

**OPENING STATEMENT TO THE LEGISLATIVE COUNCIL SELECT
COMMITTEE**

**INQUIRY INTO THE CLOSURE OF CRONULLA FISHERIES
RESEARCH CENTRE**

The Hon. Katrina Hodgkinson MP, Minister for Primary Industries,
Minister for Small Business

*** Check Against Delivery. Number of words: 3,365 ***

Prior to the 2011 election, the NSW Liberals & Nationals committed to bringing regional NSW to the forefront – we are doing that.

Prior to the election, we committed to presiding over a decade of decentralisation – including decentralising public service jobs – we are doing that.

This year marks 20 years since the highly successful relocation of the Department of Primary Industries to Orange.

This Department in Orange now stands strong – and is one of the State's and Australia's most successful decentralisation projects.

At the time of this decision, some could not comprehend why it was important to take agricultural services out of Sydney and closer to the State's farmers.

Unfortunately, some have now applied that small-minded logic to the decision to decentralise Fisheries NSW from Cronulla to other Coastal locations in NSW – taking our fisheries services to our industries and providing job opportunities for those host communities.

The underlying philosophy of moving fisheries' services closer to our State's fishers is consistent with the approach of moving agricultural services closer to our State's farmers.

In 1984 – after 47 years of research – CSIRO announced that it would split its Division of Fisheries and Oceanography, and that both these divisions would be relocated from Cronulla to Hobart, Tasmania.

Dr Angus McEwan, Chief of the CSIRO Division of Oceanography from 1981 until 1995 said in a 2011 interview that he had to move approximately 100 employees to Hobart – not an easy task according to Dr McEwan.

Dr McEwan admitted that the project was met with much division from staff at the time.

In the interview, Dr McEwan said and I quote:

“... it was a very nice site. As you can imagine, the staff who were working in Cronulla were not terribly happy to move. At Cronulla, the

laboratories were situated on the headland of the Port Hacking estuary, overlooking the sea. People would arrive at work by kayak or surf ski".¹

But despite the objection from staff, the CSIRO proceeded with the relocation project and moved to Hobart. Dr McEwan said that quite a few new – and good – staff were recruited, some of whom are still around to this day.

To the question as to how significant it was setting up a whole new laboratory in Hobart in marine science, Dr McEwan said that, and I quote *"it provided the framework and facilities for expansion and development that has been going along for the last 30 years"*.²

Like CSIRO back in 1984, the NSW Government recognises that decentralisation policies represent significant change and opportunity, not only in the way we go about delivering our services to the NSW fisheries industries, but also to our public servants.

I hold nothing but the highest regard for the public servants that work at Cronulla.

I recognise this has not been easy, and a high number of employees have continued to display a high level of professionalism, and dedication towards their jobs.

¹ www.science.org.au/scientists/interviews/m/mcewan.html

² www.science.org.au/scientists/interviews/m/mcewan.html

Treating employees with the professionalism and courtesy they deserve is important.

So though we had not yet dotted all the i's and crossed all the t's with respect to the decision to decentralise functions and services from Cronulla to regional locations in NSW, my Director General, Dr Richard Sheldrake, thought it was important to inform the staff so they would not learn of the NSW Government's decision through the grapevine or in the media.

He put this suggestion to me, and we conferenced on it for quite a number of days, and so the staff were informed very early in the piece of the decision.

And that is an important point I would like 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.

The decision to inform staff as soon as possible meant that a cost benefit analysis wouldn't be finalised before the announcement was made.

Some have expressed concerns about the cost of closing the centre.

To this I must stress that the project is being managed carefully. While there were always going to 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 for years to come.

The long-term benefits of the relocation to these regional communities will far outweigh any one-off relocation costs.

I will today table the cost benefit analysis which indicates that the net benefits to the department, in net present value terms will be \$4.2 million over the next twenty years.

This Benefit Cost Analysis is conservative as no attempt has been made to value a number of other important benefits associated with the closure that are either intangible or do not accrue to the department, including:

- the net benefit to the host regional communities;
- community access to the Cronulla site (an independent consultant has been engaged to recommend alternative local community uses for the property);
- greater synergies with universities arising from co-location and improved collaboration;
- improved relations with commercial fishers through their greater access to, and interaction with, departmental officers; and
- more efficient service delivery and greater understanding of regional issues that impact other stakeholders and clients.

The Benefit Cost Analysis shows the project to be consistent with the NSW Government's 'Decade of Decentralisation' policy and objectives for generating employment and investment in the Regions.

Applying Type II employment multipliers to the number of jobs being decentralised yields a total increase in regional employment of 165 full time equivalent positions.

This highly conservative analysis shows that even without factoring in the economic benefits to the regional communities from these 165 positions, nor the benefits to our fishing stakeholders through improved relations and interaction with our employee - the decision has yielded a net benefit to the department and taxpayers.

But again, the decision was made that staff were the first to know – so they could consider their options with their families, be intimately involved in the planning process over an extended period, and not be forced to decide overnight.

I sincerely hope that, in time, this is something the staff will appreciate.

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 have agreed that six staff can continue at Cronulla until the end of the year and move in the new year so that schooling can continue uninterrupted this year.

I am advised that at least four staff are retiring within the next 18 months. Fisheries NSW have identified temporary work locations in Sydney up until the agreed date of retirement, at which time the position will be recruited at its intended new regional location.

I am advised that at least five staff that were originally scheduled to go to one regional location but indicated their preference to go to one of the other proposed regional locations have been accommodated where their request could be made to work from a business point of view.

When it comes to the public service, we must ensure that regional NSW gets its fair share.

Sydney does face considerable population growth over the next 30 years.

Sydney does face greater congestion on our transport system, putting enormous pressure on the price of housing in the greater Sydney metropolitan area.

Unlike Sydney, many regional communities are keen for additional population growth.

They are keen for their town centres to flourish.

They are keen for their economies to thrive.

They are keen for their local economies to bring new skills and investment.

With one of the lowest rates of unemployment in this country, the Sutherland Shire can be recognised as an area of strong economic activity that is able to provide local jobs to people.

Unfortunately our State has become a two-tiered society with a two-speed economy.

People in regional NSW need jobs – parents want their children to have a job after university; professional career opportunities that provide the

basis of long-term employment and potential establish a regional critical mass of expertise. One of the best examples of this is how Orange has now become an agribusiness and agricultural centre on the back of the decentralisation 20 years ago.

This Government is not backing away from the tough decisions to address this imbalance, which for far too long, has seen a depletion of opportunities for people living in regional NSW.

Significant change is not easy, and I do appreciate that the last 12 months has been hard for the public servants working at Cronulla.

I understand their emotions of anxiety...

... just as I understand the emotions of anxiety of people living in regional NSW who are in need of more job opportunities.

There is a very clear commitment from this Government to ensure the long-term viability and sustainability of the regions in NSW.

The creation of new jobs, skills development, decentralisation of public service jobs, regional growth strategies are all important to this Government.

It was interesting to read the transcript of the Public Service Association's evidence at the Inquiry on Monday and the obvious duplicity of its position in relation to decentralisation.

According to Shane O'Brien from the Public Service Association he is **supportive** of decentralisation and I quote:

“In my view, an office based job is something that could and should be relocated.”

I am pleased he confirmed the Public Service Association's commitment to decentralisation, because in fact of the 138 employees that are currently based at Cronulla, more than 85 are office based roles.

So I do find it positive to finally see the Public Service Association's support for the decentralisation of these jobs.

In terms of servicing stakeholders, much has been said.

Last week, a witness to this Inquiry said he “totally disagreed with the statement that while the majority of fishers live within the Sydney area they conduct most of their fishing away from the Sydney basin area, on the north and south coasts”.

The truth is that of the 30 Recreational Fishing Havens that were created in 2002, only one is based in Sydney.

That's correct – only one.

Twenty are located on the beautiful South Coast and the other nine are located on the North Coast.

These Recreational Fishing Havens are highly productive recreational fishing locations, attracting not only fish species from near and far, but also providing exciting fishing trips for the people of NSW – and interstate.

Travelling to new angling locations outside of Sydney will be even more exciting with two additional Offshore Artificial Reefs to be deployed off the North Coast and off the South Coast in the near future.

Fishing is part of the NSW way of life – not just Sydney. And the Cronulla Fisheries Research Centre is not a bait and tackle shopfront for the State's recreational fishers.

Anglers will continue to be able to pay their fishing fee anywhere and at any time, either through the 1,100 agents or online.

I can assure all anglers that they can expect the same, or improved, level of services and expertise when the Centre is decentralised.

In many coastal communities in NSW, recreational fishing forms a large part of the social fabric. Through the decentralisation of Cronulla, new and exciting job opportunities will emerge for people living in these coastal communities.

Of course some adjustments will need to be made to ensure service delivery is maintained, but I'm confident that enthusiastic and qualified public servants can be recruited locally in the nominated locations.

So far, 8 employees have already accepted a transfer to Nowra. The Manager of Recreational & Indigenous Fisheries has already moved to Nowra, and continues to work hard to service his recreational and indigenous stakeholders.

Fisheries NSW already has prominent scientists and managers based at its outstanding Port Stephens Fisheries Institute. These scientists are highly qualified and specialist in aquaculture and aquatic ecosystems research and aquatic biosecurity. Some concerns have been raised about the accessibility of the site, but to this I must stress that more than 75 employees are currently employed at the Port Stephens Fisheries Institute – these employees have no problem accessing these world class facilities and turn up for work each day.

Decentralising commercial fisheries research and management will foster a higher degree of interaction between commercial fishers and Fisheries NSW's researchers and managers.

Excellent facilities are already in place at Coffs Harbour, and the refit of the department office in Coffs Harbour will allow those staff to move in by the end of October.

It makes sense to relocate Commercial Fisheries Management out of metropolitan Sydney, and closer to its commercial fishing stakeholders.

In fact, the Director of Commercial Fisheries is not located at Cronulla but at Coffs Harbour for this very reason.

Because there is little doubt that local decision-makers know local circumstances and best needs.

The reality is that for too long, the commercial fishing industry has been forced to endure the former Labor Government's failures to bring about positive reform for the commercial fishing sector, as the Committee heard earlier today from respected Fish Market CEO Grahame Turk and Graeme Byrnes, Former Deputy Chairman, Seafood Industry Advisory Council.

As this Government recognised prior to the election and as stated again today by Mr Turk and Mr Byrnes, the commercial fishing industry is on its last legs, barely viable and without significant reform will face an uncertain future. The entire industry has grown weary of hollow bureaucratic logic.

No longer will this Government shield our public servants from the realities being faced by our commercial fishing industry.

The decentralisation of the Fisheries Centre from Cronulla has certainly enabled the Department to explore positive collaboration opportunities with universities.

Since the NSW Government's decision to decentralise services from Cronulla, an agreement has been reached between the Sydney Institute of Marine Science (SIMS) in Chowder Bay and NSW DPI.

SIMS is a partnership between Macquarie University, the University of NSW, the University of Sydney and the University of Technology,

Sydney, which is enhanced by collaborations with several state and federal government departments, the Australian Museum, the University of Wollongong and the University of Western Sydney.

Its location at Chowder Bay is ideal for marine research with high quality seawater available to service the SIMS research aquarium.

Peddled by the Opposition – questions have been raised about the suitability of SIMS for fisheries science and research.

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.

If you heard Dr John Keniry, the highly experienced and respected Commissioner of the Natural Resource Commission and Chairman of SIMS say;

“the recent up-grade of SIMS has led to world class research facilities which are not, and were unlikely ever to be available at Cronulla.”

like me, you'd be excited about the new partnership between SIMS and Fisheries NSW.

If you heard Dr John Keniry say that co-location;

“provides an enhanced opportunity to develop collaborative research grants that combine the expertise of the academic staff and student body at SIMS with the expertise of fisheries research and management specialists from Fisheries NSW”

like me, you'd be supportive of producing the next generation of marine researchers and managers.

If you heard the Federal Minister for Science and Research, Senator Chris Evans say;

“SIMS plays a crucial role in its world-class research, as well as training the next generation of scientists to ensure Australia remains at the forefront of marine science³.”

again, like me, you would not be critical of this new partnership between SIMS and Fisheries NSW.

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<http://minister.innovation.gov.au/chrisevans/MediaReleases/Pages/Sydneycelebratesopeningoffirstclassmarineresearchinstitute.aspx>

The partnership with SIMS is an exciting one for the NSW Government, which has been enabled by the NSW Government's decision to decentralise services from Cronulla.

Some Members of this Committee have been so inward-looking to suit their own political purpose, that they will not admit that the relocation of Fisheries functions and services from Cronulla workers to the new facilities at SIMS will enable Fisheries NSW experts to work with the best Australian and international scientists to research our oceans and coastal environments.

Not only do I find this attitude disappointing, but...

- ... if the NSW Government were to support a vocal minority who are discrediting the world-class facilities at SIMS;
- ... if the NSW Government were to ignore the exceptional opportunity the NSW Government has to establish a strong partnership with SIMS; and
- ... if the NSW Government were to ignore our scientists to access first class, \$20 million marine research facilities on the edge of Sydney Harbour,

... then we would not only consign Fisheries NSW a lower quality of research – we would also deprive Fisheries NSW of the opportunity to cultivate the next generation of scientists to ensure NSW remains at the forefront of marine research.

The Deputy Premier and I have not wavered on our decision to decentralise the Cronulla Fisheries Research Centre – and the Opposition's scaremongering campaign and last-minute establishment

of this Inquiry has become a distraction to the majority of the staff who have continued to work hard to service stakeholders and who are in the middle of making decisions about the future of their careers.

I'm very pleased that 37 employees have already accepted an offer to relocate, and 9 staff have already relocated to other sites – and most moved early.

I note that more employees will be making a decision soon - rejecting the assertion made by those opposed to this move that 85-95% of the employees will not or cannot move.

The NSW Government will not shy away from the difficult decisions if it is convinced the right decision has been made.

This decision will not be reversed. We will not dishonour the commitment we made to the people of regional NSW to bring more public service jobs to their towns, and to undertake the tough decisions to make this happen.

We shall not be beholden to the Public Service Association, which one minute espouses the virtues of decentralisation then effectively knocks down rural communities in the next breath.

The PSA has been parading behind its “concern for service delivery for our fisheries stakeholders”, when in fact all it has been doing is protecting a vocal minority who do not want to move and have attempted to stifle the Department’s capacity to undertake the decentralisation project and maintain service delivery.

Imagine that we pretended we cannot recruit qualified people in regional NSW for Fisheries jobs.

Imagine that we pretended no public servants in NSW would want to make a sea change to pursue a better work-life balance for them and their families, when in fact 37 employees have already accepted a transfer to other locations.

The outcome?

Regional NSW would be ignored again.

The NSW Government will stand by our election commitment of a Decade of Decentralisation.

We will stand by our election commitment to help grow jobs across New South Wales – including regional and coastal NSW.

We will stand by our commitment to ensure service levels for all our stakeholders are met before and after the relocation.

We will not shy away from making of tough decisions.

And that is why the NSW Government will not reverse this decision.

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