or Nowra, then to Merrimbula, then Huskinson, then any somewhere between Wollongong and Merrimbula, then, maybe even at Caringbah/Taren Point, no staff at all to go to Wollongong ... The dates to relocate also changed. From the initial 18 months, from March 2013 to May 2012 to February 2013 to October 2012 and then to January 2013. How can one make well informed decisions that affect your family with ever changing and deceptive advice from bureaucrats in charge of the relocation process.¹⁸¹

Conclusion

- 3.55** The Committee is very concerned that an economic appraisal was not conducted prior to the announcement that the CFRC would be closed. Some aspects of change management planning were done adequately, however, there was a lack of consultation with key stakeholders, particularly Professor Kennelly, both prior to the decision and during the change management planning phase. We note with concern that stakeholders have felt disenfranchised as a result. In Chapter 5 we bring together our concerns about these issues with matters raised in other Chapters.

¹⁸¹ Submission 42a, name suppressed, p 1.

Chapter 4 The impact on the community and science

A general theme raised throughout the Inquiry and illustrated in this report was concern regarding the impact the closure would have on employees of the Cronulla Fisheries Research Centre of Excellence (CFRC). This Chapter outlines stakeholder views on the impact the closure has had on employees personally and also in relation to employee entitlements and individual careers. It then considers the impact on the Sutherland Shire community more broadly.

The potential loss of scientific expertise is canvassed next, as well as the international reaction to the decision. This is followed by consideration of the impacts that the closure might have on marine science, taking into account the suitability of the destinations for the CFRC research with particular attention paid to research on wild fisheries and sharks and the implications for sustainable fisheries management. The Chapter then considers possible impacts on service delivery and considers the heritage values of the CFRC and future use of the site.

Impacts on staff

- 4.1 The Committee heard that employees of the CFRC were incredibly distressed about the decision to close the Centre. People were concerned about whether research projects could continue, about job security and about the loss to the local community.¹⁸² These concerns were exacerbated by the fact that staff had not been adequately consulted about the closure and that the Government did not understand the nature and importance of the research being conducted at the CFRC.

Personal impact on staff and their families

- 4.2 The Committee heard from a number of staff members who described a significant drop in morale at the CFRC since the announcement of the closure.¹⁸³ This, the Committee was told, was compounded by a feeling among staff that they were being treated with relative indifference and not provided with adequate support. For example, Ms Donna Tugnett, a CFRC employee, described how the combination of the closure alongside a lack of support and incorrect information made it stressful to go to work:

It has been extremely stressful coming to work since the announcement. Each week, you bump into someone on site in tears as they are having a 'bad day' trying to work out what they will do. People are angry, stressed and depressed. It has been really hard. So when the Minister does not seem to care, will not address any of the issues, it certainly makes things harder.

One factor that has made this process so hard is the complete lack of information or changing information. It has been a joke and extremely frustrating.¹⁸⁴

- 4.3 Also speaking about changing information on the various destinations for job relocations, Ms Jackie Gerrard, another CFRC employee, said:

¹⁸² Submission 35, name suppressed, p 1.

¹⁸³ Submission 9, Ms Columbine Waring, p 2.

¹⁸⁴ Submission 29, Ms Donna Tugnett, p 2.

We feel like we are a pack of cards; they can deal out cards any way they like and that is where you land. It is nothing to do with people; it is all to do with funding or lack of funding and it is not helping families.¹⁸⁵

- 4.4** The Public Service Association made a similar point and suggested that the Government has considered the impact of staff only in terms of the minimum employment obligations:

The Government has considered the impact on staff only in the context of complying with their minimum obligations. They have willingly sacrificed employees' careers, or alternatively, that of their partner. The upheaval of their immediate family members serves only to sever community and support networks for this group of New South Wales public servants.¹⁸⁶

- 4.5** Another submission-maker described feelings of distress and substandard treatment:

As a staff member I have found this ordeal extremely distressing and felt we have been treated terribly and without compassion by the upper management or the Minister. ...

I find it unacceptable that the Minister hasn't met with staff, and has in fact publicly ridiculed us when we have tried to highlight our concerns through actions and protest. We have done so out of desperation, as our concerns have not been dealt with adequately.¹⁸⁷

- 4.6** On the other hand, some inquiry participants pointed to benefits to staff that can be gained from moving to regional areas.¹⁸⁸ Dr Richard Sheldrake, Director General of the Department of Primary Industries (the Department), drew on his own personal experience moving to Orange and observed that living in regional New South Wales is a positive experience and can lead to an improved lifestyle:

There are the obvious benefits to the staff. I mean, living in regional New South Wales is genuinely a good experience. The example that Dr Allan gave of someone moving from Sydney, being able to buy a larger property, a lifestyle block, lower mortgage was typical of the story when we moved to Orange. I was a case in point. So from the staff perspective there is that personal gain in improved lifestyle. In terms of work, you can literally be at work within minutes. If you live in most of these country towns the traffic is not that great and so productivity in terms of staff working and enjoying work is genuinely enhanced.¹⁸⁹

- 4.7** Mr Peter Bailey, Chief Executive Officer of the Foundation for Regional Development, suggested that in any decentralisation there would unavoidably be some grief among the staff affected but that this does not necessarily outweigh the wider community benefit to be gained from the relocation:

¹⁸⁵ Ms Jackie Gerrard, staff member, Evidence, 3 September 2012, p 55.

¹⁸⁶ Submission 44, Public Service Association of NSW, p 9.

¹⁸⁷ Submission 97, name suppressed, pp 5-6.

¹⁸⁸ Submission 39, the Hon Shelley Hancock MP, p 1; Submission 52, Shoalhaven City Council, pp 9-10; Dr Richard Sheldrake, Director General, Department of Primary Industries, Evidence, 6 August 2012, p 19; Submission 103, Mr Andrew Fraser MP and the National Marine Science Centre, p 1.

¹⁸⁹ Dr Sheldrake, Evidence, 6 August 2012, p 19.

It is always difficult when you are relocating people and departments. Sometimes there is some collateral damage and sometimes those things do not proceed, but I think in principle the relocation of people to regional areas, where the vast majority of New South Wales is apart from the population, is the right thing to do. You obviously had some grief with Fisheries but we think the decision is the right one.¹⁹⁰

4.8 Conversely, Mr Laurie Derwent, a former employee at Cronulla contended that the stress and frustration expressed by staff members were the result of more than just ‘grief’ at a disliked decision. He put this as follows:

This is different.

The differences are linked to:

- Knowing the decision is a bad act of government. By relying on false reasoning the Minister appears to be hiding facts that are very important to understanding why our lives have to be upturned.
- Seeing so many of our colleagues suffering: This is more akin to the experience of a natural disaster than the loss of a family member.
- The staff at Cronulla have had such strong commitments to the work, the objects of effective and sustainable fisheries management and commitment to our teammates. Time after time I have benefitted from working with people who put their heart and soul into their work. ...
- The fact that some couples working at the Cronulla Fisheries Centre stood to have their jobs moved to centres hundreds of kilometres apart.¹⁹¹

Employee entitlements

4.9 In its submission to the Inquiry, the Department described employee entitlements for staff who are relocating as ‘generous’ and pointed out that entitlements included a one off grant to help people to move:

For employees who do wish to be part of this project and who wish to continue to deliver valuable services to the NSW fishing community, generous entitlements are available under the *Crown Employees Transferred Employees Compensation Award 2009*.

Under the NSW Government’s incentive to relocate to regional NSW policy, one-off \$7,000 grants will be payable to individuals or families who relocate homes from Sydney to regional NSW and meet the criteria.

These entitlements are all designed to make the relocation process easier for the employees and their families.¹⁹²

4.10 The Committee was advised that a large proportion of CFRC staff are long-term temporary employees, including some with more than a decade of service.¹⁹³ Information provided to the

¹⁹⁰ Mr Peter Bailey, Chief Executive Officer, Foundation for Regional Development, Evidence, 10 September 2012, p 2.

¹⁹¹ Submission 43, Mr Laurie Derwent, p 5.

¹⁹² Submission 14, Department of Primary Industries, pp 8-9.

¹⁹³ Submission 73, Mr Peter Brown, Attachment 1, p 1; Mr Shane O’Brien, Assistant General Secretary, Public Service Association, Evidence, 3 September 2012, p 26; Answer to supplementary

Committee by the Department shows that in September 2011, 54 of 139 employees were temporary.¹⁹⁴

- 4.11** Mr Mark Paterson AO, Director General of the Department of Trade and Investment, Regional Infrastructure and Services, acknowledged that a feature of the CFRC's employment structure has been that a number of staff are on long-term temporary contracts:

It is obvious to me that a feature of Cronulla has been the engagement of some people on relatively long-term temporary contracts. That has been an issue that I understand has been outstanding for some time.¹⁹⁵

- 4.12** The announcement of the closure of the CFRC occurred a short time after an amendment to the Government's 'Managing Excess Employees Policy'. The amendment changed the entitlements of long-term temporary employees. This was a major concern among affected inquiry participants, staff representatives and the Public Service Association of NSW.¹⁹⁶

- 4.13** Mr Peter Brown, the staff representative on the Cronulla Fisheries Relocation Working Group, explained the situation as follows:

Up to half the staff at the Cronulla Fisheries Research Centre of Excellence are classified as temporary employees under the Public Sector Employment and Management (PSEM) Act including some with over 20 years service.

Many of these staff qualified for appointment as permanent officers under the PSEM Act and the department has failed to make these staff permanent including the active denial of applications to make these staff permanent. ...

Since the government made changes to the Managing Excess Employees Policy effective August 2011 (1 month before the announcement regarding Cronulla) a staff member's status as a permanent or temporary can have a profound effect on their severance/redundancy entitlements. Prior to the change, temporary and permanent staff qualified for roughly the same entitlement.¹⁹⁷

- 4.14** Mr Shane O'Brien, Assistant General Secretary of the Public Service Association, informed the Committee that staff who cannot relocate would receive minimum entitlements:

In relation to staff entitlements, I feel it is incumbent upon me to advise this Committee that there is nothing in excess of the minimum entitlement to staff on offer, despite some of the public statements that have been made. The Government

question 3 September 2012, Mr Peter Brown, staff representative on the Cronulla Fisheries Relocation Working Group, Question 1, p 1.

¹⁹⁴ Answers to supplementary questions 6 August 2012, Dr Richard Sheldrake, Director General, Department of Primary Industries, Attachment, email from Ms Jeannine Biviano to Dr Richard Sheldrake dated 5 September 2011.

¹⁹⁵ Mr Mark Paterson AO, Director General of the Department of Trade and Investment, Regional Infrastructure and Services, Evidence, 10 September 2012, pp 39-40.

¹⁹⁶ Submission 44, pp 7-9; Submission 45, name suppressed, p 5; Mr O'Brien, Evidence, 3 September 2012, p 26; Answer to supplementary question 3 September 2012, Mr Brown, Question 1, p 1; Ms Laura Seymour, Fisheries Management Officer, Evidence, 3 September 2012, p 53; Ms Donna Tugnet, staff member, Evidence, 3 September 2012, p 63.

¹⁹⁷ Answer to supplementary question 3 September 2012, Mr Brown, Question 1, p 1.

has refused to implement any discretion in favour of affected staff with regard to how they are treated and the relocation.¹⁹⁸

- 4.15** Long-term temporary employees expressed dismay at the entitlements they have been advised that they would receive. For example, Ms Laura Seymour, a Fisheries Management Officer temporarily employed at the CFRC for approximately six years explained that:

As a long term temporary employee I am frustrated beyond what I can bear. I meet all the criteria under section 31 of the *Public Sector Employment and Management Act 2002*, for becoming a permanent employee as do many temporary staff on site. But that recognition is ignored by my employer. To add insult to injury, positions have been advertised as permanent in the new Nowra location.¹⁹⁹

- 4.16** As noted earlier, Mr Paterson noted that many staff have been employed on long-term temporary contracts. He explained that he has offered those staff permanent positions at new regional locations:

As we have moved through this process of change I have exercised a discretion available to me to permanently appoint long-term temporary people as part of the transfer arrangements. So, there are things that have been settled. People who were occupying long-term temporary positions at Cronulla have been able to secure permanent employment as part of the change.²⁰⁰

- 4.17** However, Mr Brown noted that the offer of a permanent role is only for those moving to regional locations, not those staying in metropolitan Sydney. Nor, he observed, would long-term temporary employees receive a payout commensurate with what they would have received had the decision been announced a few months earlier. In this regard Mr Brown recommended the following course of action:

For temporary staff being declared excess, direct that the department ensure a restoration of the severance entitlements applicable prior to the change of the Excess Employees Policy in August 2011. Failing that, direct the making of an ex-gratia payment to those staff suffering a monetary loss as a result of the policy change given its proximity to the decision to close Cronulla.

For temporary staff relocating, including those relocating within Sydney, direct an immediate re-assessment of their employment status with a view to making them permanent officers and applying the spirit and intent of the relevant guidelines rather than seeking to circumvent them.²⁰¹

- 4.18** Some stakeholders informed the Committee that advice regarding the entitlements for long-term temporary employees was not consistent. For example Ms Tugnett said that she was initially told she would get a severance pay of 35 weeks but was later told she would get less than half of this amount:

At one of the early meetings it was made clear that temporary staff will be looked after. We were told that if we could not relocate we would be given a severance pay,

¹⁹⁸ Mr O'Brien, Evidence, 3 September 2012, p 14.

¹⁹⁹ Ms Laura Seymour, Evidence, 3 September 2012, p 53.

²⁰⁰ Mr Paterson Evidence, 10 September 2012, pp 39-40.

²⁰¹ Answer to supplementary question 3 September 2012, Mr Brown, Question 1, p 1.

which would just be under the redundancy for a permanent staff member. Soon after this meeting it was discovered that this was not the case whatsoever. The severance pay for me which was going to be capped at 35 weeks was now to be capped at 16 weeks. Advice in regards to severance payments has changed numerous times. Our contact person advised me in April that severances were completely different to redundancies. I was not required to pay a severance back should I obtain another position in the New South Wales public service. “You should be right”, was their response.²⁰²

Career implications

- 4.19** A concern raised by some inquiry participants was that there are limited future employment opportunities for research staff who are unable to move to new locations. This is because there are few alternative employers for such specialist researchers.²⁰³ Dr Steve Montgomery, until recently a Principal Research Scientist at the CFRC, gave evidence that:

... [w]hen the department says, “We are moving you”, scientists have one of three options. They can move with their position to the country, they have to move interstate if they want to pursue the same career, or they look for a new career ... That does not just impose upon that person. It imposes upon their families where both people have careers and suddenly you are going home and you are talking to your partner about whether you change your career, she changes her career or you break relationships.²⁰⁴

- 4.20** Mr O’Brien expressed a similar view that people are being forced to decide between losing their career and disrupting their family:

... each worker is being forced by the Government to end their career or alternatively in most cases to disrupt their family or their partner’s career, their children’s schooling and their community networks to save their career.²⁰⁵

- 4.21** Dr John Stewart described his disappointment and anger at the decision to close the CFRC. Both he and his wife, Dr Veronica Silberschneider, are scientists at the CFRC and with few alternative job opportunities for marine scientists, he expressed his concern over their family’s future:

I am a senior research scientist and I work mainly on the fisheries stock assessments, while my wife, Dr Veronica Silberschneider, is a well-respected scientist who currently manages the commercial ocean trap and line fishery. We both love our jobs and we are very good at what we do. As a married couple, who both have quite specialised careers, we represent a unique situation regarding the impact that this decision has on families. You need to know that the State Government is the only employer of our quite specialised professions and that the decision to close Cronulla is forcing people

²⁰² Ms Tugnett, Evidence, 3 September 2012, p 63.

²⁰³ Submission 3, Ms Tanya Briggs, p 1; Submission 6, Dr Alastair Grieve, p 1; Submission 40, name suppressed, p 1; Dr John Stewart, scientist at the Cronulla Fisheries Research Centre of Excellence, Evidence, 3 September 2012, p 66.

²⁰⁴ Dr Steve Montgomery, former Principal Research Scientist, Cronulla Fisheries Research Centre of Excellence, Evidence, 3 September 2012, p 62.

²⁰⁵ Mr O’Brien, Evidence, 3 September 2012, p 13.

like us to choose between their careers and their families. This is clearly callous, if nothing else.

I have been saddened, shocked and disappointed in the decision to totally close Cronulla fisheries. In fact, I am very, very angry about it. I am angry that what is purely a politically driven, ill-informed, wasteful and clearly bad decision has been made that threatens the careers of both my wife and me. It therefore threatens my entire family's income and so directly threatens the security, lifestyle and upbringing that we want for our children. The whole situation is outrageous.²⁰⁶

- 4.22** In addressing the public forum, Dr Douglas Rotherham, until recently a senior research scientist at the CFRC, outlined to the Committee his early desire to become a research scientist at Cronulla and the 'successful and productive' career he enjoyed there. He described the 'devastating realisation' that because he was unable to relocate and that the work he began at the CFRC would not be completed. He said that this left him feeling as though seven years of his life had been 'a complete waste of time':²⁰⁷

Much of my work focused on the design and implementation of fishery independent research surveys in estuaries of New South Wales and examining the costs and benefits of different sources of data for improving assessment and management. This novel research was supported at a Federal level by two large and consecutive grants from the Australian Research and Development Corporation totalling more than \$1.6 million. Unfortunately, the decentralisation forced me to abandon this work before completion as I was unable and unwilling to relocate to Port Stephens. It is now extremely unlikely that this work will be finished. Much of the intellectual property required to complete the crucial component of the research lies with me and external project collaborators, and the capacity of the department has been obliterated.

So not only have I lost my career but the last seven years of my life would seem to be a complete waste of time. This was a devastating and heartbreaking realisation and it is something that I still struggle with now. It should not have ended this way.

- 4.23** In his submission Dr Montgomery referred to a 1987 decision of the Industrial Relations Commission which recognised the unique elements of work conducted by staff at the CFRC. In his decision Justice Bauer referred to 'findings of fact' that, among other things, 'the fisheries research group is very specialised, that specialisation being to the advantage of the employer and is such that alternative employment in this area is very restricted'.²⁰⁸
- 4.24** Dr Montgomery observed that in the proposed 1986 relocation examined by the Industrial Relations Commission:

The expertise of scientists at the CFRC has been recognised in the NSW Industrial Commission. In 1986 the NSW Department of Agriculture relocated staff of NSW Fisheries from the city to the present site of the CFRC without the offer of any

²⁰⁶ Dr Stewart, Evidence, 3 September 2012, p 66.

²⁰⁷ Dr Douglas Rotherham, former scientist at the Cronulla Fisheries Research Centre of Excellence, Evidence, 3 September 2012, p 58.

²⁰⁸ *Re Crown Employees (Scientific Section, Fisheries Division, Department of Agriculture – Relocation Compensation) Award* [1987] 21 IRJ 100 per Bauer J citing the 1986 interim judgment on findings of fact: *Re Crown Employees (Scientific Section, Fisheries Division, Department of Agriculture – Relocation Compensation) Award* (1986) 16 IR 458.

compensation for relocation disturbances. The NSW Public Service Association representing staff of NSW Fisheries took the NSW Department of Agriculture to arbitration. Justice Bauer in handing down his decision in 1987 based much of his reasoning around the fact that scientists at NSW Fisheries were a specialist group and that the NSW government was the sole employer of people with these skills in NSW. To pursue their careers staff had no option but to relocate with their positions or, seek a position with another organisation doing similar research but this would be interstate or overseas. The same circumstance exists today.²⁰⁹

Shire community

- 4.25** The Committee heard from members of the Sutherland Shire community who were opposed to the CFRC closure. When asked what was the reaction to the closure in the Sutherland Shire, Cr Carol Provan, then Mayor of the Sutherland Shire Council replied:

Extremely disappointed. The residents are very concerned. They held many rallies and tried to do everything they possibly could to get an audience with the Minister to put our case forward.²¹⁰

- 4.26** For example, local resident Mr Karl Becker felt that the CFRC is an iconic institution in the Shire and recalled having visited the CFRC both as a child and as an adult, as have many of his friends. He made the following statement in his submission:

... I am writing this because I believe that thousands of Shire residents would have had an association with the fisheries. I distinctly remember, as a seven year old first moving to a residence on Gunnamatta Bay, finding a plastic bag marked return to fisheries. This I did and remember the same friendly welcome and a brief explanation of the research into the deposition of material by tides. Whenever we caught a tagged fish or caught a fish we could not identify or found something strange in the water it was always off to the fisheries. This was the same with our mates. The Cronulla fisheries for us were a Cronulla icon. Everyone knew about the fisheries -where they were located and what they were about. We felt that our beautiful Port Hacking was being looked after by a scientific body not steeped in secrecy, but open and friendly to anyone who approached its staff.

I, like so many in the Shire whose lives are in different ways interconnected with the fisheries and their research, would be devastated to see the Cronulla fisheries closed. I know nothing of substance of the politics or economic considerations involved in making a decision re the Cronulla fisheries. All I know from personal experience is that sometimes an institution can have far more impact on the lives of people even slightly connected with it than is immediately apparent. Such is the case for the Cronulla fisheries.²¹¹

- 4.27** As evidence of the strength of community feeling on this issue, several inquiry participants referred to a petition with more than 19,000 signatures opposing the closure and asking the

²⁰⁹ Submission 101, Dr Steven Montgomery, pp 6-7.

²¹⁰ Cr Carol Provan, then Mayor, Sutherland Shire Council, Evidence, 3 September 2012, p 4.

²¹¹ Submission 41, Mr Karl Becker, p 1.

Legislative Assembly to reverse the decision and retain all services and staff at the site.²¹² That petition was tabled in the Legislative Assembly on Tuesday 11 October 2011 by Mr Mark Speakman MP, Member for Cronulla.

Loss of scientific expertise

4.28 The implications for marine science arising from the closure of the CFRC were among the most ardent concerns that stakeholders put to the Committee. Inquiry participants argued that splitting up a research team and the loss of the researchers who are unable to move is a significant loss to marine science. They said that this severely compromises the New South Wales Government's capacity to undertake sustainable fisheries management.

Relocation of scientists

4.29 Indications to the Committee have been that many of the marine scientists at the CFRC are unable to relocate and as such would accept redundancies and seek alternative employment or retire. For example, Dr Kevin Rowling, Principal Scientist of Commercial Fisheries Research at the CFRC, advised the Committee that nine of the 15 scientists involved in fish stock management will have left NSW Fisheries by December, and that this will have serious implications for sustainable fisheries management.²¹³

4.30 The Committee heard from a number of stakeholders that the sudden and contemporaneous departure of a number of the State's leading marine scientists would have significant implications for fisheries management and throw succession planning into disarray. For example, Dr James Scandol, a former employee at the CFRC, wrote in his submission that the loss of a number of research staff at once would leave a gap in scientific knowledge the effects of which would be felt for years to come:

... there are numerous staff from the Cronulla Fisheries Research Centre of Excellence who will either move on from fisheries or retire when the Centre closes. The loss of this depth of understanding of the complex issues in NSW fisheries will be felt for years. Incremental turnover of experienced staff is inevitable and healthy for an organization, but the departure of a significant number of experienced people at the same time will be damaging to fisheries science and management in NSW.²¹⁴

4.31 In answers to supplementary questions, Mr Paterson informed the Committee that most scientific staff who were listed to move to Port Stephens had said that they would not make the move:

Of the reported 40 scientific staff at Cronulla, 14 had Port Stephens as their destination, this included two administrative/clerical staff, one laboratory manager and one aquaria manager. Currently two staff have already transferred to Port

²¹² Submission 15, Ms Melissa Murray, p 2; Submission 25, Mr Mark Speakman MP, p 3; Submission 53, Mr Michael Ives, p 2; Submission 55, Ms Rosalyn Goddard, p 1; Submission 57, Mr Rodney M Hulme, p 2.

²¹³ Dr Kevin Rowling, Principal Scientist, Commercial Fisheries Research, Evidence, 3 September 2012, p 56.

²¹⁴ Submission 24, Dr James Scandol, p 2.

Stephens, including one with 14 postgraduate students. Another two of the 14 have transfers pending.²¹⁵

- 4.32** One of the scientists unable to relocate is the Professor Steve Kennelly, the Director of the CFRC and former Chief Scientist of the Department of Fisheries and the Department of Primary Industries. He was initially advised that his position would be transferred to the Sydney Institute of Marine Science (SIMS) at Mosman but that destination later changed to Port Stephens. He is unable to relocate to Port Stephens.²¹⁶ Professor Kennelly was asked by the Committee to outline his experience and qualifications and gave the following summary:

I have a Bachelor of Science with Honours from the University of Sydney. I have a PhD from the University of Sydney. I have a Doctor of Science degree from the University of Sydney. The Doctor of Science degree, I am not sure if you are familiar with it, is a very prestigious degree—there are not many of them given out. It is an earned degree which is quite rare. I think there are about four people in Australia that hold a Doctor of Science degree in Marine Research. I think three in fisheries-related work, and I have got one of those. Another one was given to one of my former students who actually works at Coffs Harbour. I put him at Coffs Harbour, so that was pretty nice.

I have been with the department for 25 years. I was Chief Scientist for the Department of Fisheries for 11 of those years. I was Chief Scientist for the Department of Primary Industries, which included all of agriculture, forestry and mining research from 2004 to 2011, seven years. I am now Director of Research for NSW Fisheries. I have also worked for a variety of organisations internationally, most recently for the United Nations Food and Agriculture Organisation in Rome where I was seconded for six months to help them develop a particular piece of policy around trying to reduce discards and wastage in fisheries in developing countries where fish protein is a major source of protein. It is a really big issue in terms of trying to feed the millions. I travelled to West Africa, Madagascar and places like that to try to improve the lot of those countries in terms of their protein availability. That is my background, if you like.²¹⁷

- 4.33** The Committee notes that the position of Chief Scientist was abolished shortly after the decision to close the CFRC, and therefore Professor Kennelly's services were no longer required in this role. The Committee is not aware of the reasons for abolishing the position.
- 4.34** The effect that the loss of scientific staff would have on succession planning was raised by several stakeholders.²¹⁸ The Committee heard that although some scientists were nearing retirement, there had been plans in place for their knowledge to be transferred to younger scientists over time and that their sudden redundancy has halted that succession.

²¹⁵ Answers to supplementary questions 10 September 2012, Mr Mark Paterson AO, Director General, Department of Trade and Investment, Regional Infrastructure and Services, Question 11, p 14.

²¹⁶ Professor Steve Kennelly, Director of Research, Fisheries NSW, Director of the Cronulla Fisheries Research Centre of Excellence, Evidence, 3 September 2012, p 20.

²¹⁷ Professor Kennelly, Evidence, 3 September 2012, p 15.

²¹⁸ See, eg, Professor Kennelly, Evidence, 3 September 2012, p 23; Submission 101, p 4; Professor Charles Gray, Research Leader, Wild Fisheries Unit, Cronulla Fisheries Research Centre of Excellence, Evidence, 3 September 2012, pp 59-60.

- 4.35** Professor Kennelly provided an example of the lead crustacean scientist at CFRC who has accepted a redundancy as a result of the decision and subsequently his potential successors have also left:

I am concerned about the recent loss of our head crustacean scientist, who recently took redundancy. Also, we had a couple of younger scientists who were mentoring to fill those roles as the head crustacean scientist got close to retirement. They also took opportunities and have recently left the department so I am quite concerned about our scientific advice associated with all crustaceans except for lobsters—we still have Geoff Liggins who is our great lobster scientist—but all our other crustacean fisheries, which are really quite substantial and are the most valuable in the State—king prawns and school prawns and so on and all our crab fisheries. We are going to fall down on that, I think, because we have lost some pretty significant expertise. Dr Steve Montgomery has recently announced his departure and he had 37 years of experience. We were bringing some younger scientists up through the grades to take on that role and they also left, so we are a bit cornered there.²¹⁹

- 4.36** While acknowledging the merit of efforts to boost regional economies, the Australian Society for Fish Biology suggested that the complete closure of the CFRC would have ‘significant and wide-reaching effects for fisheries research and extension in NSW and more broadly within Australia’.²²⁰ The South West Anglers Association took this view further and questioned whether New South Wales was to ‘witness the greatest brain drain in NSW fisheries history’.²²¹

- 4.37** Dr Alastair Grieve, speaking in his private capacity as a scientist, but formerly Chair of the NSW Research Scientists Committee, observed that research scientists are not easily replaced and to lose them would be a mistake:

There is a tendency to view scientists as just other public servants, people who can be quickly and easily replaced—perhaps even more cheaply. While it is true that nobody is irreplaceable, it is also true as we have heard that experienced scientists are a repository of enormous knowledge and information, which has been acquired at great public and personal expense. To disregard that or to lose it arbitrarily would seem to be the height of folly.²²²

- 4.38** Similarly, the Australian National Sportfishing Association expressed the opinion that the loss of talent could not be readily replaced and would have serious implications for fisheries management:

The loss of such a large number of people and their combined expertise and talent will have dramatic implications for the management of our state fisheries and the vast number of research projects also being undertaken at Cronulla. These people cannot be replaced quickly and will set back NSW Fisheries to the sad situation that prevailed in the eighties when there was a major exodus of staff and expertise as a consequence of a prior decentralisation exercised which failed miserably.²²³

²¹⁹ Professor Kennelly, Evidence, 3 September 2012, p 24.

²²⁰ Submission 32, Australian Society for Fish Biology, p 4.

²²¹ Submission 34, South West Anglers Association, p 1.

²²² Dr Alastair Grieve, Director, Scientific and Environmental Services Pty Ltd, Evidence, 3 September 2012, p 31.

²²³ Submission 69, Australian National Sportfishing Association, p 1.

- 4.39** Dr Jane Williamson from Macquarie University advised the Committee that, in her view, the closure of the CFRC amounts to a regression for fisheries research and that signs of this can already be seen:

The proposed closure of the CFRCoE is a backward step towards research and management of our fisheries resources. Such a closure will result in a reduction of knowledge base through the attrition of scientists associated with the institution and a reduction in fisheries-facilities in general. The CFRCoE is one of the oldest fisheries research institutions of its kind and has benefited greatly from long-standing collaborations with scientists from other organisations such as external research institutions and universities. Current steps towards the closure are already causing a cohesive and productive group of internationally recognised fisheries scientists to disband, which will have inevitable negative flow on effects to these long-standing collaborations.²²⁴

- 4.40** Despite these concerns, in his submission, Mr Peter Dundas-Smith, a member of the fishing community, expressed the view that the loss of scientific expertise was a problem that could be overcome through external recruitment:

There would be some loss of expertise but this often occurs through resignations and redundancies albeit the number in this case would be greater. However, I would think that in the medium term, positions would be filled from other institutions and graduates. Further... expertise can be sourced externally if necessary in the short term.²²⁵

- 4.41** Mr Graeme Byrnes, the former Deputy Chairman of the Seafood Industry Advisory Council and member of the Professional Fisherman's Association, stated that although it would be regrettable to lose experienced scientists, their knowledge is, in his view, not irreplaceable:

Firstly, I do not know whether there is going to be a complete loss. I agree that someone having that extent of experience in research if they all left that would not be a good thing. ... As someone once said to me: If someone falls off their perch it does not mean the fishery falls over, but, at the same time, cemeteries are full of indispensable people. I would like to be able to keep as many of those researchers as possible, but in terms of there being a number that leave, or even if they all left, that would not be a critical flaw in fisheries management or research arrangements.²²⁶

- 4.42** Similarly, Mr Ken Thurlow, Chief Executive Officer of Ecofishers NSW stated '[w]e do not believe any loss of scientific expertise will impact negatively upon sustainable fisheries management'.²²⁷

²²⁴ Submission 61, Dr Jane Williamson, Macquarie University, p 1.

²²⁵ Submission 104, Mr Peter Dundas-Smith, p 2.

²²⁶ Mr Graeme Byrnes, former Deputy Chairman of the Seafood Industry Advisory Council and member of the Professional Fisherman's Association, Evidence, 10 September 2012, p 9.

²²⁷ Mr Ken Thurlow, Chief Executive Officer, Ecofishers NSW, Evidence, 3 September 2012, p 43.

International reaction to the closure

- 4.43** Concerns about the closure of the CFRC and the potential loss scientific expertise have been raised by the international community. Dr Dennis Reid, a retired research scientist with the CSIRO remarked:

Marine scientists from around the world were stunned at the news of the closure decision, and many of these made detailed submissions to the NSW Minister for Primary Industries, pleading for a rethink of the closure decision.²²⁸

- 4.44** Indeed, the Committee has been forwarded correspondence addressed to the Hon Katrina Hodgkinson MP, Minister for Primary Industries, from senior international academics expressing concern that the closure of the CFRC is a significant loss to international science and imploring the Minister to reconsider her decision. The authors of these letters included academics from Brazil, Canada, Iceland, Ireland, Germany and the United States as well as representatives from the Inter-American Tropical Tuna Commission, the United States Department of Commerce National Oceanic and Atmospheric Administration and the United Nations Food and Agriculture Organization.²²⁹

- 4.45** For example, Dr Martin A Hall, Head of Bycatch Programs for the Inter-American Tropical Tuna Commission expressed the following view:

Australia as a country is one of the world leaders in the development of sustainable fisheries. I believe centers such as the Cronulla lab are one of the reasons why other countries look at Australia in the search for effective ways to improve their fisheries. Putting together the scientific and technical research needed to inform management requires the type of institution that the Cronulla Center is. I have always thought that other countries should copy the model of the Cronulla Center, and would feel a sense of deep loss if one of the few countries that have shown the ability to put their act together suddenly begins to dismantle what I thought were the basic institutions to make the system work.

I apologize again for offering an unrequested opinion of what is a domestic Australian issue, but I wanted you to be aware when you make your decision that there will be negative consequences for fisheries and marine ecosystems not only in your country, but also beyond your borders.²³⁰

- 4.46** Australian scientific institutions and senior researchers have also written to the Minister opposing the closure of the CFRC on the basis of the potential loss to science. These included the Australian Academy of Science, the Australian Marine Sciences Association, as well as academics from Macquarie University, the University of Canberra and the University of New South Wales.²³¹

²²⁸ Submission 62, Dr Dennis Reid, pp 3-4.

²²⁹ Submission 96, Save Cronulla Fisheries Team, Attachment, pp 45-81, copies of letters to Minister Hodgkinson from overseas scientists and others objecting to the closure.

²³⁰ Submission 96, Attachment, pp 45-46, letter from Dr Martin A Hall, Head of Bycatch Programs, Inter-American Tropical Tuna Commission, to Minister Hodgkinson, 11 September 2011.

²³¹ Submission 96, Attachment, pp 45-81, copies of letters to Minister Hodgkinson from overseas scientists and others objecting to the closure.

Impact on marine science

4.47 Scientists and a number of others who gave evidence to the inquiry were adamant that the closure of the CFRC would damage fisheries science in New South Wales and compromise sustainable fisheries management.²³² Some stakeholders questioned whether proposed locations were suitable for the transfer of the CFRC's research functions.

Suitability of other locations

4.48 Employees involved in scientific research have been offered jobs at Port Stephens Fisheries Institute, the Sydney Institute of Marine Science (SIMS) at Mosman and the National Marine Science Centre at Coffs Harbour.²³³ The submission from the Department highlighted the excellent quality of scientific facilities at these centres and pointed to perceived deficiencies of the CFRC.²³⁴

4.49 Stakeholders did not dispute that Port Stephens Fisheries Institute, SIMS and the National Marine Science Centre house excellent scientific facilities and staff, however, there was disagreement as to whether those research facilities could replicate the work being undertaken at the CFRC.²³⁵ A prevalent concern was the water quality at the different sites. The Save Cronulla Fisheries Team described the key issue as follows:

The critical issue is simple:

- Cronulla is NSW's research site for all work done on salt water (marine) species;
- Narrandera is NSW's research site for all work done on fresh water species; and
- Port Stephens is NSW's research site for all work done on brackish water species (ie species that live in water that is between salt and fresh)

These roles are based predominantly on the location of each site and their water supply. The vast majority of species managed by the NSW government are marine species, which is why the Cronulla Facilities are so important. We could add salt to the water at Narrandera and Port Stephens and try to pretend to do science there on marine species – but it would be invalid science. ... The conclusion is that NSW needs all these research stations to meet our obligations under the NSW legislation and international agreements.²³⁶

4.50 Professor Kennelly confirmed that SIMS Mosman has excellent laboratory facilities including 'PC2 laboratories' but that these laboratories are not required for the research that is conducted at the CFRC:

²³² Submission 60, Professor Iain Suthers, University of New South Wales, pp 1-2; Submission 61, p 1; Submission 64, Australian Marine Science Association, New South Wales Branch, p 2; Submission 69, p 1; Dr Matt Ives, staff member, Evidence, 3 September 2012, p 57.

²³³ Submission 14, pp 10-11.

²³⁴ Submission 14, pp 11-12.

²³⁵ Submission 8, Sutherland Shire Council, p 1; Submission 32, p 4; Submission 84, name suppressed, p 1; Submission 89, Ms Alex Schnell, pp 1-2.

²³⁶ Correspondence from the Save Cronulla Fisheries Team to Committee, 11 October 2012, p 3.

The other thing about the SIMS thing is that there are really good laboratories there. They have some good physiological laboratories but we do not do that sort of research. We do not do PC2 required laboratories and if we did we would use the ones at EMAI [the Elizabeth Macarthur Agricultural Institute at Menangle]. We have just built \$53 million worth of state-of-the-art facilities [at EMAI].²³⁷

- 4.51** A PhD candidate undertaking research at the CFRC, Ms Teagan Marzullo, described how her research project on stingrays is uniquely suited to the CFRC. Ms Marzullo's research requires that she captures and holds live stingrays in captivity to run her experiments. She expressed the view that other facilities do have the capacity to hold stingrays:

Stingrays are a large cartilaginous fish species (up to 40cm width), and require sufficient space to prevent stress resulting from over-crowding. Cronulla Fisheries Research Centre of Excellence is the only facility that has such a large aquarium animal capacity. The facility has a very large pool (I currently occupy 40,000L of space), alongside multiple 4000L circular tanks (~14), in addition to a few of 1000L tanks (I occupy 2 of these tanks), and ~32 small, circular >160L tanks (I currently occupy 12). My research is ongoing, and I require my animals to remain here until next year. Furthermore, I have preliminary results that have prompted further investigation, inevitably meaning I am looking to use the facility continuously next year to perform this research. Without this facility, this research cannot be carried out.²³⁸

- 4.52** Expressing a contrary view, Dr Geoff Allan, Executive Director of Fisheries NSW, said that the proposed locations are well-equipped to cope with the new staff and functions and 'may even have some advantages' over the CFRC.²³⁹ Nevertheless, Dr Allan conceded that some work would still need to be done to ensure the same work could be undertaken at the new locations:

At Port Stephens we have a lab that serves similar functions; it is not exactly the same but it was designed by the same staff and we have commissioned an extension to that lab to make it even more specific for the work that is done at Cronulla and they will probably go to that next week for that work.²⁴⁰

- 4.53** The Committee was informed by the Department that in order to accommodate the CFRC research, both the Port Stephens Fisheries Institute and SIMS would have to renovate and reconfigure their facilities.²⁴¹ Even then, some stakeholders argued that substantial aspects of the CFRC research could not be adequately accommodated. For example, one submission-maker observed:

The belief that facilities currently at CFRC can be replicated at other sites is spurious. Merely the one example of the CFRC Aquarium facilities which currently include a large in-ground pool (tank) without steel reinforcing will not be possible to replicate elsewhere. This facility is unique in that experiments with electrodes and or magnetic

²³⁷ Professor Kennelly, Evidence, 3 September 2012, p 20.

²³⁸ Submission 72, Ms Teagan Marzullo, pp 1-2.

²³⁹ Dr Geoff Allan, Executive Director, Fisheries NSW, Evidence, 6 August 2012, p 18.

²⁴⁰ Dr Allan, Evidence, 6 August 2012, p 6.

²⁴¹ Dr Allan, Evidence, 6 August 2012, p 6; Submission 26, Mr Tom Barker, p 1.

bycatch mitigation measures can be conducted without fear of data contamination through the faraday cage affect through steel reinforcing in walls of 'modern' pools.²⁴²

- 4.54** In addition, Dr Sheldrake also confirmed that some experiments would need to be 'redesigned' in order to be carried out at the new locations.²⁴³
- 4.55** On its site visit to SIMS, the Committee was informed that the scientists that transferred to Mosman would be sharing laboratory space with students and, like the students, would have to book lab space when needed. This arrangement was put to Professor Kennelly who said that it was less than ideal:

That is news to me. I would not say that that is ideal if that is the case. ... Security is one thing. ... When you walk away from a bench and leave your stuff there you want it to be there when you come back. You do not want someone to have moved it elsewhere so they can get access to the microscope.

Sometimes we do not know when we are going to go into the field because of weather. A commercial fisherman may say he can go tomorrow and you return in the afternoon. You need to have that space. Sometimes we need space at Cronulla in the middle of the night when you come back in from being at sea and you cannot wait until the next day or until some booking arrangement says you can get access to that bench. I am really surprised that that is going to be the system there.²⁴⁴

- 4.56** In relation to the Port Stephens Fisheries Institute, concerns raised by stakeholders include the water quality (considered below in relation to wild fisheries research) and that the Institute is in a flood prone location.²⁴⁵ The National Parks Association of NSW, Nature Conservation Council of NSW Australian Marine Conservation Society, Humane Society International noted that the Port Stephens Fisheries Institute was inundated in June 2012.²⁴⁶ In answers to supplementary questions from the Committee, Mr Paterson declared that '[a]ccess via the access road for the Port Stephens Fisheries institute and the Cronulla Fisheries Centre has never been restricted because of tidal inundation.'²⁴⁷ Mr Paterson elaborated that the Port Stephens Fisheries Institute is bordered by wetlands but that this does not restrict access to the site:

Access to some areas within the area of land bordered by the pisciculture reserve at Port Stephens Fisheries Institute are restricted because of protected wetlands, including saltmarshes, but access to the areas that are developed and where future buildings are indicated in the Site Development Plan for the Port Stephens Fisheries Centre 2007 ... is not restricted by topography, "swamp land or muddy soil".²⁴⁸

²⁴² Submission 84, p 2.

²⁴³ Answers to supplementary questions 6 August 2012, Dr Sheldrake, Question 7, p 2.

²⁴⁴ Professor Kennelly, Evidence, 3 September 2012, p 24.

²⁴⁵ Submission 8, p 5; Submission 69, p 2; Submission 70, National Parks Association of NSW, Nature Conservation Council of NSW Australian Marine Conservation Society, Humane Society International, p 2.

²⁴⁶ Submission 70, p 2.

²⁴⁷ Answers to supplementary questions 10 September 2012, Mr Paterson, Question 13, p 16.

²⁴⁸ Answers to supplementary questions 10 September 2012, Mr Paterson, Question 12, p 15.

Shark research

4.57 Shark research is planned to move from the CFRC to SIMS at Mosman. There is agreement among stakeholders that the CFRC shark research is Sydney-specific and thus needs to continue at a Sydney site, but the Committee heard that SIMS is not set up to facilitate shark research.²⁴⁹

4.58 In addressing the Committee's public forum, the lead scientist on shark research at the CFRC, Dr Vic Peddemors, outlined the strengths of the CFRC for this type of research. He expressed concern about carrying out his research at other locations, including that at Cronulla sharks can be brought directly from the ocean into the facility:

Cronulla is unique in that it allows us to access large animals from the shark meshing program, for example, where we can bring them straight from a deep-water jetty back to the freezer. ... You will realise this is a unique site to be able to do that work, to be able to dissect large animals, to string them up, get the weights, et cetera. That has never been done before. That facility is not available anywhere else in Australia. It is incredibly important from my perspective as a shark biologist to maintain that site.²⁵⁰

4.59 Dr Peddemors further observed that the aquaria at the CFRC is especially important for shark research involving magnets. The Committee heard that because the aquaria at the CFRC is built out of sandstone, it can house experiments involving magnetic currents without interfering with them in the way that metal reinforced aquaria would. Dr Peddemors explained that experiments involving magnets are being conducted to determine whether an electric shock shark-repelling device would be effective:

... I think we are in a new era of shark research and shark management. Some of you may be aware and may have heard of our research working with magnets, for example, to reduce the impact of fishing activities on elasmobranchs, on sharks, particularly on endangered species like grey nurse sharks, et cetera. That work would not be possible in any other facility in Australia other than in the aquarium at Cronulla.

The reason is it is built out of sandstone, it has got no reinforcing in it and it is what we know as the Faraday effect. Basically, the steel reinforcing causes complications in the magnetic or electrical waves that emanate from the source, whether it be a magnet or whether it be an electric shock repelling device. In turn, that has an effect on the specialised organs—the ampullae of Lorenzini—in the shark's snout. It reiterates how critical it is that we do not lose these facilities, not only for my research, but for my research of Australian researchers trying to reduce the negative impacts of fishing operations on highly susceptible animals like sharks. I can assure you that around the world very few captive facilities exist. As I said earlier, there are none in Australia where this work can happen.²⁵¹

4.60 When questioned about the continuation of shark research, Dr Allan confirmed that ensuring the ongoing progression of this research was a priority and this was the justification for relocating this research to another facility within Sydney.²⁵²

²⁴⁹ See, eg, Submission 38, name suppressed, p 3; Dr Vic Peddemors, scientist at the Cronulla Fisheries Research Centre of Excellence, Evidence, 3 September 2012, p 68.

²⁵⁰ Dr Peddemors, Evidence, 3 September 2012, p 68.

²⁵¹ Dr Peddemors, Evidence, 3 September 2012, p 68.

²⁵² Dr Allan, Evidence, 6 August 2012, p 8.

- 4.61** On its site visit to SIMS, the Committee observed that the facility is located near a popular swimming beach, a restaurant and café. Stakeholders observed that pulling sharks from the water at this location could unduly distress the public. Professor Kennelly added that access to the waterfront is limited as permission must be sought from the Navy which owns that area:

[SIMS Mosman] does not have good access to the waterfront. There is a nice waterfront but you have to get permission off the Navy, which owns it. There are problems with the Navy giving access to that. At Cronulla you would have seen the big shark crane. We bring dead sharks up and wheel it around and cut them open and do all sorts of smelly things to them. It is also a fairly controversial thing about our work down there. We try to keep it out of the public eye as much as possible, bringing in big white pointer sharks off the beaches of Cronulla and Wattamolla and down the coast. We do not want the public necessarily seeing all these man eaters swimming around. It can scare people. So we try to be mindful of that. In SIMS there is a restaurant, a café and a dive shop. It is a very good restaurant but there are a lot of people sitting there. You do not want to be bringing sharks up there. ... You cannot be bringing sharks up right there. It would end up in the papers.²⁵³

Wild fisheries and fish stock research

- 4.62** The Department's submission stated that wild fisheries research would be reorganised into new groups at different locations following the relocation, and that each group would be led by senior research scientists:

Wild fisheries research will be reorganised into new groups following the relocation. These groups will be: stock assessment, sharks, surveys, enhancement and gear technology. Leadership of each group from experienced scientists will ensure rigorous science based information continues to underpin the management of wild fisheries in NSW and ensure legislative responsibilities continue to be met. Wild fisheries research provides critical information for stock assessments that assists in meeting primary objectives of the [*Fisheries Management Act 1994*] to conserve fish stocks and populations.²⁵⁴

- 4.63** In answers to supplementary questions from the Committee, Mr Paterson stated that as at September 2012, of the 16 wild fisheries scientists at the CFRC only one has transferred to Port Stephens and so far three have resigned. Although, Mr Paterson also noted that there are wild fisheries research scientists in other parts of the State:

In the Wild Fisheries research group, three scientists have exited the agency and one has transferred to Port Stephens. In regional locations outside Sydney, there are an additional four scientists in the Wild Fisheries research group and an additional fisheries technician with a PhD in wild fisheries science located outside Cronulla. At least two other scientists in the Aquatic Ecosystems research group have expertise with wild fisheries research.²⁵⁵

- 4.64** A further concern raised by participants is that the Port Stephens Fisheries Institute is not an appropriate site for such wild fisheries research. A particular issue was that the water quality at

²⁵³ Professor Kennelly, Evidence, 3 September 2012, p 20.

²⁵⁴ Submission 14, p 10.

²⁵⁵ Answers to supplementary questions 10 September 2012, Mr Paterson AO, Question 9, p 12.

Port Stephens could compromise research.²⁵⁶ The Committee was informed that the water source at Port Stephens is ‘brackish’ meaning a combination of saltwater and freshwater. According to Professor Kennelly, brackish water is useful for research involving species that live in that water such as oysters, but not ideal for saltwater marine life. As such, the water at Port Stephens must be treated for use in experiments for saltwater marine species.²⁵⁷

- 4.65** Dr Allan conceded that the water supply at Port Stephens is not as good as that at Cronulla but contended that ‘the treatment for the water source is excellent’.²⁵⁸ In expressing his support for the closure of the CFRC, the Mr Craig Baumann MP, Member for Port Stephens, commended the quality of marine science conducted at the Port Stephens Fisheries Institute and also observed that the water could be appropriately treated for use:

Depending on the intended use, water can be used directly (all ponds and large tanks), filtered through large sand filters or stored for future use. Through appropriate storage and treatment, sensitive marine species have been held for decades on site.²⁵⁹

- 4.66** However, Professor Kennelly argued that the use of treated water could compromise experiments. He explained that while the staff and facilities at Port Stephens are excellent, the scientific research that can be carried out at Port Stephens is quite distinct from what can be done at Cronulla:

The water at Port Stephens is brackish. ... The water quality there is excellent for working on brackish water species, like Sydney rock oysters. To hold marine species, we need to treat the water strongly—it is called bruising the water. We need to treat the water so that we can hold marine species. By doing experiments on wild harvest species in water that has been treated that way, you are making an assumption; you are compromising the design of your experiment. If you have a bunch of controlled fish that you do nothing to, a bunch of fish that you tag in a certain way, and you put them in holding pens in water that is not pristine, you are making the assumption that the quality of the water is not having an interaction on the experimental treatment you have set up.

The broadest analogy would be that you can grow and keep and even breed giraffes at Taronga Zoo, but if you want to study what giraffes do in the wild, you will go to Africa. That is how you do it, so that is the difference. We have the Port Stephens site because it is really good for that sort of work and some of the work they do at Port Stephens cannot be done at Cronulla. It is the same for Narrandera. ... The quality of the place [Port Stephens Fisheries Institute], the location and the staff are excellent and first rate. However, what they do there is not what we do at Cronulla. It is a different job, different water quality, different processes and so on.²⁶⁰

- 4.67** Mr Mark Speakman MP, Member for Cronulla, concurred with Professor Kennelly and emphasised that the standard of the Port Stephens Fisheries Institute as a research facility is not relevant to whether the CFRC should be closed. He pointed out the differences between the research being conducted at the two facilities and noted that Port Stephens Fisheries

²⁵⁶ Submission 66, name suppressed, p 8.

²⁵⁷ Professor Kennelly, Evidence, 3 September 2012.

²⁵⁸ Dr Allan, Evidence, 6 August 2012, p 6.

²⁵⁹ Submission 68, Mr Craig Baumann MP, Member for Port Stephens, p 1.

²⁶⁰ Professor Kennelly, Evidence, 3 September 2012, pp 27-28.

Institute specialises in fish breeding whereas the CFRC specialises in assessing wild fish stocks. Referring to the work of Dr Jane Williamson, Mr Speakman observed that the water quality may invalidate results. He put this view as follows:

It is irrelevant whether Taylors Beach, Port Stephens, is an excellent research facility. The work performed at Taylors Beach is very different from that performed at Cronulla. On-site research at Taylors Beach specialises in aquaculture or fish breeding. In contrast, on-site research at Cronulla specialises in wild fish. Taylors Beach is in a mangrove. The saline water is acceptable for aquaculture. But it is different from ocean water and it is not acceptable, without treatment, for research on wild fish. ... Dr Jane Williamson, who is also chair of the government Fisheries Scientific Committee, writes that the water quality of Port Stephens is likely to invalidate the results of experiments done on wild-caught animals studied by scientists at Cronulla.²⁶¹

4.68 Several stakeholders argued that the departure of a number of expert scientists from NSW Fisheries would seriously diminish the State's capacity to monitor fish stocks.²⁶² As previously noted, Dr Rowling gave evidence that nearly two thirds of the scientists involved in fish stock assessments would be leaving the Department because they are unable to move.²⁶³

4.69 A number of stakeholders asserted that, on this basis, the decision to close the CFRC is contrary to the Minister's obligations under the *Fisheries Management Act 1994* as the closure arguably compromises the sustainable management of fish stocks.²⁶⁴ Two senior scientists from CFRC wrote:

The loss of scientific expertise will severely affect the Minister's ability to conserve fish stocks, to provide information on threatened species and populations that will aid in their conservation and to promote ecological sustainable development as there won't be enough staff with the experience necessary to undertake the assessment of the State's fisheries resources. There is currently a number of scientific staff who are integral to the assessment process who are unable to relocate. This vast knowledge will be lost and even if those positions are refilled, the knowledge will not be available.²⁶⁵

4.70 However, the Department asserted that its obligations under the *Fisheries Management Act 1994* would be met.²⁶⁶

Community education activities

4.71 The Committee was informed that the CFRC plays an active part in furthering and facilitating marine science and fisheries education. For example, in their joint submission the National

²⁶¹ Submission 25, p 2.

²⁶² Submission 32, p 3; Submission 59, Dr John Stewart and Dr Veronica Silberschneider, p 5; Submission 64, p 3; Submission 70, p 2; Submission 71, Dr Kevin Rowling, p 6.

²⁶³ Dr Rowling, Evidence, 3 September 2012, p 56.

²⁶⁴ Submission 10, North Coast Environment Council Inc, p 3; Submission 32, p 3; Submission 59, p 5; Submission 70, p 2; Submission 71, p 6.

²⁶⁵ Submission 59, p 5.

²⁶⁶ Submission 14, pp 9-11.

Parks Association, the Nature Conservation Council, the Australian Marine Conservation Society and the Humane Society International highlighted the significance of the education program facilitated by the CFRC:

The Cronulla [Fisheries Research Centre of Excellence] ... plays an important role in facilitating research by other institutions and promoting knowledge and appreciation of marine and fisheries science in the wider community. Many other institutions rely on the Cronulla facilities, including 13 universities around Australia; the NSW Office of Environment and Heritage; the Australian Department of Agriculture, Fisheries and Forestry; and approximately 40 more partners. In addition, the Centre receives school visits and houses the biggest fish-specific library in NSW.²⁶⁷

- 4.72** A concern raised by some stakeholders was that closing the facility would inhibit community education initiatives, especially the Fishcare Volunteer Program.²⁶⁸ Mr Robert Audsley, the Volunteer Leader of the Southern Sydney NSW Fishcare Volunteer Program, described the work undertaken by volunteers involved with the program:

... taking groups from local high schools every week on their Fishing for Sport excursions; attending primary schools over six-weekly sessions to impart the Get Hooked It's Fun to Fish Program; running fishing clinics during school holidays and on the final weeks of the Get Hooked program; putting Cub-Scouts packs through their fishing badges; giving Rock-Fishing Safety talks to various ethnic community groups; giving rules and regulations talks to amateur fishing clubs; attending boat shows, Easter shows, camping and caravan shows, Ocean Watch days, school fêtes; and a multitude of other public events with our information trailer "Bluey" to inform the public about recreational fishing in New South Wales.

We run specialised fishing days for kids with disabilities, Quality Kids and wayward and deprived kids groups. We recently ran an Adult Fishing Clinic at Cronulla for homeless men from the Mathew Talbot Hostel. We also assist Fisheries staff in the Sydney Harbour dioxin and Sydney Harbour surveys and ferry wharves information boat runs.²⁶⁹

- 4.73** Mr Audsley informed the Committee that in future the Fishcare Volunteer Program would be based at Newington, in the Inner West of Sydney, where they would share office space in the NSW Food Authority complex.²⁷⁰ The Department advised the Committee that the Newington site will utilise spare capacity in existing NSW Transport and Infrastructure premises.²⁷¹ Functions that are being transferred to that site from the CFRC 'primarily deliver service in the Sydney metropolitan area'.²⁷²
- 4.74** Mr Audsley stated that the Newington facility does not have the storage capacity to hold the Fishcare Volunteer equipment such as rods, reels, information kits, two boats and the "Bluey"

²⁶⁷ Submission 70, p 3.

²⁶⁸ Submission 69, p 1; Mr John Burgess, Executive Officer, Australian National Sportfishing Association Ltd, Evidence, 3 September 2012, p 42; Mr Robert Audsley, Volunteer Leader, Southern Sydney NSW Fishcare Volunteer Program, Evidence, 3 September 2012 pp 41-42.

²⁶⁹ Mr Audsley, Evidence, 3 September 2012, p 41.

²⁷⁰ Mr Audsley, Evidence, 3 September 2012, p 41.

²⁷¹ Answers to supplementary questions 6 August 2012, Dr Sheldrake, Question 42, p 8.

²⁷² Answers to supplementary questions 6 August 2012, Dr Sheldrake, Question 79, p 16.

information trailer. In addition, Mr Audsley said, an especially problematic aspect of the new facility was that it did not have weekend access:

We have been told that all these staff, who are essential to our activities and goals, are to be relocated to Newington in the NSW Food Authority complex. We have been told that this complex has limited access hours during week days and no access on weekends. The site does not have any storage facilities such as we require. ... Most of our volunteers are still working full-time jobs and as such can spare time only on weekends to devote to the program; hence a site that is only accessible during weekday work times would be untenable.²⁷³

- 4.75** Mr Audsley said that none of the 28 Fishcare volunteers based at Cronulla are willing to continue with the program following the move to Newington, with many citing dramatically increased travel times to access the facility.²⁷⁴

Service delivery

- 4.76** Services provided by the staff at the CFRC relate not only to scientific analyses such as stock assessments but also commercial and recreational licensing. In its submission the Department expressed its commitment to ensuring the continuation of high quality service delivery:

The NSW Government is committed to ensuring that all of the services currently delivered by NSW Fisheries will continue and are relevant to the needs of all our fisheries stakeholders.

The Department is determined to retain the valuable expertise and knowledge of the staff and considerable effort continues to be made to minimise loss of valuable expertise.

The process has involved extensive consultation with staff to help ensure functional needs for Fisheries NSW are met, and to help ensure stakeholders receive high levels of service once the relocation project is complete.²⁷⁵

- 4.77** Adding to this commitment, Dr Sheldrake asserted that service delivery ‘will be enhanced’ by the relocation of these services from the CFRC closer to industries and communities in regional New South Wales,²⁷⁶ a perspective echoed by Ecofishers.²⁷⁷

- 4.78** However, this view was not widely accepted by other inquiry participants. Dr Matt Ives, a fisheries modelling and assessment scientist at the CFRC, expressed his strongly held view that the closure of the CFRC would be detrimental to service delivery:

For the executives to claim that we are going to be able to maintain services with this kind of loss is like claiming that if you take the teacher out of a classroom and replace them with one of the students, by the end of the year those students in the class are

²⁷³ Mr Audsley, Evidence, 3 September 2012, pp 41-42.

²⁷⁴ Mr Audsley, Evidence, 3 September 2012, pp 41-42.

²⁷⁵ Submission 14, p 13.

²⁷⁶ Dr Sheldrake, Evidence, 6 August 2012, p 19.

²⁷⁷ Submission 90, Ecofishers, p 2.

going to do just as well. It is ludicrous. There is no way you are going to be able to maintain services with that loss of expertise, and the people that we are responsible for—the stakeholders, the fishers, the citizens of New South Wales—are going to feel that. That is the real tragedy here and that is the cost that has not been costed in this decision.²⁷⁸

- 4.79** In his submission, Mr Derwent determined that the decision would adversely affect administrative processes, communication and management.²⁷⁹ Mr Derwent advised the Committee that he had raised these concerns with senior departmental representatives:

The proposed change will create ‘silo management’ impacts with various sections of the agency being physically separated from each other ... I have raised my concerns about these impacts with Mr Mark Paterson, Director General of NSW Trade and Investment, Dr Richard Sheldrake, Director General of Primary Industries and [Dr] Geoffrey Allan, Executive Director Fisheries.

Mr Paterson denied any silo impacts would result and Messrs Sheldrake and Allan did not deny the impacts on our stakeholders the closure would have but have chosen to proceed.²⁸⁰

- 4.80** In addressing the public forum, several other stakeholders also expressed concern about the impact of the closure on service delivery.²⁸¹ For example, Mr Matt Fowler, an employee at the CFRC, expressed the following view:

The obvious impact of this is the dramatic cut in our service delivery to our commercial fishers. There has been a long and complicated history in commercial administration. It is something that you cannot learn in months, or even a couple of years, to be frank. We need experienced people in that team to be able to meet the needs of our commercial fishing industry.²⁸²

The heritage values of the CFRC

- 4.81** Inquiry participants emphasised the historical significance of the Cronulla site: for its importance as an early fisheries research centre and also Aboriginal heritage.²⁸³ The CFRC has five specific listings on the NSW Heritage Register, these are: Aboriginal middens, the hatchery building, the boat shed, the aquarium and surrounds and ‘Hungry Point Site’ (the entire site).²⁸⁴
- 4.82** The NSW Fisheries Heritage and Conservation Register notes that the entire site is ‘of national and state heritage significance because it is the first marine investigation establishment

²⁷⁸ Dr Ives, Evidence, 3 September 2012, p 57.

²⁷⁹ Submission 43, p 5.

²⁸⁰ Submission 43, p 3.

²⁸¹ Mr Robert Harris, former Manager, Fisheries Business Services, Cronulla Fisheries Research Center of Excellence, Evidence, 3 September 2012, p 52; Dr Ives, Evidence, 3 September 2012, p 57; Mr Matt Fowler, Evidence, 3 September 2012, p 65.

²⁸² Mr Fowler, Evidence, 3 September 2012, p 65.

²⁸³ Submission 5, Mr Graham Hunt, p 1; Submission 62, p 4; Submission 63, name suppressed, p 1.

²⁸⁴ NSW Fisheries, *NSW Fisheries Heritage and Conservation Register*, 1997, pp 73-81.

in Australia.²⁸⁵ Indeed, stakeholders described the CFRC as the ‘birthplace of fisheries science in Australia’²⁸⁶ and were concerned to ensure that this heritage is retained. Dr Montgomery described the historical significance of the site in his submission:

The CFRC is an important part of Australian history. It should be held in the same reverence as the Elizabeth MacArthur Agricultural Institute, as the starting point for the Agriculture Industry in Australia. Under various names, the now Cronulla Fisheries Research Centre was the site from which fisheries resources of Australia were explored and the fishing industry developed. It was the first fisheries research centre in Australia and probably the southern hemisphere. Its buildings date back to 1902, these being purpose built at the time for fisheries research. Since that time the site has housed fisheries scientists from either NSW or Commonwealth government agencies. It is the site which based the first chief scientist of fisheries in Australia, Harald Dannevig. From this base he surveyed the fish resources of eastern Australia to as far south as Macquarie Island and westwards in to Bass Strait as far as Western Australia. Amongst many gifted fisheries scientists and oceanographers, it has housed the first oceanographic scientists in Australia, the Chair of the International Whaling Commission and scientists who advised that body, who discovered deepwater resources and surveyed the prawn resources of the Gulf of Carpentaria. ...

In addition, the site has indigenous cultural significance. CFRC is strewn with indigenous middens three of which are recognised under the Heritage Act as being worthy of conservation and protection. As part of the high school education program at the CFRC indigenous leaders take great pride in talking to students about how their people lived on this land and the importance of this land to them.²⁸⁷

4.83 Ms Gerrard spoke of the esteemed scientists that had moved through the Centre and contributed to the CFRC’s venerated history of marine research:

I worked with such luminaries in the science world as Dr Geoffrey Kesteven, John McIntosh, David Tranter, Baughan Wisely, David Rochford and Ian Munro. Through these scientists working together they produced the earliest science for Australia as well as New South Wales in fisheries knowledge...

Then of course there is a very important gentleman who was at Cronulla until CSIRO move to Hobart. His name is Dr Keith Sainsbury. He is one of only two Australians to have been created a laureate and receive the Japan Prize, the highest prize in science. He still works internationally, nationally and in New South Wales as an expert in fisheries management and most importantly he helps in our annual assessment process for determining the New South Wales take of the highly prized abalone and lobster fisheries.²⁸⁸

4.84 The Commonwealth Scientific and Industrial Research Organisation had utilised the site from 1949 until it transferred to Hobart in 1985. At that time, the Department of Agriculture’s

²⁸⁵ NSW Fisheries, *NSW Fisheries Heritage and Conservation Register*, 1997, p 81; Submission 96, Attachment, p 35.

²⁸⁶ Submission 32, p 5; Submission 62, p 3; Submission 66, p 4.

²⁸⁷ Submission 101, pp 5-6.

²⁸⁸ Ms Jackie Gerrard, staff member, Cronulla Fisheries Research Centre of Excellence, Evidence, 3 September 2012, p 54.

Division of Fisheries returned to the Cronulla site.²⁸⁹ Dr Dennis Reid, a retired research scientist with the CSIRO, expressed the view that the site was entrusted to the NSW Government for marine scientific purposes and should be utilised accordingly:

The Cronulla Fisheries Research Centre is unique in Australia, and the site was handed over from the Commonwealth to the NSW Government in 1984 in good faith that the site and buildings would continue to be used for marine research purposes. The loss of the site on the basis of short-term political considerations would represent an unforgivable attack on the heritage values of this historically very significant site.²⁹⁰

- 4.85** It was pointed out that the categorisation of the site as being of heritage value limits the options for its future use. For example, the Coast and Wetlands Society observed in its submission:

The Cronulla Research Centre site includes a number of items of heritage significance and there are substantial constraints on future, alternative, uses. Not only will substantial costs be incurred by the closure, but the possibility of capitalising on the vacant site is negligible, while there will be continuing need for maintenance and security to prevent demolition by neglect. We will be interested in whether or not the government can advise the Inquiry as to its future plans for the site, and demonstrate that it will not incur considerable holding costs.²⁹¹

- 4.86** Ongoing maintenance of the site also appeared to be an issue. When questioned by the Committee about what would happen to the aquaria should the CFRC close, Professor Kennelly answered that the pumps would need to continue to operate in order that the heritage-listed pool is maintained:

The aquaria, the pool and the area down the bottom are heritage listed. A lot of the buildings are heritage listed. I am not sure how a pool will be handled. You cannot simply turn off the aquarium pool pumps. The aquarium pool is unique in Australia: it is 110 years old and it has its own ecosystem. If you turn the pumps off, the water will leak out and it will become empty and stink. We believe the walls will collapse inwards because the water is holding the structure in place.²⁹²

Future of the site

- 4.87** Minister Hodgkinson informed the Committee that the Department has hired a private consultant to determine the future use for the CFRC site in consultation with stakeholders:

The department has employed a consultant to work with the shire to look at the best future use of the site, remembering that there are many different factors associated with that site, including middens and all sorts of things that need to be taken into consideration.²⁹³

²⁸⁹ NSW Fisheries, *NSW Fisheries Heritage and Conservation Register*, 1997, pp 41-42.

²⁹⁰ Submission 62, p 4.

²⁹¹ Submission 92, Coast and Wetlands Society Inc, p 2.

²⁹² Professor Kennelly, Evidence, 3 September 2012, p 28.

²⁹³ The Hon Katrina Hodgkinson MP, Minister for Primary Industries and Minister for Small Business, Evidence, 10 September 2012, pp 25 and 34.

4.88 The Committee was advised by the Department that the terms of reference for the consultant are:

- To engage with Sutherland Shire Council (Councillors and the executive) to discuss and consider their aspirations for the site in the short, medium and long term.
- To engage with all relevant community representatives including the Cronulla Chamber of Commerce, La Perouse Aboriginal Land Council and the Local Member to discuss their views on the future use of the site.
- To meet with DPI's Crown Lands' staff to gain a full understanding of the constraints and opportunities potentially available for the site.
- To identify any 'off site' issues which may need to be taken into consideration in the future use of the site.
- To identify in consultation with Council business studies which may be necessary to assist in the future viability of the site.
- Based on the consultation with the local community and the NSW Government, make recommendations for the future use of the site.²⁹⁴

4.89 The Minister informed the Committee that she was expecting to receive the report at the end of September.²⁹⁵ However, no report had been made public at the time of writing this report.

4.90 Some inquiry participants expressed doubt as to the future use of the site and whether it would remain in public ownership. In an email chain dated 7 September 2011 between Mr Speakman and Minister Hodgkinson's adviser, Mr Speakman asserted that he had a verbal confirmation from the Minister that the CFRC would remain publicly owned.²⁹⁶ The adviser responded:

With all due respect, I didn't confirm that you could say that the site would remain in public ownership. The reason you can't say this is because this has not yet been formally decided and I assume this will ultimately have to be decision for Cabinet.²⁹⁷

4.91 The Government, however, refuted any suggestion that there are plans to sell the site. Dr Sheldrake informed the Committee that the Department has no plans to sell or develop the site and reminded the Committee that it had retained a consultant to advise the Government on its future use:

A community consultation process led by an independent consultant is currently underway to determine the future use of that site. The decision to relocate the centre was not driven by potential financial gains from property development and there are no plans to sell or to develop the site.²⁹⁸

4.92 In questioning by the Committee, the Minister would not 'guarantee' that the site would not be sold and instead referred the Committee to the forthcoming consultant's report:

²⁹⁴ Submission 14, p 17.

²⁹⁵ Minister Hodgkinson, Evidence, 10 September 2012, p 41.

²⁹⁶ Answers to questions on notice taken during evidence 3 September 2012, Mr John Rayner, General Manager, Sutherland Shire Council, Question 1, p 1.

²⁹⁷ Answers to questions on notice taken during evidence 3 September 2012, Mr Rayner, Question 1, p 1.

²⁹⁸ Dr Sheldrake, Evidence, 6 August 2012, p 3.

The Hon. STEVE WHAN: So you cannot guarantee that it will stay in government hands?

Ms KATRINA HODGKINSON: The consultant's report will be brought down at the end of the month. I am certainly not going to pre-empt anything that an independent consultant may have to say. The consultant has been in consultations with the local community.

The Hon. STEVE WHAN: So you will not give a guarantee that it will stay in government ownership permanently?

Ms KATRINA HODGKINSON: Excuse me! As I have outlined, I have had two meetings with the local community.

The Hon. STEVE WHAN: So the answer is no.

Ms KATRINA HODGKINSON: I will wait until the independent consultant's report is delivered. I have no idea what he will recommend.

The Hon. STEVE WHAN: Right, so you will not make a commitment.

Ms KATRINA HODGKINSON: I have already said that other issues must be taken into consideration.²⁹⁹

4.93 The Minister said that:

It is not about making a profit for the Government. It is not about selling the site for a future use.³⁰⁰

4.94 While expressing opposition to the closure, the Sutherland Shire Council provided proposals for future uses of the site if the closure was to go ahead. The Council's suggestions included the creation of a public park, its use for education purposes and occupation by government agency, or a low key commercial facility such as a café or kiosk. The Council also expressed a strong preference that the cost of any site works or demolishing of structures should be met by the State Government.³⁰¹

Reversal of the decision: is it too late?

4.95 Throughout the inquiry the Minister remained steadfast that the decision to close the CFRC would be implemented. The Minister felt strongly that the closure of the CFRC would benefit regional New South Wales and said that a reversal of the decision could amount to a 'cop-out':

I believe the decision is a very good one; it is in the best interests of regional New South Wales; it complies entirely with government policy and election commitments that were made in the lead-up to the election. It is expected of us to do things for

²⁹⁹ Minister Hodgkinson, Evidence, 10 September 2012, p 41.

³⁰⁰ Minister Hodgkinson, Evidence, 10 September 2012, p 29.

³⁰¹ Submission 8, pp 6-7.

regional New South Wales and not just to cop-out because of various opposition from various quarters.³⁰²

- 4.96** In her evidence to the Committee, the Minister insisted that she would not reverse the decision because to do so would be unfair to employees who had relocated or made plans to do so:

About 37-odd people—I think that is the figure I gave earlier—have now considered their position very carefully over the past 12 months and have decided to move. Do you honestly think that it would be fair on them to do a backflip on this? I will not be changing my mind; this decentralisation is proceeding.³⁰³

- 4.97** In answers to supplementary questions, Dr Richard Sheldrake, Director General of the Department of Primary Industries shared this view: ‘it would be an injustice to those staff who have moved, secured new positions in new locations, secured positions elsewhere or exited DPI to reverse the decision.’³⁰⁴

- 4.98** In addition, Dr Sheldrake advised the Committee that ‘to meet functional needs, it is important that the relocation progresses in an orderly and structured basis’.³⁰⁵ In supplementary questions to Mr Mark Paterson AO, Director General of the Department of Trade and Investment, Regional Infrastructure and Services, the Committee sought to clarify what these ‘functional needs’ were. Mr Paterson responded that the primary functional need that might be impeded should the decision not proceed was recreational and commercial fisheries licensing:

The major functional need that would be adversely affected is licensing as some staff members have already moved and others have left the unit. Recruitment action is underway for a number of positions in this area. Some positions have been accepted in the new locations. Given the licensing demand, particularly for recreational fishers in the months leading to summer, it is critical that the relocation of this group be completed and recruitment finalised.³⁰⁶

- 4.99** However, the bulk of the evidence received by the Committee refutes the Minister’s rationale. In fact, among the most vocal critics of the decision to close the CFRC have been the staff themselves. All of the submissions and evidence that the Committee has received from current and former staff at the CFRC have argued against the closure, with some specifically stating that they would return to their jobs at the CFRC. For example, at the Committee’s public forum, Mr Robert Harris remarked: ‘I hope and pray that this decision is overturned and that should this occur, I would be more than happy to return to my previous role.’³⁰⁷

- 4.100** Similarly, Professor Kennelly observed that fisheries science is a specialist field and was confident that scientists would return:

³⁰² Minister Hodgkinson, Evidence, 10 September 2012, p 42.

³⁰³ Minister Hodgkinson, Evidence, 10 September 2012, p 41.

³⁰⁴ Answers to supplementary questions 6 August 2012, Dr Sheldrake, Question 51, p 11.

³⁰⁵ Answers to supplementary questions 6 August 2012, Dr Sheldrake, Question 51, p 11.

³⁰⁶ Answers to supplementary questions 10 September 2012, Mr Paterson AO, Question 26, p 29.

³⁰⁷ Mr Harris, Evidence, 3 September 2012, p 52.

It is certainly not too late. Two-thirds of the people are still there. I know that those who have other jobs would come back at the drop of a hat. It is not just about loyalty to the place; it is about loyalty to the job. Fisheries science is a specialised field. People stay for 20 or 25 years because of the nature of the beast.³⁰⁸

4.101 Dr Stewart and Dr Silberschneider expressed this view in relation to the CFRC's scientific activities: 'It is not too late to salvage sufficient expertise to sustain the work done regarding stock assessments that underpin fisheries management.'³⁰⁹

4.102 At the Committee's 10 September 2012 public hearing, the Committee Chair proposed that the Minister survey staff on this matter. His request was refused in the following exchange:

CHAIR: Question No. 51 on notice asked what would happen if the Committee recommended that the centre not be closed. The answer lists various reasons that it should be closed. One of the main reasons is that it would be disruptive to the staff to retain the centre. Minister, can you assure me that if that is the case you will ask all the staff—even those who have said they will go, albeit unwilling—what they want done with the centre?

Ms KATRINA HODGKINSON: No, I will not.

CHAIR: You are keeping it closed because the staff would be upset if it was retained, but the staff are upset that it is being closed.

Ms KATRINA HODGKINSON: I am sure that they are. However, this decision was taken 12 months ago. The Deputy Premier and I announced this decision 12 months ago. About 37-odd people—I think that is the figure I gave earlier—have now considered their position very carefully over the past 12 months and have decided to move. Do you honestly think that it would be fair on them to do a backflip on this? I will not be changing my mind; this decentralisation is proceeding.

4.103 In order to definitively confirm whether staff would object to the decision being reversed, the Committee sought to itself conduct a survey of all the CFRC staff affected by the decision. In order to contact all staff, the Committee requested that the Department facilitate its survey. In refusing to do so, Dr Geoff Allan, Executive Director of Fisheries NSW, reiterated the Minister's view that the decision was final. He advised the Committee that the Department would not facilitate the survey on the basis that it would not be in the interests of the employees or the Government:

The Minister's view to the Committee about the decision was very clear. The decision has been taken. The survey, if undertaken, will achieve nothing for those who oppose the move. It would however be incredibly disruptive and create an unacceptable level of uncertainty for the majority of our staff. It would be extremely unfair to those who decided to transfer, seek alternative positions or retire. It would set an unacceptable precedent and seriously undermine the capacity of a Government to implement reforms.

I am convinced this would not be in the best interests of Departmental staff, Public Servants generally or the Government. Consequently, we will not assist in the survey and will advise all our staff of this decision.³¹⁰

³⁰⁸ Professor Kennelly, Evidence, 3 September 2012, p 26.

³⁰⁹ Submission 59, p 8.

4.104 Shortly after this refusal, the Committee received correspondence from former employees of the CFRC fiercely objecting to the Minister's rationale for not reconsidering her decision and declaring that they and others would return to the CFRC if the decision was reversed.³¹¹ For example, one submission-maker stated that he would go back to the CFRC if the opportunity arose:

Regardless that I have now found alternate employment from working at the Centre and now travelling to the Sydney CBD ... if the right opportunity presented itself, I would return to work at the Cronulla Fisheries Research Centre. What isn't fair is that Minister Hodgkinson has ignored outcry from fisheries stakeholders that the decision to close Cronulla Fisheries Centre be reversed, but regardless of the outcry has proceeded with this ill conceived closure.³¹²

4.105 Another former employee stipulated that although he would not return to his old job, he was strongly in favour of the decision being reversed.³¹³

4.106 The Committee was informed that the majority of employees have not yet left the site.³¹⁴ Mr Peter Brown, a staff representative on the Cronulla Fisheries Relocation Working Group advised the Committee of the following status of employee movements as at 19 September 2012:

- nine staff have relocated
- 16 staff have departed the organisation with a severance payment
- 19 staff have indicated an intention to leave
- 17 staff are awaiting the expiration of their contract terms with no offer of renewal expected
- 15 have secured employment in other parts of the Government
- 14 have accepted an offer to relocate to a Sydney location and are still at the CFRC
- 15 have accepted an offer to relocate to a regional location and are still at the CFRC
- 30 employees 'are in a state of flux'.³¹⁵

³¹⁰ Email from Dr Geoff Allan, Executive Director, Fisheries NSW to Secretariat 24 September 2012.

³¹¹ Submission 42a, name suppressed, p 1; Submission 108, name suppressed, p 1; Email from Mr Robert Harris, former Manager, Fisheries Business Services, Cronulla Fisheries Research Center of Excellence, to Committee, 21 September 2012; Email from Ms Tracey McVea, former staff member at the CFRC, to the Committee, 27 September 2012; Email from Ms Poliina Ciruolo, former staff member at the CFRC, to the Committee, 1 October 2012.

³¹² Submission 42a, name suppressed, p 1.

³¹³ Submission 107, name suppressed, p 1.

³¹⁴ Submission 17, Mr Tristan Sloan, p 2; Answer to supplementary question 3 September 2012, Mr Brown, Question 1, p 2.

³¹⁵ Answer to supplementary question 3 September 2012, Mr Brown, Question 1, p 2.

Conclusion

- 4.107** The Committee is very concerned about the potentially deleterious impacts of the closure on staff, marine science and the community. These include concerns about the suitability of other sites and the impact that the loss of scientific expertise may have on marine science and the ongoing assessment of fish stocks. The Committee recognises the heritage value of the site and the contribution that the Fishcare volunteers make to the local community. Consideration of these issues is a crucial part of deciding the future of the CFRC and should be part of informed consideration. The Committee also notes that the CFRC staff who have participated in this Inquiry have expressed a strong desire to see the decision reversed. The Committee's findings on these and other concerns are outlined in the next chapter, Chapter 5.

Chapter 5 Conclusions

This Chapter brings together the Committee's views on the evidence it has received. It contains the Committee's conclusions about the decision-making process and the Committee's view on the proper approach to making and implementing major Government decisions. Such decisions should adhere to the principles of transparency and accountability upheld by the conduct of economic appraisals and consultation with stakeholders. The Chapter also highlights the Committee's concerns about the closure's impact on marine science and heritage. Before concluding with the Committee's recommendations the Committee expresses some concerns about the Minister's approach to the inquiry.

Decision making and implementation

- 5.1** The Committee agrees with the principle of decentralisation and acknowledges the benefits that such initiatives have brought to regional communities in the past. We also accept that decisions to decentralise government services will not always be popular initially. The Committee believes that decentralisation provides an opportunity to bring real benefits to regional areas including by providing opportunities for regional employment.
- 5.2** However, we also believe that decentralisation will not always be appropriate and that every proposal should be considered on its merits. Any decentralisation process should be preceded by thorough consideration of the business case, weighing costs and benefits to come to a reasoned conclusion and to ensure the responsible use of public money. As far as possible Government decisions should be transparent. Indeed, it is for these very reasons that there are procedures and guidelines in place for making and implementing major decisions of Government.
- 5.3** This process has been an example of how not to undertake decentralisation. There was no proper planning or consultation. The Committee concludes that the Minister's administration of this process has failed to meet the required level of Ministerial responsibility or accountability.

The rationale for the decision

- 5.4** The Committee finds the rationale provided by the Minister and the Department justifying the closure of the CFRC to be wanting in a number of respects. We empathise with stakeholders' frustration in regard to ascertaining the impetus for, and the reasons behind, the decision.
- 5.5** Given that the Government has cited its commitment to decentralisation as the prime rationale for the decision, the Committee was surprised to learn that approximately 25 jobs are earmarked to stay in Sydney,³¹⁶ including in such central locations as Mosman, Newington and Parramatta. If these jobs are to remain in Sydney, the Committee questions why they cannot remain at Cronulla and whether the decision is really about decentralisation.

³¹⁶ Mr Kevin Cooper, Relocation Project Manager, Department of Primary Industries, Evidence, 6 August 2012, p 20.

- 5.6 We also believe that concerns expressed by the Government regarding site accessibility and the capacity to expand the CFRC were not based on solid evidence or investigation. Similarly we have found concerns about buildings and facilities being outdated and no longer useful for marine science to be unsubstantiated.

Upholding the integrity of decision making processes

- 5.7 The Committee's terms of reference require consideration of any documents, records and economic or financial analyses that were considered by the Minister in reaching the conclusion that the CFRC should be closed. Although the Committee was informed of a May 2011 briefing that may have formed the basis of the decision, Minister Hodgkinson advised the Committee that she had no recollection of having seen that memo.³¹⁷
- 5.8 Despite repeated questioning on the subject, the Minister and the Department produced no documents or records, and no economic or financial analyses which were relied upon in making the decision. Instead, the Minister explained that the decision was based on private discussions, including with the Director General of the Department of Primary Industries.³¹⁸ In this respect we note the decision was also not considered by Cabinet prior to being announced.³¹⁹
- 5.9 The Committee is very concerned by what appeared to be evasive responses by the Minister and her directors-general to questions put to them as to the genesis of the proposal to close the CFRC.
- 5.10 The Committee is very concerned by allegations from some stakeholders that the decision may have been prompted by motives contrary to those publicly stated. Given the Minister's and the Department's inability to provide the Committee with sufficient documentary evidence to support the decision, these concerns cannot be dismissed. The Committee notes that had a proper business case and cost benefit analysis been conducted prior to the decision, such allegations could have been dealt with.

Economic appraisal and cost benefit analysis

- 5.11 The Committee agrees with stakeholders that the decision to close the CFRC was made in contravention of key Government policies. The Committee is especially concerned that organisational change was commenced before a comprehensive economic appraisal was conducted to determine whether the closure would be supported by robust economic argument. This approach is in direct conflict with the Government's own policies including in particular the *NSW Government Guidelines for Economic Appraisal*.

³¹⁷ Answers to questions on notice taken during evidence 10 September 2012, the Hon Katrina Hodgkinson MP, Minister for Primary Industries and Minister for Small Business, Question 1, p 1.

³¹⁸ The Hon Katrina Hodgkinson MP, Minister for Primary Industries and Minister for Small Business, Evidence, 10 September, p 30; Answers to questions on notice taken during evidence 10 September 2012, the Hon Katrina Hodgkinson MP, Minister for Primary Industries and Minister for Small Business, Question 1, p 1.

³¹⁹ Dr Richard Sheldrake, Director General, Department of Primary Industries, Evidence, 6 August 2012, pp 14-15.

- 5.12** We question the evidence of the Department that employment entitlements were not quantifiable thus impeding the conduct of an economic appraisal. An economic appraisal can take account of contingencies, including predicted employment costs.
- 5.13** The Committee acknowledges that the Department has since completed a cost benefit analysis which was tabled by the Minister at the 10 September hearing, some 12 months after the decision was taken. Mr Mark Paterson AO, Director General of the Department of Trade and Investment, Regional Infrastructure and Services, admitted under questioning that the analysis was only completed on the morning of the Minister's appearance before the Committee.
- 5.14** The three page analysis does not include sufficient detail for meaningful conclusions to be drawn from it. It refers to several potential benefits including greater efficiencies, more university collaboration and new opportunities for community access to the site, the economic benefits of which have not been factored in.
- 5.15** Although not mentioned in the three page document, a number of costs appear to have been omitted including the impact that the sudden and contemporaneous loss of some of the State's leading marine scientists may have on the State's fisheries, the loss of existing university collaboration at the Cronulla site and the damage to community engagement programs run out of the CFRC.
- 5.16** Overall, the Committee finds that the cost benefit analysis produced by the Department was unprofessional, rushed and created only for the purpose of forestalling the anticipated line of questioning at the Committee's hearing.
- 5.17** In the Committee's view, the failure to undertake a cost benefit analysis prior to closing the CFRC is a fundamental flaw in the decision making process. It contradicts sound policies to ensure that government decision making is accountable and transparent. The Committee draws attention to the Auditor-General's correspondence to the Committee which states that in general, cost benefit analyses are generally best conducted prior to a decision being taken. The Committee agrees with this approach and finds that a thorough economic appraisal should have been conducted and indeed may have led to a decision not to close the Centre.

Organisational change and change management planning

- 5.18** The Committee acknowledges that the Department complied with some aspects of the Department of Premier and Cabinet's *Agency Change Management Guidelines*. That is, Ministerial approval for the closure was obtained and a change management plan developed. However, in other respects the Department did not follow the Guidelines.
- 5.19** The Guidelines provide that organisational change should commence after a change management plan has been developed and approved by the Director General of the Department. In the Committee's view, the closure of the CFRC took the reverse approach and commenced organisational change before finalising a plan for doing so. Correspondence from the Director General of the Department to the Assistant Auditor-General acknowledged that as at January 2012 a change management plan had not been finalised.³²⁰

³²⁰ Answers to supplementary questions 6 August 2012, Dr Richard Sheldrake, Director General, Department of Primary Industries, Attachment, Letter from Dr Richard Sheldrake, Director

- 5.20** Overall, the Committee finds that the implementation of the decision has been characterised by poor planning. Destinations for job movements were changed over time, leaving staff not only uninformed about key information but also feeling disenfranchised. The evidence suggests that the CFRC workplace has shifted from one of convivial productivity to one characterised by mistrust and profound disappointment. This too could have been avoided.
- 5.21** The Committee notes the retention of long-term temporary employees appears to be a feature of the Centre's employment practice. We are concerned that the long-term temporary staff at the CFRC lost their rights to certain employment entitlements only a short time before the decision to close the Centre was announced. A consequence of this was substantially reduced redundancy payments in some instances. The Committee is critical of the use of long-term temporary positions at the Centre as a mechanism to minimise job security and entitlements in circumstances where positions are ostensibly permanent.

Consultation with stakeholders

- 5.22** While the Committee agrees with the Minister that the people most affected by a decision should be informed of it as soon as possible, substantial planning is necessary to ensure that each step in the process runs smoothly and that the people affected are not alienated in the process.
- 5.23** In the Committee's view consultation should have occurred prior to a decision being made. In fact we were alarmed to learn that the Minister appears to have undertaken no consultation whatsoever before determining the closure of the Centre. As a matter of prudence the Committee would expect that a recently appointed Minister with a new portfolio would make major decisions cautiously and seek a range of advice in doing so. The need for consultation and advice is heightened where the relevant decision involves such specialist subject matter as marine science.
- 5.24** Moreover, the Committee has received no evidence that the decision needed to be made urgently. Indeed, in this instance a more moderate pace for decision-making and change management would be appropriate given the interruption to scientific research.
- 5.25** The Committee was especially surprised and disappointed that the Minister did not consult the Director of Research for NSW Fisheries Professor Steve Kennelly, the lead scientist based at Cronulla, and former Chief Scientist of the Department of Fisheries and the Department of Primary Industries, either about the decision to close the CFRC or the process for implementing that decision.³²¹ Professor Kennelly is a world renowned scientist, a senior NSW public servant with substantial success over 12 years in decentralising fisheries scientists throughout regional NSW and the head of the CFRC, thus perfectly positioned to provide sound advice as to the impact on science that the closure might have.

General, Department of Primary Industries to Mr Rob Mathie, Assistant Auditor General of New South Wales, 16 January 2012.

³²¹ Professor Steve Kennelly, Director of Research, NSW Fisheries and Director, Cronulla Fisheries Research Centre of Excellence, Evidence, 3 September 2012, p 16.

Marine science

- 5.26** The Committee is grateful to the staff at the Port Stephens Fisheries Institute and the Sydney Institute of Marine Science (SIMS) for facilitating our visits to each. The Committee was impressed by the professionalism and dedication of staff at these sites. We were also struck by the high standard of facilities to support the work currently being conducted at those scientific research centres.
- 5.27** Although the Port Stephens Fisheries Institute and SIMS each have excellent facilities for the work they do, the Committee is not convinced that they can replicate the research currently conducted at the CFRC. We have received strong evidence that the scientific research conducted at the CFRC is unique. Some projects would have to be ‘redesigned’ if they are to continue and because key senior scientists are unable to relocate, others may halt entirely. Such a loss may have implications not only for marine science generally but for the monitoring and assessment of fish stocks to ensure sustainable fisheries management.
- 5.28** Unlike other forms of employment, scientific research of marine life is highly specialised. We note that this inquiry was characterised by the volume of submissions received from scientists with high-level postgraduate education. The Committee considers that the scientists at the CFRC are a special kind of public servant who cannot be easily replaced. We note, as outlined in Chapter 4, that this view is supported by the independent assessment of the Industrial Relations Commission, which found in a 1986 interim judgment that ‘the fisheries research group is very specialised, that specialisation being to the advantage of the employer and is such that alternative employment in this area is very restricted’.³²²
- 5.29** The Committee is very concerned that where fisheries scientists feel forced to give up their careers in the public sector, this results in a significant loss to the State of that person’s knowledge and expertise which may have been built up over decades.
- 5.30** The Committee is also concerned that the decision to close the CFRC has either overlooked or ignored the research value of the Centre to the local, national and international community. It is rare indeed for a decision about the relocation of staff and services to attract such widespread local and international attention and criticism.
- 5.31** We also note the view that the site was entrusted to the NSW Government by the Commonwealth Government for the purpose of marine research, and questions whether the Commonwealth Government should have been consulted regarding its views on closing the CFRC.

Heritage and community value of the site

- 5.32** The Committee has received strong evidence that the CFRC is not just an international centre for marine science but also a site that is of historical significance and a hub for other community activity.

³²² *Re Crown Employees (Scientific Section, Fisheries Division, Department of Agriculture – Relocation Compensation) Award* [1987] 21 IRJ 100 per Bauer J citing the 1986 interim judgment on findings of fact: *Re Crown Employees (Scientific Section, Fisheries Division, Department of Agriculture – Relocation Compensation) Award* (1986) 16 IR 458.

- 5.33** The Committee acknowledges the historical significance of the CFRC for its Aboriginal middens and as the first marine science institution in Australia. We note that the entire site is heritage listed and holds specific listings for some buildings and the aquaria. Community members described years of personal involvement with the CFRC and expressed a reluctance to see the Centre closed. It is important that this unique piece of New South Wales history is preserved and that these considerations are taken into account in any decisions about the future of the site.
- 5.34** Although the Minister has indicated that there are no plans to sell the site, the Committee notes that the Minister would not ‘guarantee’ this, and that the terms of reference for the consultant reporting on the future use of the site do not rule out its sale.
- 5.35** The Committee commends the work undertaken by the Fishcare Volunteer Program such as running school holiday programs, fishing clinics and working with people with disabilities. We think it is important that the Sutherland Shire does not lose this valuable program. We hope that the Department will work to ensure that current volunteers can continue to be involved in the program.

The Minister’s approach to the inquiry

- 5.36** Before moving to discussion of the Committee’s recommendations, the Committee feels compelled to express concern about the Minister’s approach to some aspects of the Committee’s inquiry.
- 5.37** The Committee notes that its initial invitation to the Minister to appear as a witness³²³ was declined on the basis that the Minister had clashing Ministerial meetings.³²⁴ A week later the Minister rearranged her schedule and offered to attend a hearing on 3 September 2012 but a suitable room was not available within the Parliament. The Minister then agreed to attend on 10 September 2012.³²⁵ At that hearing, the Minister commenced a lengthy opening statement which took up a substantial portion of the dedicated hearing time.
- 5.38** The Committee notes with concern that in her evidence to the Committee at that hearing, the Minister stipulated that the closure of the CFRC was *fait accompli* and would not be reconsidered, whatever the Committee found or recommended: ‘[t]he decision was made 12 months ago. It was a decision of the Government and the decentralisation will be proceeding regardless of the recommendations made by this Committee, with all due respect.’³²⁶

³²³ Correspondence from Chair to the Hon Katrina Hodgkinson MP, Minister for Primary Industries, 8 August 2012.

³²⁴ Email from Cassandra McNamara, Executive Officer, Office of the Hon Katrina Hodgkinson MP, to Chair, 22 August 2012.

³²⁵ Email from Cassandra McNamara, Executive Officer, Office of the Hon Katrina Hodgkinson MP, to Chair, 30 August 2012.

³²⁶ The Hon Katrina Hodgkinson MP, Minister for Primary Industries and Minister for Small Business, Evidence, 10 September 2012, p 42.

- 5.39 Later in her evidence, when questioned on this matter by the Chair, Minister Hodgkinson qualified her response as follows: 'I can assure you that I will treat the report that is brought down by this Committee with the due respect and reverence that you will put into it.'³²⁷
- 5.40 As the transcript of evidence attests, the Committee has found the Minister to be evasive in failing to answer questions in the Committee's hearing such as the date at which the decision was taken and when she last visited the Cronulla Fisheries site.
- 5.41 The Committee also notes that the Minister was adamant that reversing the decision to close the CFRC would be unfair to those employees who had already left the Centre or were making arrangements to do so.³²⁸ Similar reasons were provided for refusing to suspend the relocation until such time as the Committee had concluded its inquiry.³²⁹ At the same time the Minister refused the Committee's request to facilitate the Committee's conduct of a staff survey to test this view. The Committee was surprised at this: if the Minister was certain of her position, she might have been expected to welcome an opportunity to confirm it through the conduct of the survey.
- 5.42 Overall, the Committee has been disappointed with the spirit in which the Minister has approached this inquiry. We trust that this does not reflect the manner in which the Government will respond to the Committee's recommendations.

Concluding statements

- 5.43 The Committee concludes that there is an overwhelming case to retain the scientific staff, facilities and support personnel at the CFRC location.
- 5.44 That Committee is working on the expectation that the Government will accept Recommendation 1 on the basis of the evidence of this report. However, in the event that the Government does not reverse its decision to close the CFRC, the Committee has put forward additional recommendations about how the Government should proceed.
- 5.45 In the Committee's view, it may be possible to achieve some of the advantages of the decentralisation without losing the scientific expertise and associated benefits to the State of the CFRC. This is not something the Committee can determine based on the current evidence. Such a significant decision should be subject to a rigorous economic appraisal in accordance with NSW Government policy.
- 5.46 The Committee recommends that the Government halt any further progress on the closure of the CFRC until such time as a comprehensive economic appraisal has been concluded in accordance with the *NSW Government Guidelines for Economic Appraisal* and NSW Government policy. We note that most employees are still based at the Centre.
- 5.47 In the interests of ensuring that Government decision-making is accountable and transparent, and to attempt to restore the damaged trust of stakeholders, this economic appraisal should be

³²⁷ Minister Hodgkinson, Evidence, 10 September 2012, p 44.

³²⁸ Minister Hodgkinson, Evidence, 10 September 2012, p 41.

³²⁹ Correspondence from the Hon Katrina Hodgkinson MP, Minister for Primary Industries, to Chair, 3 September 2012.

made available for public scrutiny. Time is of the essence for those affected and the appraisal should be completed by the end of the year.

5.48 In Chapter 4 we described Professor Kennelly's distinguished and lengthy career as a world leading marine scientist. Because he is unable to relocate, his career is coming to an end. Professor Kennelly's circumstances exemplify the unique problem of this closure; that is, the loss of highly specialist knowledge possessed by the scientists at the Centre. His situation is illustrative of the type of special consideration that should be given to such unique public servants.

5.49 As noted previously, the lack of consultation with key stakeholders, in particular the scientists at the CFRC, was a critical flaw in the decision-making process. Accordingly, we recommend that the findings of the economic appraisal should be considered in conjunction with a detailed analysis of the value of the science conducted at the CFRC. This might include the potential loss of scientific expertise that would arise as a result of the closure. This analysis should involve thorough consultation with the marine science community, including scientists at the CFRC.

Recommendations

5.50 The Committee makes the following recommendations:

Recommendation 1

That the NSW Government reverse the decision to close the Cronulla Fisheries Research Centre of Excellence and not proceed with the closure.

5.51 The Committee is working on the expectation that the NSW Government will accept Recommendation 1 based on the evidence of this report. In the event that the Government does not accept Recommendation 1, the Committee believes that the Government should consider the following recommendations.

Recommendation 2

That the NSW Government give all Cronulla Fisheries Research Centre of Excellence staff moved to other Sydney locations the opportunity to return to the Centre, and that all the Centre's scientific staff and their support staff moved to locations around NSW also be given the opportunity to return.

Recommendation 3

That the NSW Government halt any further progress on the closure of the Cronulla Fisheries Research Centre of Excellence.

Recommendation 4

That the NSW Government conduct a comprehensive economic appraisal of whether to close the Cronulla Fisheries Research Centre of Excellence and relocate its functions in accordance with the *New South Wales Government Guidelines for Economic Appraisal*. This appraisal should be completed by a body that is independent of the Department of Primary Industries and the Minister for Primary Industries.

Recommendation 5

That the NSW Government conduct a detailed analysis of the economic and non-economic value of the science carried out at the Centre. This analysis must involve consultation with the marine science community and scientists based at the Centre and take into account the impact on sustainable fisheries management arising from the potential loss of scientific expertise.

Recommendation 6

That the NSW Government comprehensively review the decision to close the Cronulla Fisheries Research Centre of Excellence on the basis of the economic appraisal referred to in Recommendation 4 and the analysis of the science referred to in Recommendation 5.

Recommendation 7

That the NSW Government publish on completion the appraisal, analysis and review referred to in Recommendations 4, 5 and 6 to ensure transparency and accountability in Government decision-making.

Recommendation 8

That the NSW Government make provision to meet its commitment to keep the Cronulla Fisheries Research Centre of Excellence site in public ownership, including by providing funding for ongoing upkeep of the site, should a decision be taken to proceed with the Centre's closure.

Recommendation 9

That the NSW Government immediately put in place a plan to ensure that research and scientific knowledge from Cronulla is not lost. The plan should include detailed project by project analysis of knowledge and data, it should include appropriate succession planning to ensure knowledge is passed on when change of personnel does occur.

Recommendation 10

That the NSW Government review all long-term temporary staff working at the Cronulla Fisheries Research Centre of Excellence and appoint those who meet the criteria for appointment as permanent officers.

Recommendation 11

That the NSW Government, for any temporary staff made redundant since the announcement of the decision to close the Cronulla Fisheries Research Centre of Excellence, restore the severance entitlements that were in place prior to the decision being made.

Recommendation 12

That the NSW Government make every effort to re-employ Professor Steve Kennelly and reinstate him to a position equivalent to the position of Chief Scientist of the Department of Primary Industries because Professor Kennelly is internationally recognised for his expertise in marine science and has an extensive and irreplaceable personal knowledge of NSW marine science research.

Recommendation 13

That the NSW Government develop a comprehensive policy document defining its 'Decade of Decentralisation' policy, setting out its principles, objectives and measures of success and that any relocation plans for the Cronulla Fisheries Research Centre of Excellence, or any other agency or site, be assessed against this policy, and this should include best practice guidelines for the decentralisation of agencies. Further, that any future proposal to relocate centres engaged in scientific research be accompanied by thorough planning for the retention of intellectual capital.

Appendix 1 Submissions

No	Author
1	Name suppressed
2	Mr Fabio Ramos
3	Ms Tanya Briggs
4	Ms Rhonda Davies
5	Mr Graham Hunt
6	Dr Alastair Grieve
7	Ms Meredith Woodward
8	Sutherland Shire Council
9	Ms Columbine Waring
10	North Coast Environment Council Inc
11	Clarence Environment Centre
12	Mr Derek Hughes
13	Name suppressed
14	Department of Primary Industries
15	Ms Melissa Murray
16	Mr Martin Jackson
17	Mr Tristan Sloan
18	Mr John Masens
19	Mrs Flora Masens
20	Mr Randolph Mar
21	Name suppressed
22	Name suppressed
23	Confidential
24	Dr James Scandol
25	Mr Mark Speakman MP
26	Mr Tom Barker
27	Confidential
28	Confidential
29	Ms Donna Tugnett
30	Name suppressed
31	Sydney Institute of Marine Science
32	Australian Society for Fish Biology

No	Author
33	Mr Cameron Reid
34	South West Anglers Association Inc
35	Name suppressed
36	Name suppressed
37	Bass Sydney Fishing Club Inc
38	Name suppressed
39	The Hon Shelley Hancock MP
40	Name suppressed
41	Mr Karl Becker
42	Name suppressed
42a	Name suppressed
43	Mr Laurie Derwent
43a	Mr Laurie Derwent
44	Public Service Association of NSW
45	Name suppressed
46	Name suppressed
47	Name suppressed
47a	Name suppressed
48	Confidential
49	Confidential
50	Confidential
51	Mr Noel Gogelry
52	Shoalhaven City Council
53	Mr Michael H Ives
54	Capital Region Fishing Alliance
55	Ms Rosalyn Goddard
56	Mr Robert Audsley
56a	Mr Robert Audsley
57	Taren Point Developments Pty Ltd
58	Mr Stephen Ives
59	Dr Veronica Silberschneider and Dr John Stewart (partially confidential)
60	School of Biological, Earth and Environmental Sciences Faculty of Science, University of New South Wales
61	Dr Jane Williamson

No	Author
62	Dr Dennis Reid
63	Name suppressed
64	Australian Marine Science Association - New South Wales Branch
65	Confidential
66	Name suppressed
67	Confidential
68	Mr Craig Baumann MP
69	ANSA - Australian National Sportfishing Association Ltd
70	National Parks Association of NSW, Nature Conservation Council of NSW, Australian Marine Conservation Society, Humane Society International
71	Dr Kevin Rowling
72	Ms Teagan A. Marzullo
73	Mr Peter Brown
74	Ms Michelle Fordham
75	Mr Martin Salter
76	Name suppressed
77	Name suppressed
78	Mr G Staniford
79	Ms Laura Seymour
80	Name suppressed
81	Confidential
82	Name suppressed
83	Ms Kris Wyld
84	Name suppressed
85	Mr Kevin Mossberger
86	Confidential
87	Name suppressed
88	Name suppressed
89	Ms Alex Schnell
90	ECO Fishers
91	Mr Michael Ristevski
92	Coast and Wetlands Society Inc
93	Mr Dean Hayes
94	Mr Michael Hickey

No	Author
95	Dr Geoff Liggins
96	Save Cronulla Fisheries Team
96a	Save Cronulla Fisheries Team
97	Name suppressed
98	Confidential
99	Fisheries Business Services
100	Name suppressed
101	Dr Steve Montgomery
102	Mr David Barker
102a	Confidential
103	Mr Andrew Fraser MP and the National Marine Science Centre
104	Mr Peter Dundas-Smith
105	Confidential
106	Mr K J Balding
107	Name suppressed
108	Name suppressed

Appendix 2 Witnesses at hearings

Date	Name	Position and Organisation
Monday, 6 August 2012 Parliament House Sydney	Dr Richard Sheldrake	Director General, Department of Primary Industries
	Dr Geoff Allan	Executive Director, Fisheries NSW Department of Primary Industries
	Mr Kevin Cooper	Relocation Project Manager, Leader Animal Plant and Fisher Health Emergency Preparedness and Response, Department of Primary Industries
Monday, 3 September 2012 Parliament House Sydney	Cr Carol Provan	Mayor, Sutherland Shire Council
	Mr John Rayner	General Manager, Sutherland Shire Council
	Professor Steven Kennelly	Director of Research, NSW Fisheries and Director, Cronulla Fisheries Centre of Excellence
	Mr Shane O'Brien	Assistant General Secretary Public Services Association
	Mr Peter Brown	Staff representative, Cronulla Fisheries Relocation Working Group
	Professor Les Christidis	Director, National Marine Science Centre, Coffs Harbour
	Dr Will Figuiera	Senior Lecturer, University of Sydney, President, Australian Marine Sciences Association
	Professor Bronwyn Gillanders	Professor, University of Adelaide President, Australian Society for Fish Biology
	Dr Alastair Grieve	Director, Scientific and Environmental Services Pty Ltd
	Mr Kenneth Thurlow	Chief Executive Officer, ECOfishers NSW
Mr John Burgess	Executive Officer, Australian National Sportfishing Association Ltd	
Mr Robert Audsley	Volunteer Leader, Southern Sydney, NSW Fishcare Volunteer Program	

Date	Name	Position and Organisation
Monday, 10 September Parliament House Sydney	Mr Robert Bailey	Chief Executive Officer, Foundation for Regional Development
	Mr Graeme Byrnes (via teleconference)	Former Deputy Chairman, Seafood Industry Advisory Council
	Mr Grahame Turk	Managing Director, Sydney Fish Markets
	Mr Gregory John Pullen	Economic Development Manager, Shoalhaven City Council
	Hon Katrina Hodgkinson, MP	Minister for Primary Industries and Minister for Small Business
	Mr Mark Paterson AO	Director General, Department of Trade and Investment, Regional Infrastructure and Services

Appendix 3 Participants at public forum

Date	Name
Monday, 3 September 2012	
Parliament House, Sydney	Dr Geoff Liggins
	Ms Jackie Gerrard
	Dr Kevin Rowling
	Mr Graham Phillip
	Dr Matt Ives
	Mr Laurie Derwent
	Dr Douglas Rotherham
	Professor Charles Gray
	Ms Lisa Lean
	Dr Steve Montgomery
	Ms Donna Tugnett
	Mr Dean Hayes
	Mr Matt Fowler
	Dr John Stewart
	Mr David Barker
	Dr Victor Peddermors
	Mr Dennis Reid
	Ms Tracey McVea
	Mr Robert Williams
Written statements tendered	Mr Robert Harris
	Ms Laura Seymour

Appendix 4 Site visits

Monday, 6 August 2012

Cronulla Fisheries Research Centre of Excellence, Cronulla

The Committee attended the Cronulla Fisheries Research Centre of Excellence and was escorted on the tour by the following officers:

- Dr Geoff Allan, Executive Director, Fisheries NSW
- Mr Kevin Cooper, Relocation Project Manager, Leader Animal Plant and Fish Health Emergency Preparedness and Response, Department of Primary Industries
- Professor Steve Kennelly, Site Director, Cronulla Fisheries Research Centre of Excellence and Director of Research, Fisheries NSW.

During the tour of the Centre, the Committee met with the following people:

- Mr David Barker (aquarium manager)
- Mr Peter Brown (staff representative on the Cronulla Fisheries Relocation Working Group)
- Ms Leanne Curtis
- Ms Samantha Dawes
- Mr Doug Ferrell
- Mr Jason Gibson
- Professor Charles Gray
- Mr Rob Harris
- Dr Matt Ives
- Dr Geoff Liggins
- Ms Dee McElligott
- Ms Teagan Marzullo (student)
- Dr Vic Peddemors
- Ms Leanne Raines
- Mr Gary Reilly
- Ms Alex Schnell (student)
- Ms Laura Seymour
- Dr Veronica Silberschneider
- Dr John Stewart
- Mr Peter Turnell
- Ms Miriam Vandenberg.

Friday, 31 August 2012

Sydney Institute of Marine Science (SIMS), Mosman

Committee members travelled to SIMS to observe its operations. The Committee was accompanied by the following representatives from SIMS:

- Dr John Keniry AM, Chair
- Professor Peter Steinberg, Director and Chief Executive Officer.

Friday, 28 September 2012

Port Stephens Fisheries Institute, Taylors Beach

Committee members travelled to the Port Stephens Fisheries Institute (PSFI) to observe the operations. The Committee met with the following officers during the tour:

- Dr Geoff Allan, Executive Director, Fisheries NSW
- Ms Helena Heasman, Executive Assistant
- Dr Mark Booth, Research Scientist, Aquaculture Nutrition
- Dr Stewart Fielder, Research Scientist, Marine Finfish Production
- Dr Wayne O'Connor, Research Leader Aquaculture
- Mr Ian Powell, Centre Manager Port Stephens
- Mr Ian Lyall, Manager Aquaculture
- Mr Peter Gallagher, Senior Conservation Manager, Threatened Species
- Mr Tim Gippel, Senior Policy Officer, Aquaculture
- Ms Jane Frances, Manager Aquatic Biosecurity and Risk Management
- Dr Bob Creese, Research Leader, Aquatic Ecosystems
- Dr Craig Boys, Research Scientist
- Ms Melissa Walker, Strategy Leader Aquatic Biosecurity Pests
- Dr Nick Otway, Senior Research Scientist
- Ms Richele West, Technical Assistant, Library.

Appendix 5 Tabled documents

Monday, 3 September 2012

Public Hearing, Jubilee Room, Parliament House

1. Statistics of NSW Fishcare Volunteer Activities & Events – tendered by Mr Robert Audsley, Volunteer, Saltwater Fishcare
2. Submission by Staff at the Cronulla Fisheries Research Centre to the Minister for Primary Industries regarding closure of the Centre and the relocation of staff – tendered by Mr Shane O’Brien, Assistant General Secretary, Public Services Association of New South Wales

Monday, 10 September 2012

Public Hearing, Jubilee Room, Parliament House

3. Document ‘A Study and Analysis of ABS Statistics for New South Wales 2012’ tendered by Mr Peter Bailey, Chief Executive Officer, Foundation for Regional Development
4. Benefit-Cost Analysis of the Closure of the Cronulla Fisheries Research Centre, tendered by the Hon Katrina Hodgkinson, Minister for Primary Industries and Minister for Small Business
5. Opening Statement of Hon Katrina Hodgkinson, Minister for Primary Industries and Minister for Small Business

Appendix 6 Answers to questions on notice

The Committee received answers to questions on notice and/or supplementary questions from:

Dr Richard Sheldrake, Director General, Department of Primary Industries
Professor Steve Kennelly, Site Director, Cronulla Fisheries Research Centre of Excellence
Professor Les Christidis, National Marine Science Centre
Mr John Rayner, General Manager, Sutherland Shire Council
Mr Peter Brown, staff representative, Cronulla Fisheries Relocation Working Group
Mr Graeme Byrnes, Former Deputy Chair, Seafood Industry Advisory Council
Hon Katrina Hodgkinson, MP, Minister for Primary Industries and Minister for Small Business
Mr Mark Paterson AO, Director General, Department of Trade and Investment, Regional Infrastructure and Services

Appendix 7 Map: Cronulla Fisheries Research Centre



Appendix 8 May 2011 ministerial briefing

PRIMARY INDUSTRIES

Corporate Services – Corporate Operations/Human Resources Unit

Ministerial Briefing

Closure of Cronulla

Issue:

The proposed closure of Cronulla requires a managed process to be adopted that complies with current Government policy.

Brief and talking points prepared by Simon Kempson Director Human Resources
5 May 2011

Executive Director Corporate Services

Ministerial and Executive Support

PRIMARY INDUSTRIES**Corporate Services – Corporate Operations/Human Resources Unit****Ministerial Briefing**

Closure of Cronulla

Issue:

The proposed closure of Cronulla requires a managed process to be adopted that complies with current Government policy.

Background:

The proposal to close the Cronulla site needs to be considered in terms of the industrial and legal implications for the staff involved. The relevant instruments that need to be considered include the *Public Sector Employment and Management Act 2002* and the Managing Excess Employees Policy issued by the Department of Premier and Cabinet in November 2008.

In terms of the workforce profile of the Cronulla staff the following is relevant:-

- There are currently 70 substantive permanent officers located at Cronulla which represents an EFT of 67.2 staff.
- There are 56 temporary staff representing an EFT of 52.2 staff. Many of these temporary staff have been employed for a significant number of years on long term projects or trust funding.
- There are also a significant number of casual staff that are theoretically based at Cronulla but these staff have no rights under the relevant industrial instruments to either ongoing employment or compensation should they lose their jobs.
- This closure would represent for Primary Industries the largest movement of staff from any one site since Mineral Resources moved to Maitland in 2004.
- The staff (permanent and temporary employees combined) at Cronulla work in three different Divisions namely Primary Industries (104), Corporate Services (20) and Policy Governance and Communications (2). Any decisions that impact on these staff therefore need to be considered by the relevant Ministers who are responsible for them.
- The average length of service for the permanent staff is nearly 18 years with 12 staff having over 30 years service. The average length of service for the temporary staff is approaching 6 years with 9 staff having over 10 years service. These 9 staff in particular need to be considered almost as permanent staff.
- The average age of the permanent staff is 46 whilst for temporary staff the average age is 36. There are 12 permanent staff and 3 temporary staff who are within the "retirement zone" of 55 years or older. Therefore there are less than 12% of staff who are likely to want to seriously consider retirement as a result of this decision and many of these hold key positions including 2 Principal Research Scientists and three senior managers.
- It is believed that over 60 % of the staff live in the Sutherland Shire whilst a further 20% live in an area broadly defined within the south east suburbs of Sydney. The remainder are spread across other parts of Sydney. It is likely with this age and geographical profile that many of the staff have strong ties to the area and would significantly resist any plans to relocate elsewhere.

In considering the closure from a legal perspective the Department Head has the right to relocate staff in accordance with section 87 of the *Public Sector Employment and Management Act 2002* and is only required to consult with the staff members before doing so. If a staff member refuses to transfer then the Department Head has the right to dismiss them but only if the Department Head is satisfied that there is 'no valid reason for refusing to transfer'. The Department Head however must seek the approval of the Director for Public Employment should dismissal be contemplated.

The Managing Excess Employees Policy however has been developed as a way of managing staff who are in this situation. This Policy has been the cornerstone of how Government Department's have managed these situations for the last number of years. The basic principles of the policy are:-

1. The Department is obliged to prepare a Change Management Plan(CMP). The CMP sets out the rationale for the proposal to close Cronulla and is used as the basis for consultation with the staff and unions. It therefore needs to clearly articulate **who** are affected, **why** the decision is being made, **what** will be the impact for staff and **when** the closure will take place.
2. The CMP must be approved by the relevant Ministers and then submitted to the Department of Premier and Cabinet for their approval.
3. The Department must consult with the relevant unions prior to the decision being announced to the staff and made public. The Department must then manage the industrial processes that will follow.
4. Under the policy permanent staff are entitled to be considered for relocation to the proposed new work site, redeployment to other roles within the Department and/or Public Service generally, or voluntary/forced redundancy. Temporary staff are entitled to be relocated to a new work site or given a severance pay based on their years of service. They are not ordinarily entitled to redeployment or the full benefits of the voluntary redundancy scheme.
5. Consideration of voluntary redundancies is generally made where no relocation/redeployment options exist. The group of staff within Primary Industries in particular are generally highly specialised and therefore alternative job opportunities will be limited elsewhere. As such voluntary redundancies are an inevitable consideration in this process.
6. Forced retrenchment is also a possibility where a staff member has been unable to be relocated, redeployed or willing to accept a voluntary redundancy. There have never been forced retrenchments within the Department and as such this would be a test for the implementation of this aspect of the policy. It is likely therefore that this exercise would attract considerable industrial interest from the unions.
7. Whilst the policy does not specify a timeframe for the announcement or implementation of any decision it is realistic to expect that it will take several weeks for a suitable CMP to be developed and approved by the various parties prior to the commencement of consultation. In terms of implementation of the decision previous history suggests that the transfer of staff, especially if it requires a relocation of their home, is not likely to occur before February 2012 at the earliest. In all likelihood the finalisation of the issues surrounding the implementation of the decision will not be resolved until 2013.

In conclusion the decision to close the Cronulla site will have significant operational and industrial challenges but these can be managed in line with the current Government Policy as long as the timetable set is proportionate to the challenges that this decision creates. The first step is to prepare a suitable CMP so that the necessary approvals can be obtained in a timely manner.

Recommendation:

The Minister notes this Brief.

Executive Contact: Jeannine Biviano
Secondary Contact: Simon Kempson

Deputy Director General

Director-General

Departmental Liaison Officer

Policy Advisor

MINISTER HODGKINSON

Appendix 9 Resolution establishing the Committee

1. That a select committee be appointed to inquire into and report on the closure of the Cronulla Fisheries Research Centre of Excellence, and in particular:
 - (a) the basis for the decision including the documents and other records that were considered by the Minister, including any economic or financial analysis,
 - (b) what consultation was undertaken prior to the decision with stakeholders, including commercial and recreational fishing groups, environmental groups and staff,
 - (c) the costs and benefits of the decision to close the Centre and relocate its functions to other locations,
 - (d) the extent to which the decision satisfies the Minister's responsibilities under the Fisheries Management Act 1994,
 - (e) any advice received by the Minister on the ability to replicate the Cronulla facilities at other locations, including potential problems and other implications of the other locations,
 - (f) the loss of the scientific expertise held by the staff who cannot relocate from Cronulla and the implications for sustainable fisheries management,
 - (g) the impacts of the decision on service delivery to stakeholders,
 - (h) the impact on staff and their families of the closure and the relocation, and
 - (i) the impact on the heritage values of the Cronulla Fisheries Research Centre.
2. That the committee consist of seven members comprising:
 - (a) three Government members,
 - (b) two Opposition members,
 - (c) Ms Cate Faehrmann, and
 - (d) Reverend the Honourable Fred Nile.
3. That, notwithstanding anything contained in the standing orders:
 - (a) the Chair of the committee be Reverend the Honourable Fred Nile, and
 - (b) the Deputy Chair be elected by the committee.
4. That notwithstanding anything contained in the standing orders, at any meeting of the committee four members will constitute a quorum.
5. That a committee member who is unable to attend a deliberative meeting in person may participate by electronic communication and may move any motion and be counted for the purpose of any quorum or division, provided that:
 - (a) the Chair is present in the meeting room,
 - (b) all members are able to speak and hear each other at all times, and
 - (c) a member may not participate by electronic communication in a meeting to consider a draft report.
6. That the committee report by 23 October 2012.

Appendix 10 Minutes

Minutes No. 1

Friday, 29 June 2012

Select Committee on the Closure of the Cronulla Fisheries Research Centre of Excellence
Room 1153, Parliament House, Sydney, at 12.05 pm

1. Members present

Revd Nile, *Chairman*

Ms Ficarra, *Deputy Chair* (by teleconference)

Mr Ajaka

Mr Blair (by teleconference)

Ms Faehrmann

Mr Veitch (by teleconference)

Mr Whan

2. Meeting declared open

The Chair declared the meeting open.

3. Electronic participation

The Chair advised that he had received advice from Mr Blair, Ms Ficarra and Mr Veitch that they would be participating in the meeting via teleconference.

4. Tabling of the resolution establishing the Committee

The Chair tabled the resolution establishing the Committee from the Minutes of the Legislative Council of 21 June 2012.

5. Election of Deputy Chair

The Chair called for nominations for Deputy Chair.

Mr Ajaka moved: That Ms Ficarra be elected Deputy Chair of the Committee.

Mr Veitch moved: That Mr Whan be elected Deputy Chair of the Committee.

The Chair informed the Committee that, there being two nominations, a vote would be held.

The Chair announced the result of the vote as follows.

Ms Ficarra: four votes

Mr Whan: three votes.

Ms Ficarra, having a majority of the members present and voting, was therefore declared elected Deputy Chair of the Committee.

6. Procedural motions

Resolved, on the motion of Mr Whan: That, unless the Committee decides otherwise, the following procedures apply for the life of the Committee:

That the Committee authorise the filming, broadcasting and still photography of the public proceedings of the Committee, in accordance with the resolution of the Legislative Council of 18 October 2007.

That the Committee authorise the publication of transcripts of evidence taken at public hearings.

That the Committee authorise the publication of answers to questions on notice.

That the Committee authorise the publication of all submissions to the Inquiry, subject to the Committee Clerk checking for confidentiality, adverse mention and other issues and, where those issues arise, bringing them to the attention of the Committee for consideration.

That media statements on behalf of the Committee may be made only by the Chair.

That arrangements for inviting witness be left in the hands of the Chair and the Committee Clerk, after consultation with the Committee.

7. Correspondence

The Committee noted the following item of correspondence received:

- 3 April 2012 – Letter from Dr Richard Sheldrake, Director General, Department of Primary Industries, to Chair informing the Committee that he is committed to taking leave in September/October 2012, and advising that he would be available to attend hearings in August if this was suitable to the Committee.

8. Conduct of Inquiry

Resolved, on the motion of Mr Ajaka: That the amended draft media release announcing the Inquiry and calling for submissions be issued by the Chair.

Resolved, on the motion of Ms Ficarra: That advertisements calling for submissions be placed in the *St George and Sutherland Shire Leader*, *The Sydney Morning Herald* and *The Daily Telegraph* with an indicative advertising date of 4 July 2012.

Resolved, on the motion of Ms Faehrmann: That the closing date for submissions be Monday 30 July 2012 with extensions available on request.

Resolved, on the motion of Ms Ficarra: That the stakeholders identified by the Secretariat be invited to make submissions, and that members advise the Secretariat of any additional stakeholders by 5pm Monday 2 July 2012.

Resolved, on the motion of Mr Whan: That a site visit to the Cronulla Fisheries Research Centre of Excellence be held on Monday 6 August followed by a hearing at Parliament House to be attended by witnesses from the Department of Primary Industries. Further, that two half-day hearings be held at Parliament House on Monday 3 and Monday 10 September 2012, with a public forum to be held on the evening of Monday 3 September 2012.

Resolved, on the motion of Ms Faehrmann: That the Committee reply to the correspondence of 3 April 2012 from Dr Sheldrake, Director General, Department of Primary Industries and invite him to appear as a witness on Monday 6 August 2012. Further, that the Committee request that Dr Sheldrake encourage employee participation in the Inquiry, and make managers aware of the need to avoid taking any action against individuals as a result of their participation in the Inquiry.

Resolved, on the motion of Mr Ajaka: That answers to questions taken on notice taken during the hearings be provided to the Secretariat within 21 days.

Resolved, on the motion Ms Ficarra: That the meeting to consider the final report be held on Friday 19 October 2012 at 10.00 am.

9. Adjournment

The Committee adjourned at 12.25 pm until Monday 6 August 2012.

Miriam Cullen
Clerk to the Committee

Minutes No. 2

Monday, 6 August 2012

Select Committee on the Closure of the Cronulla Fisheries Research Centre of Excellence
Macquarie Room, Parliament House, Sydney, at 12.30 pm

1. Members present

Revd Nile, *Chairman*
Mr Blair
Mr Clarke
Ms Faehrmann
Mr Veitch
Mr Whan

2. Apologies

Ms Ficarra

3. Site visit to Cronulla Fisheries Centre of Excellence

The Committee attended the Cronulla Fisheries Research Centre of Excellence and was escorted on the tour by the following officers:

- Dr Geoff Allan, Executive Director, Fisheries NSW
- Mr Kevin Cooper, Relocation Project Manager, Leader Animal Plant and Fish Health Emergency Preparedness and Response, Department of Primary Industries
- Professor Steve Kennelly, Site Director, Cronulla Fisheries Research Centre of Excellence.

During the tour of the Cronulla Fisheries Centre, the Committee met with the following people:

- Mr David Barker (aquarium manager)
- Mr Peter Brown (staff representative)
- Ms Leanne Curtis
- Ms Samantha Dawes
- Mr Doug Ferrell
- Mr Jason Gibson
- Dr Charles Gray
- Mr Rob Harris
- Dr Matt Ives
- Dr Geoff Liggins
- Ms Dee McElligott
- Ms Teagan Marzullo (student)
- Dr Vic Peddemors
- Ms Leanne Raines
- Mr Gary Reilly
- Ms Alex Schnell (student)
- Ms Laura Seymour
- Dr Veronica Silberschneider
- Dr John Stewart
- Mr Peter Turnell
- Ms Miriam Vandenberg.

4. Draft minutes

Resolved, on the motion of Mr Blair: That Draft Minutes No. 1 be confirmed.

5. Correspondence

The Committee noted the following items of correspondence:

Received:

- 4 July 2012 – From the Department of Primary Industries, advising that Dr Richard Sheldrake, Director General, Department of Primary Industries; Dr Geoff Allan, Executive Director, Fisheries NSW; and Mr Kevin Cooper, Relocation Project Manager, Leader Animal Plant and Fish Health Emergency Preparedness and Response, will attend the site visit and appear as witnesses at the public hearing on 6 August 2012
- 11 July 2012 – From Ms Jessica Fredin, Stakeholder Relations, Australian Research Council, advising that the Research Council will not be making a submission to the inquiry
- 12 July 2012 – From Dr Richard Sheldrake, Director General, Department of Primary Industries; confirming the site visit to the Cronulla Research Centre on 6 August, and inviting the Committee to visit the Port Stephens Fisheries Research Institute, Taylors Beach
- 18 July 2012 – From Mr Jim Cook, Secretary, Rotary Club of Cronulla Inc, expressing interest in use of meeting rooms at the Cronulla Fisheries Centre
- 24 July 2012 – From Mr Peter Brown in his capacity as a representative of Cronulla Fisheries Centre staff on Department of Primary Industries's Relocation Working Group, informing the Committee of a motion passed by Centre employees, which asks the Committee to request that the Minister place the Centre's closure on hold until the Committee has tabled its report
- 30 July 2012 – From Mr Peter Achterstraat, Auditor-General of NSW, advising that his office will not be making a submission to the inquiry.

Sent:

- 3 July 2012 – To Dr Richard Sheldrake, Director General, Department of Primary Industries, regarding the availability of Dr Sheldrake and Dr Geoff Allan, Executive Director, Fisheries NSW to appear before the Committee, encouraging the Department to support the participation of staff of the Cronulla Fisheries Research Centre in the inquiry, and inviting the Department to make a submission to the inquiry.

Resolved, on the motion of Ms Faehrmann: That following the request contained in the correspondence from Mr Peter Brown, the Committee write to the Minister for Primary Industries to request that the relocation of the Cronulla Fisheries Research Centre of Excellence be suspended until the Committee has tabled its final report and the Minister has had time to consider the recommendations made in that report.

6. Additional site visits

Resolved, on the motion of Mr Blair: That the Committee conduct site visits to the Sydney Institute of Marine Sciences (SIMS), Mosman and the Port Stephens Fisheries Research Institute, Taylors Beach, provided that the Committee can identify a suitable date when a sufficient number of members are available.

The Chairman advised that he would circulate a list of proposed dates for the site visits to Mosman and Port Stephens.

7. Submissions

The Committee has received 100 submissions to the inquiry to date.

Public submissions

Resolved, on the motion of Mr Whan: That the Committee note that Submission Nos 2-12, 14-20, 24-26, 29, 31-34, 37, 39, 41, 43-44, 51-58, 60-62, 64, 68-75, 78-79, 83, 85, 89-96, 96a and 99 have been published by the Committee Clerk under the authorisation of the Committee's previous resolution of 29 June 2012.

Partially confidential submissions

Resolved, on the motion of Mr Whan: That the Committee authorise the publication of Submission Nos. 1, 13, 21, 22, 30, 35, 36, 38, 40, 42, 45, 46, 47, 59, 63, 66, 76, 77, 80, 82, 84, 87, 88, 97 and 100 with the exception of the name and/or other identifying details of the authors, which are to remain confidential.

Confidential submissions

Resolved, on the motion of Mr Whan: That Submission Nos. 23, 27, 28, 48, 49, 50, 65, 67, 81, 86 and 98 remain confidential.

8. Supplementary questions

Resolved, on the motion of Mr Veitch: That for the duration of the inquiry, supplementary questions may be lodged with the secretariat up to two days following the hearing.

9. Questions on notice

Resolved, on the motion of Mr Blair: That for the duration of the inquiry, witnesses be requested to return answers to questions taken on notice and supplementary questions within 14 days of the date on which the questions are forwarded to the witness.

10. Public hearing – allocation of question time

Resolved, on the motion of Mr Veitch: That the timing of questioning for the hearing will be as follows: 20 minutes each for the Government, Opposition and Crossbench, with the remaining time divided equally by the Chairman.

11. Public hearings – Monday 3 September and Monday 10 September

Resolved, on the motion of Mr Blair: That the secretariat circulate a proposed witness list for the September hearings to the Committee by 5pm on Wednesday 8 August, and that members' suggestions for additional witnesses are provided to the secretariat by 5pm on Friday 10 August 2012, following which these additional suggestions will be circulated to all members of the Committee.

12. Public forum – Monday 3 September

Resolved, on the motion of Mr Veitch: That in relation to the public forum to be held on Monday 3 September:

- the forum be advertised via a media release, as previously circulated, which will be sent to The Leader, the Department of Primary Industries, the Save Cronulla Fisheries website, and the staff representative on the Relocation Working Group at Cronulla Fisheries
- forum participants should pre-register with the secretariat by 10 am on Monday 27 August 2012
- each participant be allocated 5 minutes to speak, with a bell rung at 4 minutes to indicate that their time has nearly expired
- participants will not be required to be sworn, but their evidence will be protected by parliamentary privilege as it is a properly constituted committee proceeding
- members are requested not to ask questions of participants as this forum is intended to allow people to have their say on the matter
- if the number of registered participants exceeds the time available for the forum, the secretariat will propose a selection of participants to the Committee.

13. Public hearing

Witnesses, the public and the media were admitted.

The Chairman made an opening statement regarding the broadcasting of proceedings and other matters.

The following witnesses were sworn and examined:

- Dr Richard Sheldrake, Director General, Department of Primary Industries
- Dr Geoff Allan, Executive Director, Fisheries NSW

- Mr Kevin Cooper, Relocation Project Manager, Leader Animal Plant and Fish Health Emergency Preparedness and Response, Department of Primary Industries.

The evidence concluded and the witnesses withdrew.

14. Adjournment

The Committee adjourned at 6.05 pm until Monday 3 September 2012, at 12.45 pm in the Jubilee Room.

Cathryn Cummins

Clerk to the Committee

Minutes No. 3

Thursday 16 August 2012

Select Committee on the Closure of the Cronulla Fisheries Research Centre of Excellence

Members Lounge, Parliament House, Sydney, at 9.00 am

1. Members present

Revd Nile, *Chairman*

Ms Ficarra, *Deputy Chair*

Mr Blair

Mr Clarke (*at 9.05am*)

Ms Faehrmann

Mr Veitch

Mr Whan

2. Draft minutes

Resolved, on the motion of Mr Veitch: That Draft Minutes No. 2 be confirmed.

3. Correspondence

The Committee noted the following items of correspondence:

Received

- 7 August 2012 – From Dr Richard Sheldrake, Director General, DPI, requesting that a correction be made to page 20 of the transcript from 6 August 2012, to reflect that 25 employees of Fisheries NSW will remain in the Sydney Basin, not 23 as originally advised
- 10 August 2012 – From Mr Peter Brown in his capacity as a representative of Cronulla Fisheries Centre staff on DPI's Relocation Working Group, forwarding a letter sent to the Minister for Primary Industries requesting that the relocation of the Cronulla Fisheries Research Centre of Excellence be suspended until the Committee has tabled its final report.

Sent:

- 8 August 2012 – From the Chairman to the Hon Katrina Hodgkinson MP, Minister for Primary Industries requesting that the relocation of the Cronulla Fisheries Research Centre of Excellence be suspended until the Committee has tabled its final report and the Minister has had time to consider the recommendations made in that report.

Resolved, on the motion of Mr Blair: That page 20 of the transcript from 6 August 2012 be amended to reflect that 25 employees of Fisheries NSW will remain in the Sydney Basin, not 23 as originally advised.

Mr Clarke joined the meeting.

4. Witness selection – September hearings

Resolved, on the motion of Mr Whan: That the following people and organisations be invited to appear before the Committee at the public hearings on Monday 3 and Monday 10 September:

- Sutherland Shire Council
- Employee related panel: Public Service Association of NSW, Save Cronulla Fisheries Group, Mr Peter Brown and Professor Steve Kennelly
- Environmental groups panel: National Parks Association of NSW; Nature Conservation Council of NSW; Australian Marine Conservation Society; and Humane Society International
- Academic and research groups panel: Dr Alastair Grieve, Scientific and Environmental Services Pty Ltd; Professor Bronwyn Gillanders, Australian Society for Fish Biology; Dr Will Figueira, NSW Australian Marine Sciences; and Professor Les Christidis, National Marine Science Centre, Coffs Harbour
- Hon Katrina Hodgkinson MP, Minister for Primary Industries, accompanied by people of her choosing
- Mr Peter Bailey, Foundation for Regional Development
- Recreational fishers panel: Mr John Burgess, Australian National Sports Fishing Association; Mr Terry Maloney, South West Anglers Association; Mr Robert Audsley, Saltwater Fishcare Volunteer; and Ecofishers NSW
- Commercial fishers panel 1: Professional Fishermans Association; Mr Grahame Turk, Sydney Fish Markets; Mr Graeme Byrnes, Seafood Advisory Council
- Commercial fishers panel 2: Mr Scott Westley; Mr Noel Gogerly; and Mr Dennis Brown.

Resolved, on the motion of Mr Whan: That the secretariat circulate the modified witness list and draft hearing schedules to members via email.

5. Adjournment

The Committee adjourned at 9.25 am until Monday 3 September 2012, at 12.45 pm in the Jubilee Room.

Cathryn Cummins

Clerk to the Committee

Minutes No. 4

Friday, 31 August 2012

Select Committee on the Closure of the Cronulla Fisheries Research Centre of Excellence
Sydney Institute of Marine Sciences (SIMS), Mosman, at 10:30 am,

1. Members present

Revd Nile, *Chairman*
Ms Ficarra, *Deputy Chair*
Mr Clarke
Mr Whan

2. Apologies

Mr Blair
Ms Faehrmann
Mr Veitch

3. Site Visit to Scientific Institute of Marine Science (SIMS), Mosman

Committee members travelled to SIMS to observe the operations. The Committee was accompanied by the following representatives from SIMS:

- Dr John Keniry AM, Chair
- Professor Peter Steinberg, Director and Chief Executive Officer.

4. Adjournment

The Committee adjourned at 12.15 pm until Monday 3 September at 12.45 pm in the Jubilee Room.

Miriam Cullen

Clerk to the Committee

Minutes No. 5

Monday, 3 September 2012

Select Committee on the Closure of the Cronulla Fisheries Research Centre of Excellence
Jubilee Room, Parliament House, Sydney, at 12.45 pm

1. Members present

Revd Nile, *Chairman*

Ms Ficarra, *Deputy Chair*

Mr Blair

Mr Clarke

Ms Faehrmann

Mr Veitch

Mr Whan.

2. Previous minutes

Resolved, on the motion of Mr Whan: That Draft Minutes No. 3 be confirmed.

3. Correspondence

The Committee noted the following items of correspondence:

Received

- 22 August 2012 – from the Office of the Hon Katrina Hodgkinson MP, Minister for Primary Industries, declining the Committee's invitation to appear before the Committee at one of the September hearings.

Sent

- 16 August 2012 – from the Chairman to the Hon Katrina Hodgkinson MP, Minister for Primary Industries, inviting the Minister to appear before the Committee at one of the September hearings, accompanied by members of her ministerial or departmental staff that she feels appropriate.

4. Submissions

The Committee has received 104 submissions to the inquiry to date.

Public submissions.

Resolved, on the motion of Ms Ficarra: That the Committee note that Submission Nos. 101-104 have been published by the Committee Clerk under the authorisation of the Committee's previous resolution of 29 June 2012.

Confidential submissions

Resolved, on the motion of Mr Veitch: That Submission No 102a remain confidential.

5. Public hearing

Witnesses, the public and the media were admitted.

The Chair made an opening statement regarding the broadcasting of proceedings and other matters.

The following witnesses were sworn and examined:

- Cr Carol Provan, Mayor, Sutherland Shire Council
- Mr John Wilfred Rayner, General Manager, Sutherland Shire Council

The evidence concluded and the witnesses withdrew.

The following witnesses were sworn and examined:

- Mr Peter Brown, Member, Cronulla Fisheries Relocation Working Group
- Mr Shane O'Brien, Assistant General Secretary, Public Services Association of NSW
- Professor Steve Kennelly, Director, Cronulla Fisheries Research Centre of Excellence.

Mr Brown and Professor Kennelly advised that they were appearing in an individual capacity, and were not representing the views of their employer.

The evidence concluded and the witnesses withdrew.

The following witnesses were sworn and examined:

- Professor Les Christidis, Director, National Marine Science Centre
- Dr Will Figueira, President, Australian Marine Sciences Association
- Professor Bronwyn Gillanders, President, Australian Society for Fish Biology
- Dr Alastair Grieve, Director, Scientific and Environmental Services Pty Ltd.

The evidence concluded and the witnesses withdrew.

The following witnesses were sworn and examined:

- Mr John Burgess, Executive Officer, Australian National Sportfishing Association Ltd
- Mr Ken Thurlow, Chief Executive Officer, Ecofishers NSW
- Mr Robert Audsley, Saltwater Fishcare Volunteer

The evidence concluded and the witnesses withdrew.

The public hearing concluded at 5:03 pm. The public and the media withdrew.

6. Public forum

The public and the media were admitted.

The Chair made an opening statement regarding the broadcasting of proceedings and the forum proceedings. The Chair noted that two forum participants were unable to attend this evening and accordingly the statements of Ms Laura Seymour and Mr Robert Harris would be incorporated into the transcript.

The following individuals appeared before the Committee:

- Dr Geoff Liggins
- Ms Jackie Gerard
- Dr Kevin Rowling
- Mr Graham Phillis
- Dr Matt Ives
- Mr Laurie Derwent
- Dr Douglas Rotherham
- Professor Charles Gray
- Ms Lisa Lean
- Mr Steve Montgomery

- Ms Donna Tugnett
- Mr Dean Hayes
- Mr Matt Fowler
- Dr John Stewart
- Mr David Barker
- Dr Victor Peddemors
- Mr Dennis Reid
- Ms Tracey McVea
- Mr Robert Williams.

The public forum concluded and the public and the media withdrew.

7. Acceptance and publication of documents tendered during the public hearing and public forum

Resolved, on the motion of Mr Veitch: That the Committee accept the following documents tendered during the public hearing:

- ‘Submission from staff at the Cronulla Fisheries Research Centre of Excellence to the Minister for Primary Industries regarding closure of the Centre and the relocation of staff’, tendered by Mr Shane O’Brien, Assistant General Secretary, Public Services Association of New South Wales – to be published, except for Attachment 3, which will be kept confidential
- ‘Statistics of NSW Fishcare Volunteer Activities and Events’, tendered by Mr Robert Audsley, Saltwater Fishcare Volunteer – to be published
- ‘Emails regarding relocation’, tendered by Ms Donna Tugnett, former employee, Cronulla Fisheries Research Centre of Excellence – to be kept confidential.

8. Adjournment

The Committee adjourned at 7:11 pm until Monday 10 September 2012 at 1.00 pm in the Jubilee Room.

Miriam Cullen
Clerk to the Committee

Minutes No. 6

Monday, 10 September 2012

Select Committee on the Closure of the Cronulla Fisheries Research Centre of Excellence
Jubilee Room, Parliament House, Sydney, at 1.00 pm

1. Members present

Revd Nile, *Chairman*
Ms Ficarra, *Deputy Chair*
Mr Blair
Mr Clarke
Ms Faehrmann
Mr Veitch
Mr Whan

2. Previous minutes

Resolved, on the motion of Ms Faehrmann: That Draft Minutes Nos. 4 and 5 be confirmed.

3. Correspondence

The Committee noted the following items of correspondence:

Received

- 5 September 2012 – Answer to question on notice taken during evidence on 3 September 2012 from Professor Steven Kennelly detailing the effect that the closure of the Cronulla Fisheries Research Centre of Excellence will have on current projects.
- 7 September 2012 – from Dr Alastair Grieve, Director, Scientific and Environmental Services Pty Ltd advising of a correction to evidence given at the Committee's hearing held 3 September 2012.

Sent

- Email - Letter to Hon Katrina Hodgkinson, Minister for Primary Industries dated 31 August 2012 confirming appearance at the public hearing on 10 September 2012 at 11:15 am.
- Email - Letter to Hon Katrina Hodgkinson, Minister for Primary Industries dated 5 September 2012 confirming appearance at the public hearing on 10 September 2012 at 5:30 pm.

4. Submissions

Public submissions

Resolved, on the motion of Mr Veitch: That the Committee note that Submission Nos. 43a and 106 have been published by the Committee Clerk under the authorisation of the Committee's previous resolution of 29 June 2012.

Confidential submissions

Resolved, on the motion of Mr Veitch: That Submission No 105 remain confidential.

5. Adjournment Consideration of issues to be covered in report

Resolved on the motion of Mr Blair: That the members provide the secretariat with a list of issues they would like included in the Committee's final report no later than 9.00 am Friday 14 September.

6. Public hearing

Witnesses, the public and the media were admitted.

The Chair made an opening statement regarding the broadcasting of proceedings and other matters.

The following witness was sworn and examined:

- Mr Peter Bailey, Chief Executive Officer, Foundation for Regional Development.

Mr Bailey tendered the following document:

- Foundation for Regional Development, 'A Study and Analysis of ABS Statistics for New South Wales 2012'.

The evidence concluded and the witness withdrew.

The following witnesses were sworn and examined:

- Mr Graeme Byrnes, Former Deputy Chairman, Seafood Industry Advisory Council (by teleconference)
- Mr Grahame Turk, Managing Director, Sydney Fish Markets.

The evidence concluded and the witnesses withdrew.

The following witnesses were sworn and examined:

- Mr Greg Pullen, Economic Development Manager, Shoalhaven City Council.

The evidence concluded and the witness withdrew.

The Chair noted that Members of Parliament swear an oath to their office, and therefore do not need to be sworn prior to giving evidence before a committee.

- The Hon Katrina Hodgkinson MP, Minister for Primary Industries and Minister for Small Business was admitted and examined.
- Mr Mark Paterson AO, Director General, Department of Trade and Investment, Regional Infrastructure and Services was sworn and examined.

The Hon Katrina Hodgkinson MP tendered the following document:

- Benefit-Cost Analysis of the Closure of the Cronulla Fisheries Research Centre.

Resolved, on the motion of Ms Faehrmann: That the time for hearing evidence from the witnesses be extended by five minutes.

The evidence concluded and the witnesses withdrew.

The public hearing concluded at 6:45 pm. The public and the media withdrew.

Resolved, on the motion of Mr Veitch: That the Committee accept the following document tendered during the public hearing:

- Foundation for Regional Development, 'A Study and Analysis of ABS Statistics for New South Wales 2012'.

Resolved, on the motion of Mr Veitch: That the Committee accept and publish the following document tendered during the public hearing:

- 'Benefit-Cost Analysis of the Closure of the Cronulla Fisheries Research Centre'.

7. Adjournment

The Committee adjourned at 6.45 pm until Friday 28 September at 11.00 am in Port Stephens.

Miriam Cullen

Clerk to the Committee

Minutes No. 7

Thursday, 13 September 2012

Select Committee on the Closure of the Cronulla Fisheries Research Centre of Excellence

Members Lounge, Parliament House, Sydney, at 1.05 pm

1. Members present

Revd Nile, *Chairman*

Ms Ficarra, *Deputy Chair*

Mr Blair

Mr Clarke

Ms Faehrmann

Mr Veitch

Mr Whan

2. Correspondence

The Committee noted the following items of correspondence:

Received

- 12 September 2012 – From the Hon Katrina Hodgkinson advising that the plans to close the Cronulla Fisheries Research Centre of Excellence would not be suspended until the completion of the Committee's inquiry, as requested by the Committee.

3. Staff survey

Ms Faehrmann moved: That the Committee conduct, if possible, a survey of all Cronulla Fisheries Research Centre staff in relation to whether they would consider moving back to their old jobs if the Government reversed its decision to close the Centre.

Question put.

The Committee divided.

Ayes: Ms Faehrmann, Rev Nile, Mr Veitch, Mr Whan.

Noes: Mr Blair, Mr Clarke, Ms Ficarra.

Question resolved in the affirmative.

Ms Faehrmann moved: That the questions to be asked of survey participants be as follows:

1. Would you object if the decision to close the Cronulla Fisheries Research Centre of Excellence was reversed? Yes/No.
2. Would you return to your old position if the decision was reversed and the position was available? Yes/No.

Question put.

The Committee divided.

Ayes: Ms Faehrmann, Rev Nile, Mr Veitch, Mr Whan.

Noes: Mr Blair, Mr Clarke, Ms Ficarra.

Question resolved in the affirmative.

3. Letter to the Premier and the President of the Legislative Council

Ms Faehrmann moved: That the Committee write to the Premier expressing its concern regarding Minister Hodgkinson's evidence to the Committee on 10 September 2012.

Question put.

The Committee divided.

Ayes: Ms Faehrmann, Mr Veitch, Mr Whan.

Noes: Mr Blair, Mr Clarke, Ms Ficarra, Rev Nile.

Question resolved in the negative.

Ms Faehrmann moved: That the Committee write to the President of the Legislative Council expressing its concern regarding Minister Hodgkinson's evidence to the Committee on 10 September 2012.

Question put.

The Committee divided.

Ayes: Ms Faehrmann, Mr Veitch, Mr Whan.

Noes: Mr Blair, Mr Clarke, Ms Ficarra, Rev Nile.

Question resolved in the negative.

4. Referral of cost/benefit analysis to the Auditor General

Ms Faehrmann moved: That the Committee send the cost-benefit analysis provided by the Minister during the hearing of 10 September 2012 to the Audit Office for comment.

Question put.

The Committee divided.

Ayes: Ms Faehrmann, Rev Nile, Mr Whan, Mr Veitch.

Noes: Mr Blair, Mr Clarke, Ms Ficarra.

Question resolved in the affirmative.

Ms Faehrmann moved: That the Committee seek the Auditor General's views on the Departments' handling of the closure generally.

Question put.

The Committee divided.

Ayes: Ms Faehrmann, Rev Nile, Mr Whan, Mr Veitch.

Noes: Mr Blair, Mr Clarke, Ms Ficarra.

Question resolved in the affirmative.

5. Other business

Resolved on the motion of Mr Whan: That the Committee accept and publish the opening statement tendered by the Hon Katrina Hodgkinson MP during the public hearing.

6. Next meeting

Friday 28 September 2012 at 11.00 am in Port Stephens.

Rachel Callinan

Clerk to the Committee

Minutes No. 8

Friday, 28 September 2012

Select Committee on the Closure of the Cronulla Fisheries Research Centre of Excellence
Port Stephens Fisheries Institute, Port Stephens at 11.00 am.

1. Members present

Revd Nile, *Chairman*

Ms Ficarra, *Deputy Chair*

Mr Blair

Mr Clarke

Ms Faehrmann

Mr Whan

2. Apologies

Mr Veitch

3. Site Visit to Port Stephens Fisheries Institute

Committee members travelled to the Port Stephens Fisheries Institute (PSFI) to observe the operations. The Committee was accompanied by the following representatives from the PSFI:

- Dr Geoff Allan, Executive Director, Fisheries NSW
- Dr Geoff Allan, Executive Director, NSW Fisheries
- Ms Helena Heasman, Executive Assistant
- Dr Mark Booth, Research Scientist, Aquaculture Nutrition

- Dr Stewart Fielder, Research Scientist, Marine Finfish Production
- Dr Wayne O'Connor, Research Leader Aquaculture
- Mr Ian Powell, Centre Manager Port Stephens
- Mr Ian Lyall, Manager Aquaculture
- Mr Peter Gallagher, Senior Conservation Manager, Threatened Species
- Mr Tim Gippel, Senior Policy Officer, Aquaculture
- Ms Jane Frances, Manager Aquatic Biosecurity and Risk Management
- Dr Bob Creese, Research Leader, Aquatic Ecosystems
- Dr Craig Boys, Research Scientist
- Ms Melissa Walker, Strategy Leader Aquatic Biosecurity Pests
- Dr Nick Otway, Senior Research Scientist
- Ms Richele West, Technical Assistant, Library.

4. **Adjournment**

The Committee adjourned at 2.00 pm until Friday, 19 October 2012 in Room 1153 at 10.00 am.

Miriam Cullen

Clerk to the Committee

Draft Minutes No. 9

Friday, 19 October 2012

Select Committee on the Closure of the Cronulla Fisheries Research Centre of Excellence
Room 1153, Parliament House, Sydney at 10.00 am

1. **Members present**

Revd Nile, *Chairman*
Ms Ficarra, *Deputy Chair*
Mr Blair
Mr Clarke
Ms Faehrmann
Mr Veitch
Mr Whan

2. **Previous minutes**

Resolved, on the motion of Ms Ficarra: That Draft Minutes 6, 7 and 8 be confirmed.

3. **Correspondence**

The Committee noted the following items of correspondence:

Received

- 7 September 2012 – from Dr Alastair Grieve, Director, Scientific and Environmental Services Pty Ltd, to Committee clarifying evidence provided to the Committee at its 3 September 2012 hearing.
- 11 September 2012 – answer to question on notice taken during evidence on 3 September 2012 from Mr John Rayner, General Manager, Sutherland Shire Council, providing email communication between the Hon Mark Speakman MP and the office of the Hon Katrina Hodgkinson MP.
- 16 September 2012 – from Mr Robert Audsley, Fishcare volunteer, to Committee clarifying evidence provided to the Committee at its 3 September 2012 hearing.
- 17 September 2012 – answer to question on notice taken during evidence on 3 September 2012 from Prof Les Christidis, Director, National Marine Science Centre (NMSC) outlining how the NMSC came to make a submission through the office of the Hon Andrew Fraser MP.

- 18 September 2012 – answers to supplementary questions from Prof Steve Kennelly, Director of the CFRC.
- 20 September 2012 – answer to a supplementary question from Mr Peter Brown, staff representative on the Cronulla Fisheries Relocation Working Group, detailing the number of staff at the Cronulla Fisheries Research Centre who have been offered and accepted voluntary redundancies.
- 21 September 2012 – email from Dr Geoff Allan, Executive Director, Fisheries NSW, to Secretariat, declining to assist the Committee to conduct a survey of staff.
- 21 September 2012 - email from Mr Robert Harris, former staff member at the CFRC, to the Committee, stating he would return to his role if the decision to close the Centre was reversed.
- 26 September 2012 – email from Dr Matthew Ives, staff member at the CFRC, to the Committee, forwarding extracts from recent research on the benefits to science from the co-location of staff (*previously circulated*).
- 27 September 2012 – From Mr Peter Achterstraat, Auditor-General of New South Wales, to the Committee responding to the request to comment on the cost benefit analysis provided to the Committee by the Hon Katrina Hodgkinson MP.
- 27 September 2012 – Email from Ms Tracey McVea, former staff member at the CFRC, to the Committee, stating she would return to her role if the decision to close the Centre was reversed.
- 29 September 2012 – Email from Dr Steve Montgomery, scientist at the CFRC, to the Committee.
- 1 October 2012 – Email from Ms Poliina Ciralo, former staff member, to the Committee, stating she would support the reversal of the decision and would consider returning to her role.
- 10 October 2012 – From Dr Kevin Rowling, scientist at the CFRC, commenting on the answers to supplementary questions and questions on notice provided by the Hon Katrina Hodgkinson MP, Minister for Primary Industries and Mr Mark Paterson AO, Director General, Department of Trade and Investment, Regional Infrastructure and Services.
- 11 October 2012 – From the Save Cronulla Fisheries Team commenting on the answers to supplementary questions and questions on notice provided by the Hon Katrina Hodgkinson MP, Minister for Primary Industries and Mr Mark Paterson AO, Director General, Department of Trade and Investment, Regional Infrastructure and Services.
- 12 October 2012 – From Mr Christopher Frederick to the Chair regarding proposals for the use of the Cronulla Fisheries Centre site.

4. **Publication of correspondence and questions on notice**

Resolved, on the motion of Mr Whan: That portions of the Department of Primary Industries' attachments to answers to questions on notice remain confidential, as requested by the Department on the basis that they contain identifying and other personal information for example about individual staff members.

Resolved, on the motion of Mr Whan: That the Committee publish correspondence received from the Auditor General.

Resolved, on the motion of Ms Faehrmann: That the Committee publish correspondence received from Dr Geoff Allan.

Resolved, on the motion of Ms Ficarra : That the Committee publish correspondence received from Dr Kevin Rowling and the Save Cronulla Fisheries Team.

Resolved, on the motion of Mr Clarke: That the Committee publish correspondence received from Mr Peter Brown.

Resolved, on the motion of Veitch: That the Committee publish correspondence received from Mr Robert Harris, Ms Tracey McVea, Dr Steve Montgomery and Ms Poliina Ciralo (current and former staff members).

5. Submissions

Resolved, on the motion of Mr Whan: That submissions Nos 42a, 107 and 108 be published with the exception of the names of the authors, which are to remain confidential.

6. Chairman's draft report: Closure of the Cronulla Fisheries Research Centre of Excellence

The Chairman submitted his draft report entitled *Closure of the Cronulla Fisheries Research Centre of Excellence*, which, having been previously circulated, was taken as being read.

Chapter 1 read.

Resolved, on the motion of Mr Blair: That Chapter 1 be adopted.

Chapter 2 read.

Resolved on the motion of Ms Faehrmann: That after paragraph 2.4 a new paragraph be inserted to read: 'However the Director-General of the department could not inform the Committee of the precise origin of the May 2011 briefing either:

CHAIR: Going back to my original question, could you tell us the first date someone recommended that the Cronulla fisheries be closed and by whom?

Dr SHELDRAKE: There is a brief on file dated May 2011. That brief was presented to me and I certainly read that brief.

CHAIR: Where did that brief come from?

Dr SHELDRAKE: That would have been generated from within the department.

CHAIR: Any particular section?

Dr SHELDRAKE: We had not restructured the department at that stage so we had a different structure than we have currently at the moment. So it came out of what was then the primary industries division of the department. The department has undergone considerable change and so at that stage the division was the division of primary industries.

CHAIR: I am speaking of a recommendation. Following up that, when was a decision made to close it then and by whom?

Dr SHELDRAKE: The announcement was on 8 September and that decision was on advice that I provided to the Government sometime between the May briefing and that final announcement date, 8 September.'

Ms Faehrmann moved: That paragraph 2.5 be amended by deleting 'evidence on this matter is not clear' and inserting instead: 'reasons for it were not well substantiated by the Minister or her department.'

Question put.

The Committee divided.

Ayes: Ms Faehrmann, Revd Nile, Mr Veitch and Mr Whan

Noes: Mr Blair, Mr Clarke, and Ms Ficarra.

Question resolved in the affirmative.

Resolved, on the motion of Mr Whan: That in the event that Committee members do not agree to a proposed amendment the voting on the motion be recorded as a division.

Resolved, on the motion of Mr Blair: That after paragraph 2.23 a new paragraph be inserted to read: 'The PSA are supportive of office-based jobs being decentralised. According to Mr O'Brien:

We support decentralisation where there are benefits to the community and to the taxpayers of New South Wales... In my view, an office-based job like that is something that could and should be relocated.'

Resolved, on the motion of Mr Blair: That after paragraph 2.23 a new paragraph be inserted to read: 'Mr Pullen explained that the transfer of staff will have the following benefits: "That would flow on to the small business sector in and around the area. I forget the number in Berry Street, but it is adjacent to the shopping centre; one would think that those people would then have access to the shopping centre and would spend lunchtimes walking around and spending money in our shops. Those are all side benefits that

we would get from this proposal. You will find that those employees initially, if they come from Sydney, will want to go back to Sydney on a frequent basis to visit friends and relatives. But what we have found in most other instances is that eventually the friends and relatives will spend more time visiting them on the South Coast and consequently will be spending more dollars locally.”

Resolved, on the motion of Mr Blair: That paragraph 2.35 be deleted: ‘According to Cr Carol Provan, then Mayor of Sutherland Shire Council, overall the CFRC site is very accessible: I cannot understand how they could say access. It is the most accessible site. You can walk into it from many different directions and it is a link. It is the headland of the shire; you walk right around it. That does not seem to be a good argument to me at all.’

Resolved, on the motion of Mr Blair: That after paragraph 2.39 a new paragraph be inserted to read: ‘The Minister’s opening statement advised that: “I have to stress that more than 75 employees are currently actually employed at the Port Stephens Fisheries Institute. Those employees have no problem accessing these world-class facilities.”’

Resolved, on the motion of Mr Blair: That paragraph 2.47 be amended by deleting the words ‘the wisdom of’ in the first sentence.

Resolved, on the motion of Mr Blair: That after paragraph 2.53 a new paragraph be inserted to read: ‘This was supported by the Minister in her opening statement in which she said that: “The truth is that of the 30 recreational fishing havens created in 2002, only one is actually based in Sydney, 20 are located on our beautiful South Coast, and the other nine are located on the North Coast.”’

Mr Blair moved: That paragraph 2.55 be amended by deleting the words: ‘and several voiced that there were ulterior motives for the closure.’

Question put.

The Committee divided.

Ayes: Mr Blair, Mr Clarke, Ms Ficarra

Noes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan.

Question resolved in the negative.

Mr Blair moved: That paragraph 2.56 be amended by deleting the words: ‘typical of many’ after the word ‘statement’ and deleting the words: ‘who feel that the rationale provided was dishonest and that senior bureaucrats knew that the rationale was untruthful’ after the word ‘staff’.

Question put.

The Committee divided.

Ayes: Mr Blair, Mr Clarke, Ms Ficarra

Noes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan.

Question resolved in the negative.

Mr Blair moved: That paragraph 2.59 be deleted.

Question put.

The Committee divided.

Ayes: Mr Blair, Mr Clarke, Ms Ficarra

Noes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan.

Question resolved in the negative.

Ms Faehrmann moved: That paragraph 2.64 be amended by inserting the word ‘very’ in the first sentence after the words ‘the Committee is’, and in the second sentence deleting the words: ‘some aspects of’ and inserting the words: ‘and ill considered’ after the word ‘hasty’.

Question put.

The Committee divided.

Ayes: Ms Faehrmann, Revd Nile, Mr Veitch and Mr Whan

Noes: Mr Blair, Mr Clarke, and Ms Ficarra.

Question resolved in the affirmative.

Resolved, on the motion of Ms Faehrmann: That Chapter 2, as amended, be adopted.

Chapter 3 read.

Resolved, on the motion of Ms Faehrmann: That paragraph 3.8 be amended by inserting in the third sentence the words: 'on the basis of internal departmental documents provided to the paper' after the word 'which'.

Resolved, on the motion of Mr Blair: That after paragraph 3.8 a new paragraph be inserted to read: 'However, Dr Allan explained to the Committee that 'the initial [document] that was given to the Herald included a whole lot of costs not associated with Cronulla' and 'Dr Shel Drake confirmed to the Committee that: "The dollars [reported in the Herald] were significantly less than they were in that draft document. So there was no issue and it was dealt with in the normal course of business".'

Mr Blair moved: That paragraph 3.11 be amended by deleting the word 'vehement' in the first sentence.

Question put.

The Committee divided.

Ayes: Mr Blair, Mr Clarke, Ms Ficarra

Noes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan.

Question resolved in the negative.

Resolved, on the motion of Ms Faehrmann: That paragraph 3.14 be amended by deleting the first sentence up to the word 'State', and inserting instead: 'Dr Matt Ives, a fisheries modelling and assessment scientist employed at the CFRC, argued that the wild fisheries resources managed by the staff at CFRC are worth over \$1 billion a year to the State'.

Resolved, on the motion of Mr Blair: That after paragraph 3.22 a new paragraph be inserted to read: 'Further, the Minister stated that: "The staff were informed very early in the piece of the decision. That is an important point that I want to make. Staff were given as much notice as possible. They were told in person, before everyone else, including stakeholders. I understand that the decision to inform staff as soon as possible meant that a lot of their questions could not yet be answered by senior DPI management.'

Resolved, on the motion of Mr Blair: That the quote in paragraph 3.32 be amended by inserting the words 'They were told in person, before everyone else, including stakeholders. I understand that the decision to inform staff as soon as possible meant that a lot of their questions could not yet be answered by senior DPI management.' at the end of the quote.

Mr Blair moved: That a new paragraph be inserted after paragraph 3.36 to read: 'However, the Committee has not sought to clarify this with Dr Allan. It should also be noted that, although the Working Group claim that Prof Kennelly was removed in November 2011, he is listed as an apology for meetings on 8 December 2011, 20 December 2011, 12 January 2012, 19 January 2012, 2 February 2012, 16 February 2012 and 15 March 2012, contradicting this claim.' (Answers to Questions on Notice, DPI, Attachment iii).

Question put.

The Committee divided.

Ayes: Mr Blair, Mr Clarke, Ms Ficarra.

Noes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan.

Question resolved in the negative.

Mr Blair moved: That paragraph 3.38 be omitted.

Question put.

The Committee divided.

Ayes: Mr Blair, Mr Clarke, Ms Ficarra.

Noes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan.

Question resolved in the negative.

Resolved, on the motion of Mr Blair: That a new paragraph be inserted at the end after paragraph 3.38 to read: 'However, Dr Allan claimed that research would continue and contractual obligations would be fulfilled.' (Transcript, 06.08.2012, pp 6-8).

Mr Blair moved: That paragraph 3.43 be omitted.

Question put.

The Committee divided.

Ayes: Mr Blair, Mr Clarke, Ms Ficarra.

Noes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan.

Question resolved in the negative.

Mr Blair moved: That a new paragraph be inserted after paragraph 3.43 to read: 'However, Cr Provan also had difficulties making herself available to meet with the Minister and was satisfied with the written correspondence received:

The Hon. NIALL BLAIR: The reason I ask is that in your mayoral minute, you quote a response from the Minister to your councillors, to your original letter. So when you make the statement that the Minister had not responded to your correspondence, the response has been quoted in your mayoral minutes. I wanted to clarify that that was responded to. But I also want to ask about the original request to meet with the Minister. When was the first time the Minister or her office actually met with council?

Mr RAYNER: I could not tell you exactly when we met with the Minister.

The Hon. NIALL BLAIR: Are we talking weeks or months after the announcement?

Mr RAYNER: It would have been weeks. Just to clarify, the Minister has responded to the council and, as I said earlier, there was only one outstanding letter and that was the letter we wrote to the Premier. But the Minister has responded.

The Hon. NIALL BLAIR: Councillor Provan, have you been at all those meetings? Were you at the original meeting with the Minister, the first meeting when she met with the council?

Ms PROVAN: I think the deputy mayor was there at the first meeting because I was tied up in another council issue. I was at the second one.

The Hon. STEVE WHAN: Mayor Provan, we have been inquiring about the responses from the Minister and the written responses that you have received. Would you say that the Minister's written responses had adequately addressed your concerns?

Ms PROVAN: Yes.' (Transcript, 03.09.2012 p 8)

Question put.

The Committee divided.

Ayes: Mr Blair, Mr Clarke, Ms Ficarra.

Noes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan.

Question resolved in the negative.

Mr Blair moved: That a new paragraph be inserted after paragraph 3.49 to read: 'However, while Prof Gray's statement claims that the only notification he received telling him he could not relocate to the University of Wollongong came in June-July, minutes from the working group meeting number 16 on January 12 2012 read that "UoW is unable to host any DPI staff member until the next financial year" and meeting 35 on 7 June 2012 reconfirmed that it was "unlikely" that staff would be able to relocate to UoW.' (Answers to Questions on Notice, DPI, Attachment iii)

Question put.

The Committee divided.

Ayes: Mr Blair, Mr Clarke, Ms Ficarra.

Noes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan.

Question resolved in the negative.

Resolved, on the motion of Ms Faehrmann: That the second last sentence of paragraph 3.51 be amended by inserting the word 'most' before the word 'stakeholders'.

Resolved, on the motion of Mr Veitch: That Chapter 3, as amended, be adopted.

Chapter 4 read.

Resolved, on the motion of Ms Faehrmann: That paragraph 4.1 be amended by inserting the word 'incredibly' before the word 'distressed', and by omitting the words 'a sense' and inserting instead the words 'the fact'.

Mr Blair moved: That paragraph 4.28 be omitted.

Question put.

The Committee divided.

Ayes: Mr Blair, Mr Clarke, Ms Faehrmann, Ms Ficarra, Revd Nile.

Noes: Mr Veitch, Mr Whan.

Question resolved in the affirmative.

Resolved, on the motion of Mr Blair: That paragraph 4.29 be amended by omitting the words 'to remote locations'.

Resolved, on the motion of Ms Faehrmann: That paragraph 4.29 be amended by inserting the word 'severely' before the word 'compromises'.

Mr Blair moved: That paragraph 4.31 be amended by omitting the words 'sudden and contemporaneous'.

Question put.

The Committee divided.

Ayes: Mr Blair, Mr Clarke, Ms Ficarra.

Noes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan.

Question resolved in the negative.

Resolved, on the motion of Ms Faehrmann: That paragraph 4.36 be amended by omitting the word 'consequently' and inserting instead the word 'subsequently'.

Mr Blair moved: That paragraph 4.56 be omitted.

Question put.

The Committee divided.

Ayes: Mr Blair, Mr Clarke, Ms Ficarra.

Noes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan.

Question resolved in the negative.

Mr Blair moved: That a new paragraph be inserted after paragraph 4.56 to read: 'The Minister, however, clarified that:

Last week, during the hearing it was alleged that the sharing of lab space at SIMS is "not ideal". I am advised this is common across the university sector. According to Dr Alison King, Operations Services Manager at the National Marine Science Centre at the Southern Cross University many of the specialist spaces at the National Marine Science Centre are in fact shared and are typically booked by researchers as required to conduct experiments.' (Minister Opening Statement, tabled 10.09.2012)

Question put.

The Committee divided.

Ayes: Mr Blair, Mr Clarke, Ms Ficarra.

Noes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan.

Question resolved in the negative.

Mr Blair moved: That a new paragraph be inserted after paragraph 4.66 to read: 'Dr Allan's statements concluded that Port Stephens is a superior site to Cronulla, regardless of the water supply:

Dr ALLAN: At Cronulla where we saw today we have got a fantastic water supply and that is a very important thing. But the rest of the facilities are not fantastic; we have got some problems. In a pool that is there that you saw, it is useful for some work but it is limited for a range of purposes; it is difficult to drain and dry out and we have to have a whole lot of animals in one space, that is why they are divided into pens, which does not make it a very functional experimental space. If we were building a new research station we would not replace that pool. There are some small tanks at Cronulla which are useful but they are not replicated, there is no ability to manage the environment in those pools, temperature, light, photo period and related intensity—some of those other functions that make normal research stations useful for applied research. In contrast, at Port Stephens the water source is not quite as good but the treatment for the water source is excellent. We have got filtration, we have the ability to ozone add the water too, to sterilise it before it is used and there is a whole range of experimental facilities that have, as I say, photo period control, light intensity control, heat control, so we can replicate conditions—large-scale experimental facilities that can be used. Our hatcheries at Port Stephens have got two mollusc hatcheries and a fin fish hatchery and those hatcheries are able to breed and rear animals—work that cannot be done at Cronulla. So where we have been concentrating in fisheries our research that involves water facilities they have been at Port Stephens.' (Transcript, 06.08.2012, pp 5-6).

Question put.

The Committee divided.

Ayes: Mr Blair, Mr Clarke, Ms Ficarra.

Noes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan.

Question resolved in the negative.

Mr Blair moved: That a new paragraph be inserted after paragraph 4.70 to read: 'However, this assertion is contradicted by the submission by the Department of Primary Industries, which outlines that the Minister's obligations under the Fisheries Management Act 1994 are satisfied:

Terms of Reference D: The extent to which the decision satisfies the Minister's responsibilities under the Fisheries Management Act 1994.

Fisheries NSW is able to meet all responsibilities under legislation from existing and new locations. Fisheries NSW has primary responsibility for managing fisheries in NSW under the Fisheries Management Act (FMA) 1994.

(1) The objects of this Act are to conserve, develop and share the fishery resources of the State for the benefit of present and future generations.

(2) In particular, the objects of this Act include:

(a) to conserve fish stocks and key fish habitats, and

(b) to conserve threatened species, populations and ecological communities of fish and marine vegetation, and

(c) to promote ecologically sustainable development, including the conservation of biological diversity, and, consistently with those objects:

(d) to promote viable commercial fishing and aquaculture industries, and

(e) to promote quality recreational fishing opportunities, and

(f) to appropriately share fisheries resources between the users of those resources, and

(g) to provide social and economic benefits for the wider community of New South Wales, and

(h) to recognise the spiritual, social and customary significance to Aboriginal

persons of fisheries resources and to protect, and promote the continuation of, Aboriginal cultural fishing.

A key objective of the Working Group is to ensure the functions of the agency can be carried out during and after the relocation. Careful planning undertaken by senior DPI management, including a new organisational structure based on the new locations, is ensuring that all legislative responsibilities are met and that service levels for stakeholders are met before and after the relocation.

The key functions performed at Cronulla and the impacts of the relocation on the ability to specifically meet legislative responsibilities are:

Aquaculture, Conservation and Marine Parks

One conservation manager, with responsibility for ensuring developments under the FMA are properly assessed, is based at the Centre at Cronulla. Other conservation managers are already based in the regions they service. The officer currently based at Cronulla with responsibilities for the southern Metropolitan area will relocate to Wollongong. All responsibilities under relevant sections of the FMA will continue to be met.

Recreational and Indigenous Fisheries

Recreational and Indigenous fisheries management will be relocated to Nowra, with key staff also being relocated to Coffs Harbour and some positions remaining in Sydney. Over one million recreational anglers in NSW generate significant employment and tourism income. Key expertise in recreational fisheries management has been retained - all responsibilities under the FMA will be met.

Commercial Fisheries

Commercial fisheries catch records and commercial fisheries management will be relocated to Coffs Harbour. This group will be increased to undertake the restructure of commercial fisheries in NSW, guided by the independent review of commercial fisheries. Co-locating the commercial fisheries management and catch records in closer proximity to the majority of commercial fishers will improve service to commercial fishers and ensure that all responsibilities under the FMA can continue to be met.

Wild Fisheries Research (Fisheries Research)

Wild fisheries research will be reorganised into new groups following the relocation. These groups will be: stock assessment, sharks, surveys, enhancement and gear technology.

Leadership of each group from experienced scientists will ensure rigorous science based information continues to underpin the management of wild fisheries in NSW and ensure legislative responsibilities continue to be met. Wild fisheries research provides critical information for stock assessments that assists in meeting primary objectives of the FMA 1994 to conserve fish stocks and populations.

A number of scientists in the stock assessment group will be based at SIMS, with proximity to the Sydney Fish Markets where fish from the commercial catch are sampled. Additional scientists will be based at Coffs Harbour to work closely with the commercial fisheries management group and with the catch records group (primary source of data on catch). A number of other positions (including casual positions) will continue to be employed in regional areas to sample fish landed at regional ports. Scientists in other groups will be based at SIMS, Port Stephens and Coffs Harbour.' (DPI Submission no. 14, pp 9-11)

Question put.

The Committee divided.

Ayes: Mr Blair, Mr Clarke, Ms Ficarra.

Noes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan.

Question resolved in the negative.

Resolved, on the motion of Mr Blair: That a new paragraph be inserted after paragraph 4.70 to read: 'However, the Department asserted that its obligations under the *Fisheries Management Act 1994* would be met.' (DPI submission no. 14, pp 9-11)

Resolved, on the motion of Mr Blair: That new paragraphs be inserted after paragraph 4.91 to read: "The Minister said that:

"It is not about making a profit for the Government, It is not about selling the site for a future use."
(Transcript, 10.09.2012, p 29)

This was confirmed by Cr Provan in the flowing exchange:

The Hon. DAVID CLARKE: Councillor Provan, you are aware that on a number of occasions the Minister has said that this site is not going to be sold off?

Ms PROVAN: That is right.' (Transcript, 03.09.2012 , p 6)

Mr Blair moved: That paragraph 4.92 be amended by omitting the words 'would not guarantee that the site would not be sold, and instead' and inserting instead the words 'assured the Committee that the intention of this closure was not to sell the site and'.

Question put.

The Committee divided.

Ayes: Mr Blair, Mr Clarke, Ms Ficarra.

Noes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan.

Question resolved in the negative.

Mr Blair moved: That paragraph 4.105 be amended by omitting the words '30 employees "are in a state of flux"'.
"

Question put.

The Committee divided.

Ayes: Mr Blair, Mr Clarke, Ms Ficarra.

Noes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan.

Question resolved in the negative.

Ms Faehrmann moved: That paragraph 4.106 be amended by inserting the word 'very' before the word 'concerned'.

Question put.

The Committee divided.

Ayes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan.

Noes: Mr Blair, Mr Clarke, Ms Ficarra.

Question resolved in the affirmative.

Resolved, on the motion of Mr Whan: That Chapter 4, as amended, be adopted.

Chapter 5 read.

Mr Whan moved: That a new paragraph be inserted after paragraph 5.2 to read: 'This process has been an example of how not to undertake decentralisation. There was no proper planning or consultation. The Committee concludes that the Minister's administration of this process has failed to meet the required level of Ministerial responsibility or accountability.'

Question put.

The Committee divided.

Ayes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan.

Noes: Mr Blair, Mr Clarke, Ms Ficarra.

Question resolved in the affirmative.

Resolved, on the motion of Ms Faehrmann: That paragraph 5.3 be amended by inserting the words 'the impetus for, and' before the words 'the reason'.

Ms Faehrmann moved: That paragraph 5.5 be amended by omitting the word 'questionable' and inserting instead the word 'unsubstantiated'.

Question put.

The Committee divided.

Ayes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan.

Noes: Mr Blair, Mr Clarke, Ms Ficarra.

Question resolved in the affirmative.

Ms Faehrmann moved: That a new paragraph be inserted after paragraph 5.7 to read: 'The Committee is very concerned by what appeared to be evasive responses by the Minister and her Directors-General to questions put to them as to the genesis of the proposal to close the CFRC.'

Question put.

The Committee divided.

Ayes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan.

Noes: Mr Blair, Mr Clarke, Ms Ficarra.

Question resolved in the affirmative.

Ms Faehrmann moved: That paragraph 5.8 be amended by omitting the words 'We hope that this was not the case' and inserting instead the words 'Given the Minister's and the Department's inability to provide

the Committee with sufficient documentary evidence to support the decision, those concerns cannot be dismissed.’

Question put.

The Committee divided.

Ayes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan.

Noes: Mr Blair, Mr Clarke, Ms Ficarra.

Question resolved in the affirmative.

Mr Blair moved: That paragraph 5.9 be amended by omitting the words ‘The Committee agrees with stakeholders that the decision to close the CFRC was made in contravention of key Government policies. The Committee is especially concerned’ and inserting instead the words ‘Some stakeholders asserted that the decision to close the CFRC was made in contravention of key Government policies. They are especially concerned’.

Question put.

The Committee divided.

Ayes: Mr Blair, Mr Clarke, Ms Ficarra.

Noes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan.

Question resolved in the negative.

Mr Blair moved: That paragraph 5.13 be amended by omitting the words ‘sudden and contemporaneous’.

Question put.

The Committee divided.

Ayes: Mr Blair, Mr Clarke, Ms Ficarra.

Noes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan.

Question resolved in the negative.

Mr Blair moved: That a new paragraph be inserted after paragraph 5.13 to read: ‘However, Dr Allan clarified that:

All the work that has been done at Cronulla can be done at Port Stephens and our other locations to meet the needs of research projects that must be undertaken for our stakeholders. In fact we will do many things significantly better at our new locations. (Transcript, 06.08.2012, p 10)

And Dr Sheldrake also explained that:

The decentralisation of functions and services from Cronulla has enabled the Government to deliver on its decade of decentralisation policy and to enhance service delivery through stronger collaboration with Australia's finest universities, including the Sydney Institute of Marine Science. It is through collaboration that innovation can be best achieved. That is why governments and research funding organisations in Australia are actively working on building new collaborative partnerships to achieve better outcomes.

There is no doubt that collocation is one of the most effective drivers of collaboration and the decentralisation of the Cronulla Fisheries Research Centre of Excellence has enabled us to collocate a group of scientists and managers at the Sydney Institute of Marine Science at Chowder Bay in partnership with four Sydney-based universities—Sydney University, the University of New South Wales, Macquarie University and the University of Technology, Sydney. In the words of the Chairman of the Board of the Sydney Institute of Marine Science, Dr John Keniry, AM, “The recent upgrade of SIMS has led to world-class research facilities which are not and were unlikely ever to be available at Cronulla.”

Not only will our researchers benefit from access to new facilities and different research approaches but they will also be in a better position to collaborate on research projects, to contribute to undergraduate and postgraduate teaching and to have a broader influence on Department of Primary Industries fisheries projects. The decentralisation of the Cronulla centre also enables the department to expand its research presence at Southern Cross University's National Marine Science Centre at Coffs Harbour.' (Transcript, 06.08.2012, p 2)

Question put.

The Committee divided.

Ayes: Mr Blair, Mr Clarke, Ms Ficarra.

Noes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan.

Question resolved in the negative.

Ms Faehrmann moved: That paragraph 5.14 be amended by inserting the words 'Furthermore, the Committee feels it was disrespectful of the Inquiry process to table such a document in this way.'

Question put.

The Committee divided.

Ayes: Ms Faehrmann.

Noes: Mr Blair, Mr Clarke, Ms Ficarra, Revd Nile, Mr Veitch, Mr Whan.

Question resolved in the negative.

Mr Blair moved: That a new paragraph be inserted after paragraph 5.14 to read: 'However, the Committee understands that the BCA was completed at the last minute to provide the most up to date. Mark Patterson, Director General of the Department of Trade and Investment, Regional Services and Infrastructure, explained that:

In relation to the cost benefit analysis, it is dependent upon understanding the detail of who is going to move when and where, factoring into the cost. (Transcript, 10.09.2012, p 35)

And this is why the BCA was not submitted until the day of the hearing, to ensure accurate information was given to the Committee.'

Question put.

The Committee divided.

Ayes: Mr Blair, Mr Clarke, Ms Ficarra.

Noes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan.

Question resolved in the negative.

Ms Faehrmann moved: That paragraph 5.16 be amended by inserting the words 'That is,' before the word 'Ministerial', and by omitting the words 'appear to'.

Question put.

The Committee divided.

Ayes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan.

Noes: Mr Blair, Mr Clarke, Ms Ficarra.

Question resolved in the affirmative.

Mr Blair moved: That paragraph 5.23 be amended by omitting the words 'was especially surprised and disappointed' and inserting instead the word 'noted'.

Question put.

The Committee divided.

Ayes: Mr Blair, Mr Clarke, Ms Ficarra.

Noes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan.

Question resolved in the negative.

Resolved, on the motion of Ms Faehrmann: That paragraph 5.23 be amended by inserting the words ‘with substantial success over 12 years in decentralising fisheries scientists throughout regional NSW’ before the words ‘and the head’.

Mr Blair moved: That a new paragraph be inserted after paragraph 5.25 to read: ‘The Committee does note, however, that Dr Allan, Executive Director of Fisheries NSW, does not share these concerns. He told the Committee that:

When we say superior and inferior there are some functions at Port Stephens that are infinitely superior and, as I say, the water source at Cronulla is probably superior to Port Stephens. I think the publication record from Port Stephens is evidence of that work being accepted and used in the primary scientific literature, and I think the reputation of the scientists that have come from Port Stephens is testament to how successful those facilities are. At Port Stephens we have two research groups currently based there that have been based there for some time—the agricultural research unit and the aquatic ecosystems research unit. Everything that the agricultural research unit does requires water facilities and sea water supply, and a large part of the aquatic ecosystems work does use water supply as well.

And

At Port Stephens we have a lab that serves similar functions; it is not exactly the same but it was designed by the same staff and we have commissioned an extension to that lab to make it even more specific for the work that is done at Cronulla and they will probably go to that next week for that work. The labs at SIMS have also got available different functions and some more specific laboratory needs than there are at Cronulla at the moment, and likewise at Coffs Harbour where the university campus of the natural marine science centre there has got laboratory facilities as well.’ (Transcript, 06.08.2012 , p 6)

Question put.

The Committee divided.

Ayes: Mr Blair, Mr Clarke, Ms Ficarra.

Noes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan.

Question resolved in the negative.

Ms Faehrmann moved: That paragraph 5.27 be amended by inserting the word ‘very’ before the word ‘concerned.’

Question put.

The Committee divided.

Ayes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan.

Noes: Mr Blair, Mr Clarke, Ms Ficarra.

Question resolved in the affirmative.

Mr Blair moved: That the section entitled ‘The Minister’s approach to the inquiry’, consisting of paragraphs 5.34 to 5.40, be omitted.

Question put.

The Committee divided.

Ayes: Mr Blair, Mr Clarke, Ms Ficarra.

Noes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan.

Question resolved in the negative.

Resolved, on the motion of Mr Blair: That paragraph 5.35 be amended by omitting the words ‘A week later the Minister agreed to attend a hearing which she did on 10 September 2012,’ and inserting instead the words ‘A week later the Minister re arranged her schedule and offered to attend a hearing on 3 September 2012 but a suitable room was not available within Parliament House. The Minister then agreed to attend on 10 September 2012.’.

Mr Blair moved: That paragraph 5.38 be omitted.

Question put.

The Committee divided.

Ayes: Mr Blair, Mr Clarke, Ms Ficarra.

Noes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan.

Question resolved in the negative.

Mr Blair moved: That paragraph 5.39 be amended by omitting the words ‘The Committee was surprised at this: if the Minister was certain of her position, she might have been expected to welcome an opportunity to confirm it through the conduct of the survey’. and inserting instead the words ‘The Minister explained that she did not want to conduct a survey as:

It is not for a public servant to decide where they are located in New South Wales, I am sorry, with all due respect. The Government sets a policy direction, the directors general undertake the discussions with the staff and the movement that had to occur as a result of that decision being made.’(Transcript, 10.12.2012, pp 41-42)

Question put.

The Committee divided.

Ayes: Mr Blair, Mr Clarke, Ms Ficarra.

Noes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan.

Question resolved in the negative.

Mr Blair moved: That paragraph 5.40 be omitted.

Question put.

The Committee divided.

Ayes: Mr Blair, Mr Clarke, Ms Ficarra.

Noes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan.

Question resolved in the negative.

Resolved, on the motion of Mr Blair: That the heading ‘Recommendations’ be omitted and the heading ‘Concluding statements’ be inserted instead.

Ms Faehrmann moved: That before paragraph 5.41 two new paragraphs be inserted to read: ‘The Committee concludes that there is an overwhelming case to retain the CFRC.

The Committee is working on the expectation that the Government will accept the Committee’s recommendation to reverse the closure of the CFRC. However, in the event that the Government does not reverse the closure, the Committee has put forward additional recommendations about how the Government should proceed.’

Question put.

The Committee divided.

Ayes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan

Noes: Mr Blair, Mr Clarke, Ms Ficarra.

Question resolved in the affirmative.

Mr Whan moved: That paragraph 5.42 be deleted as follows: 'For example, some or all of the corporate and administrative functions currently housed at the CFRC, such as licensing of commercial and recreational fishers, may be apt for relocation. However, we also note that a volume of stakeholders have pointed to the inherent benefits of having licensing and corporate staff co-located with scientists.'

Question put.

The Committee divided.

Ayes: Ms Faehrmann, Revd Nile, Mr Veitch and Mr Whan

Noes: Mr Blair, Mr Clarke, and Ms Ficarra.

Question resolved in the affirmative.

Mr Blair moved: That paragraph 5.44 be amended by deleting the final sentence.

Question put.

The Committee divided.

Ayes: Mr Blair, Mr Clarke, Ms Ficarra

Noes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan.

Question resolved in the negative.

Mr Whan moved: That paragraph 5.44 be amended by deleting the words 'we therefore recommend that' and insert the word 'should' after the word 'appraisal' in the final sentence.

Question put.

The Committee divided.

Ayes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan

Noes: Mr Blair, Mr Clarke, Ms Ficarra.

Question resolved in the affirmative.

Resolved, on the motion of Mr Whan: That the Committee empower the secretariat to re-word the amendments to recommendations to reflect the standard format, being 'That the NSW Government ...'.

Mr Whan moved: That Recommendation 1 be amended by omitting the words 'That the NSW Government halt any further progress on the closure of the Cronulla Fisheries Research Centre of Excellence.' and inserting instead the words 'That the NSW Government reverse the decision to close the Cronulla Fisheries Research Centre of Excellence and not proceed with the closure.'

Question put.

The Committee divided.

Ayes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan.

Noes: Mr Blair, Mr Clarke, Ms Ficarra.

Question resolved in the affirmative.

Resolved, on the motion of Mr Whan: That a new paragraph be inserted after Recommendation 1 to read: 'The Committee is working on the expectation that the NSW Government will accept Recommendation 1 based on the evidence of this report. In the event that the Government does not accept Recommendation 1, the Committee believes that the Government should consider the following recommendations.'

Mr Whan moved: That a new Recommendation 2 be inserted after Recommendation 1 to read: 'That the NSW Government give all Cronulla Fisheries Research Centre of Excellence staff moved to other Sydney locations the opportunity to return to the Centre, and that all the Centre's scientific staff and their support staff moved to locations around NSW also be given the opportunity to return.'

Question put.

The Committee divided.

Ayes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan.

Noes: Mr Blair, Mr Clarke, Ms Ficarra.

Question resolved in the affirmative.

Ms Faehrmann moved: That Recommendation 2 be amended by inserting a second sentence to read: 'This appraisal should be completed by a body that is independent of the Department of Primary Industries and the Minister for Primary Industries.'

Question put.

The Committee divided.

Ayes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan

Noes: Mr Blair, Mr Clarke, Ms Ficarra.

Question resolved in the affirmative.

Mr Blair moved: That Recommendation 3 be amended to read: 'That the NSW Government conducts a detailed analysis of the economic and non-economic value of fisheries research to the NSW economy. This analysis must involve consultation with the marine science community and scientists throughout NSW and take into account the impact on sustainable fisheries management arising from the relocation of the CFRC.'

Question put.

The Committee divided.

Ayes: Mr Blair, Mr Clarke, Ms Ficarra

Noes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan.

Question resolved in the negative.

Mr Blair moved: That after Recommendation 5 a new recommendation be inserted to read: 'That the NSW Government ensures that the community is consulted regarding the future of the site, noting that the closure of the CFRC was motivated by decentralisation and not a desire to sell the site. Any future plans should take into consideration the heritage value and cultural considerations of the site.'

Question put.

The Committee divided.

Ayes: Mr Blair, Mr Clarke, Ms Ficarra

Noes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan.

Question resolved in the negative.

Mr Whan moved: That after Recommendation 5 a new recommendation be inserted to read: 'That the NSW Government make provision to meet its commitment to keep the Cronulla Fisheries Research

Centre of Excellence site in public ownership including by providing funding for ongoing upkeep of the site should a decision be taken to proceed with the Centre's closure.'

Question put.

The Committee divided.

Ayes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan

Noes: Mr Blair, Mr Clarke, Ms Ficarra.

Question resolved in the affirmative.

Mr Whan moved: That after Recommendation 5 a new recommendation be inserted to read: 'That the NSW Government immediately put in place a plan to ensure that research and scientific knowledge from Cronulla is not lost. The plan should include detailed project by project analysis of knowledge and data, it should include appropriate succession planning to ensure knowledge is passed on when change of personnel does occur.'

Question put.

The Committee divided.

Ayes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan

Noes: Mr Blair, Mr Clarke, Ms Ficarra.

Question resolved in the affirmative.

Ms Faehrmann moved: That after Recommendation 5 two new recommendations be inserted to read: 'Recommendation One: That the NSW Government review all long term temporary staff working at the Cronulla Centre and permanently appoint those who meet the criteria for appointment as permanent officers. Recommendation Two: That the NSW Government, for any temporary staff being made redundant since the announcement of the decision to close the Cronulla Fisheries Research Centre of Excellence, restore the severance entitlements that were in place prior to the decision being made.'

Question put.

The Committee divided.

Ayes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan

Noes: Mr Blair, Mr Clarke, Ms Ficarra.

Question resolved in the affirmative.

Resolved, on the motion of Mr Whan: That after Recommendation 5 a new recommendation be inserted to read: 'That the NSW Government make every effort to re-employ Professor Steve Kennelly and reinstate him to a position equivalent to the position of Chief Scientist of the Department of Primary Industries because Professor Kennelly is internationally recognised for his expertise in marine science and has an extensive and irreplaceable personal knowledge of NSW marine science research.'

Mr Whan moved: That after Recommendation 5 a new recommendation be inserted to read: 'That the NSW Government develop a comprehensive policy document defining its 'Decade of Decentralisation' policy, setting out its principles, objectives and measures of success and that any relocation plans for the Cronulla Fisheries Research Centre of Excellence, or any other agency or site, be assessed against this policy, and this should include best practice guidelines for decentralisation of agencies. Further, that any future proposal to relocate centres engaged in scientific research should be accompanied by thorough planning for the retention of intellectual capital.'

Question put.

The Committee divided.

Ayes: Ms Faehrmann, Revd Nile, Mr Veitch, Mr Whan

Noes: Mr Blair, Mr Clarke, Ms Ficarra.

Question resolved in the affirmative.

Resolved, on the motion of Mr Whan: That Chapter 5, as amended, be adopted.

Resolved, on the motion of Ms Faehrmann: That the draft report, as amended, be the report of the Committee.

Resolved, on the motion of Ms Faehrmann: That the Committee present the report to the House, together with transcripts of evidence, submissions, tabled documents, answers to questions on notice, minutes of proceedings and correspondence relating to the inquiry, except for documents kept confidential by resolution of the Committee.

Resolved, on the motion of Mr Blair: That any dissenting statements be submitted by 10am, Tuesday 23 October 2012.

7. Adjournment

The Committee adjourned at 1.50 pm *sine die*.

Madeleine Foley

Clerk to the Committee

Appendix 11 Dissenting statement

Mr Niall Blair, The Nationals

The Inquiry into the closure of the Cronulla Fisheries Research Centre of Excellence has provided an opportunity for many stakeholders to provide their input into the Government's decision.

Throughout the report, highly emotive language is used that indicates the one-sided nature of several statements and assumptions made. The use of the term "sudden and contemporaneous" more than once to describe the 12-18 month period for decentralisation is hyperbolic, as is the term "vehement criticism". The language choices in this report detract from its neutrality and the report would have been better balanced if amended as requested by the Government members.

Section 2.59-2.68 on stakeholder views on the rationale failed to include any of the evidence from representatives of the commercial fishing industry. Given the size and economic importance of the industry and the fact they represent one of the largest beneficiaries of the decentralisation project, the report would have been better balanced if their views were included and this is why the Government members opposed the changes to 2.64.

One of the criticisms made in the report is that Professor Kennelly was removed from the working group in November 2011. Unsuccessful proposed changes to 3.39 moved by the government outlined that Professor Kennelly was listed as an apology on numerous meetings of the working group after this date, and attended a meeting on 8 December 2011. The reasoning for this inaccuracy has not been sought from the employee representative group.

The Minister has drawn criticism from those opposed to this project for her decision to inform the staff at CFRC of the decision to decentralise before the completion of a Cost Benefit Analysis. At every stage of the Inquiry, the Minister was clear about the decision making process. This decision was made in line with the Minister's commitment to the Decade of Decentralisation and the staff were informed immediately after the decision was made to ensure they would have ample time to plan for their future with their families.

The Cost Benefit Analysis, which showed a net benefit, was provided to the Committee during the Inquiry with the most up to date information. It was a very conservative analysis which did not take into consideration the regional benefits to the host communities, nor any benefits to the Cronulla community as a result of the site being used for public benefit. Unsuccessful changes to section 5.16 moved by the Government members reflected this.

The section of the report entitled "The Minister's approach to the inquiry" (5.34-5.40) is unnecessary and should have been removed. It was not the brief of the Committee to analyse the Inquiry itself or how stakeholders performed during the Inquiry. In fact, unsuccessful changes moved by the Government to section 3.47 clearly show that the Minister had been responsive to Cr Provan, Mayor of Sutherland Shire.

In relation to the recommendations:**Recommendation 1**

This decision was made over 12 months ago. Some staff have moved and relocated their families. To reverse the decision would create logistical issues and associated costs for staff and management alike. In some locations buildings have been constructed or contracts signed. Any reversal of the decision would result in both the net benefits to the State and the benefits to regional communities to be foregone. These are some of the reasons that the Government members opposed this recommendation.

Recommendation 2

The wording of this recommendation sets a precedent that is impractical and unworkable for the public sector. The wording that public servants have the “opportunity to return to the centre” implies that staff can decide if they want to move or not. It is not up to public servants to decide on where they should be located. There are several unworkable situations that may result from this recommendation and subsequently it was opposed by the Government members.

Recommendation 4

The decision has been made to decentralise CFRC, and the Cost Benefit Analysis tabled shows that the net financial benefit to DPI from the closure over the next twenty years is estimated at \$4.2 million. This recommendation would only replicate practices that have already occurred; the Government’s unsuccessful amendment to this would have had more benefit to the State.

Recommendation 8

An independent consultant has been engaged who has been actively consulting with the Sutherland Shire Community to recommend alternative local community uses for the property. The NSW Government has already made it clear that this decision was not driven by any potential gains of property development.

Recommendations 10 and 11

Recommendations 10 and 11 are out of the scope of this Inquiry and were not investigated in any detail to provide Committee members information about any costs or impacts that they might have. The issue of long term temporary employees is a wider issue that is a legacy from the previous government and requires further examination before it becomes a recommendation and hence it was opposed by the Government members.

Recommendation 12

Professor Kennelly was offered a position at Port Stephens but declined this offer. As part of the reorganisation of DPI, and not due to the decentralisation of CFRC, his position of Chief Scientist was no longer appropriate in the new structure of DPI. Professor Kennelly retained his position as Director and was given the title Director of Fisheries Research.

Conclusion

The Inquiry had an opportunity to provide a number of recommendations as to how the process for decentralisation could be improved that would be helpful to a number of Government departments in the future. Unfortunately, the commencement of this Inquiry occurred nearly twelve months after the decision was made, and the unrealistic recommendations and findings of this inquiry will provide greater uncertainty for the staff at CFRC and may raise expectations and set an unrealistic precedent for future decentralisation projects.