

**Submission  
No 96**

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

**Organisation:** Save Cronulla Fisheries Team

**Date received:** 30/07/2012

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**Submission of the Save Cronulla Fisheries Team**  
**to the Upper House Inquiry into the**  
**Closure of the Cronulla Fisheries Research Centre of Excellence.**

(Ordered by Inquiry Terms of Reference)

**Table of Contents**

Summary .....	2
a) The basis for the decision including the documents and other records that were considered by the Minister, including any economic or financial analysis .....	2
b) What consultation was undertaken prior to the decision with stakeholders including commercial and recreational fishing groups, environmental groups and staff .....	9
c) The costs and benefits of the decision to close the Centre and relocate its functions to other locations .....	12
d) The extent to which the decision satisfies the Minister's responsibilities under the Fisheries Management Act 1994 .....	16
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 .....	18
f) The loss of the scientific expertise held by the staff who cannot relocate from Cronulla and the implications for sustainable fisheries management.....	20
g) The impacts of the decision on service delivery to stakeholders.....	21
h) The impact on staff and their families of the closure and the relocation.....	25
i) The impact on the heritage values of the Cronulla Fisheries Research Centre. ....	28

## **Summary**

Government agencies can and do make mistakes. It is through the established processes of the Upper House that NSW Parliament is able to review and if necessary, correct such mistakes. The likelihood of a government agency making a mistake is much higher if a major decision is made without due diligence and planning, is not based on a thorough business cases, and is undertaken without consultation with stakeholders or experts in field. The evidence presented in this document shows that the decision to close the Cronulla Fisheries Research Centre of Excellent is clearly one such case of a mistake made by a government agency. This closure represents the most significant decision in the over 100 years of Fisheries management in NSW. It is the fervent hope of the members of the Save Cronulla Fisheries Team that the evidence presented in this document is taken with the seriousness with which it was collected and presented and that this mistake is rectified before it causes too much more damage to our ability to manage the valuable fish resources of NSW.

### **a) The basis for the decision including the documents and other records that were considered by the Minister, including any economic or financial analysis**

- An analysis undertaken recently by the Urban Development Institute of Australia (2007) [Submission Item J] found, based on a number of major past undertakings, that decentralisation of an agency or services will not be successful unless it is based on a feasible business case (p11) and undertaken through effective planning and project management (p19).
- Based on the information provided to the Southerland Shire Council Freedom of Information request (SSC FOI) [Submission ITEM A] there was no business case or

economic/financial analysis prepared prior to the announcement of the decision to close the Cronulla Fisheries Research Centre (CFRC) on 8/9/2011.

- An email in the SSC FOI [Submission ITEM A] from Jeannine Biviano to Della Prowse on 2/9/2011 refers to a proposal that went up in May. However, Jeannine states that she would like to see the press release to focus more on government's regionalisation strategy. This begs the question as to how the 'original' May proposal justified the closure?
- The May proposal to close Cronulla is also referred to in a powerpoint slide included in the SSC FOI [Submission ITEM A page 4] which states that "a proposal put to the Minister to close the Cronulla Office in May 2011 to allow holistic management of fisheries services and management". Once again what are the contents of this proposal and why was this May proposal not included in the FOI?
- The Sydney Morning Herald reporter Anne Davies also FOI'd the department [Submission Item M] with the following GIPA request:

**Request under the NSW Government Information (Public Access) Act 2010**

I write to request documents including but not limited to letters, emails, reports briefings, costings and economic evaluations including drafts concerning the decision to relocate staff from the Cronulla Fisheries Centre (announced 8 September, 2011) and the future of the site.

- In an email in the SSC FOI [Submission ITEM A] from the reporter Anne Davies to the Minister's office on 26/10/2011 asks for any further information as she states that the information she was provided in her FOI "reveals that there was no business case, no costings, no analysis of benefits and detriments...". No details of the Minister's reply to Anne Davies is given in the FOI documentation, however very little must have been

provided as her subsequent SMH article is entitled “Fisheries relocation decided without analysis” [Submission ITEM B]

- Mark Speakman highlighted the lack of a business case in his speech to Legislative assembly as part of the Parliamentary debate afforded by the 19,000+ signatures gained on a petition to stop the closure of CFRC [Submission Item C]. In reference to a lack of a business case Mr Speakman stated that

*“What will all this cost? If all staff are relocated the cost will be \$9 million, assuming \$60,000 for each employee. If most staff do not relocate the cost will be much higher because of redundancy payments. A new laboratory at Taylors Beach and upgrades to the water system will cost many millions; there will be the cost of building, renting and refurbishing new offices elsewhere; and there will be the cost of moving equipment. If anyone disputes any of these propositions there is a simple answer: The decision must have been made with a detailed business plan with detailed assumptions and costings about precisely what redundancies and what staff locations are expected, what capital expenditure is expected and how the annual operating costs of undertaking the fisheries functions would change. It should be very easy to make that business plan public... Any argument that costs will be recouped over time because Cronulla costs a certain amount to operate each year goes nowhere unless detailed calculations are released showing how this compares with expected operating costs for regional centres. My sincerity in opposing my own Government can be judged by the detailed and forthright nature of my criticisms, and by my focus on where I potentially could make a difference by arguing and using persuasion with decision-makers.”*

- In an email in the SSC FOI [Submission ITEM A] from representative Alfred Shui to DPI Department officials a request is made for a cost/benefit analysis or a business

plan. What information was supplied to the Treasurer's Office in relation to this request?

- In the 10 months since the decision was announced no business case, economic appraisal or cost-benefit analysis been ever been produced, documented or made publicly available. Consequently, it is not possible at present to formally review the costs and benefits of the closure of the CFRCoE and associated relocation and loss of staff. This is problematic and unacceptable for several reasons:

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

2. It contravenes specific policy and guidelines set down in the NSW Treasury document "NSW Government Guidelines for Economic Appraisal". These guidelines are intended to establish a framework for all public sector agencies to undertake economic appraisals on a consistent basis. Note the following direct quotes from this policy document:

*"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.”*

*“In general, an economic appraisal is required for all individual projects with a total cost in excess of \$1 million.”*

In particular, the policy and guidelines paper warns of the dangers of “excessive disaggregation” and “failure to account for linkages to other projects” such that a large project or program is disaggregated or split up so that individual components are each costed under the \$1 million threshold – thereby deceptively and irresponsibly avoiding the need for a Treasury-reviewed economic appraisal.

Indeed, the story “Department told to get fisheries plan under the radar” published in the Sydney Morning Herald on 20/2/2012 [Submission Item H] provides indisputable evidence of this deceptive and possibly corrupt tactic being used. Capital works to be done at the Port Stephens research complex, costed at well in excess of \$1 million, were deliberately disaggregated into a series of smaller projects, each costed as being sub-\$1 million. Note that this instance of “disaggregation” only applies to the capital works at the Port Stephens site! If the costs of the overall project or projects that are involved in the closure of the CFRCoE and relocation of staff and facilities to multiple Sydney-based and regional locations were considered together, the costs would clearly be such that a full and detailed economic appraisal would be required by treasury! Again, note the statement in the Treasury document:

*“the analysis of sub-components should not be undertaken in lieu of the analysis of the wider project, to ensure that the project as a whole is of net benefit.”*

Further the guidelines state that “*one option which should always be included as the base case against which other options are to be compared is the “do nothing” option*” (i.e. the comparative cost-benefit of CFRCoE as is!). From the very outset staff were told by the DG Richard Sheldrake that the “*decision has been made*” and was not to be questioned. For the 10 months subsequent to the announcement that line has been reiterated by relocation leaders Geoff Allan and Kevin Cooper whenever the risks and consequences of the relocation were raised as serious issues. The Risk Management document produced by the relocation groups takes as its premise that the CFRC will close despite the fact that every single one of the major risks identified by the risk assessment would no longer exist if the staff were maintained at the CFRC facilities.

3. It contravenes specific policy and guidelines set down by NSW Finance & Services under the “Change Management Guideline” and associated policies and guidelines. The NSW Finance & Services website notes that “This guideline is primarily for agency level practice, but is particularly applicable to senior managers. To meet government requirements it should be applied to other individuals, sectors and whole-of-government programs.” The (i) Change Management Guideline specifically also references: (ii) the Project Risk Management Guideline; (iii) the Benefits Realisation Guideline; (iv) the Benefits Management Plan Guideline; (v) the Quality Management Guideline and (vi) the Risk Management Guideline. Implementing these procedures outlined in these guidelines results in a series of documents that maximise the effectiveness of change and transparency of the process. Save Cronulla Fisheries does not believe that all of these guidelines are being followed by the Department.



- Some of the few justifications that Minister Hodgkinson has given for the closure of CFRC, other than decentralisation, included her following statements to NSW Parliament [Submission Item C] that:

‘Although the Cronulla site is historically important to the local community, it has long been recognised as having some challenges because of its limited access and constrained modernisation and expansion capacity. Conversely, the existing research facility at Port Stephens does not face the same limitations.’

As explained in section (e) below the CFRC does not in fact suffer such limited access, constrained modernisation or constrained expansion capacity. In fact, these claims would be more correctly levelled at the Taylors Beach facilities in Port Stephens. The obvious question that must be asked is who gave the Minister such poor advice and why?

- Only one person from CFRC with any experience in wild fisheries was made aware of the decision before the announcement - as revealed in an email from Geoff Allan on 2/9/2011 shown in the SMH FOI [Submission Item M]. This means that the majority of the people involved in the decision prior to the announcement had little knowledge or experience in wild fisheries management. Given this is possibly the biggest decision in 100 years of fisheries management history in NSW it would seem important that some expertise in the field would have been consulted prior to the announcement. There is no evidence of such consultation with experts.
- Considering the negative reaction to the decision of the majority of staff at CFRC, local universities representatives, and national and international scientists (who comprise the majority of experts in the field of wild fisheries) it is clear this decision lacks any credibility in terms of improving or maintaining services for wild fisheries management

in NSW.

**b) What consultation was undertaken prior to the decision with stakeholders including commercial and recreational fishing groups, environmental groups and staff**

- As evidenced by the public submissions to the Minister from various stakeholders [Submission ITEM D and ITEM L] including commercial and recreational fishers, conservation groups, national and international scientific organisations, staff members and even local government MP Mark Speakman – virtually no consultation was undertaken prior to announcement of the closure on 8/9/2011
  
- As the marine resources of NSW belong to the citizens of NSW they are also major stakeholders. On 10/10/2011 local government MPs Mark Speakman, Member for Cronulla, Lee Evans, Member for Heathcote, and Greg Annesley, Member for Miranda all chose to accept the petition at Parliament House of 19,000+ signatures of NSW Citizens asking for the decision to close the CFRC to be closed. The 19,000+ signatures were gained within only one month of the decision announcement demonstrating the extent of public opposition to this proposal. As further evidence of the extensiveness of the public's reaction to this decision an example of comments placed on media websites regarding the CFRC closure are also included in documentation [Submission Item O]
  
- No consultation or consideration was given to staff prior to the decision. The SMH FOI [Submission Item M] reveals that information was gathered merely on the residential location of staff and general roles and permanency status.

- As demonstrated by the email in the SSC FOI [Submission ITEM A] from Tim Scott to Richard Sheldrake on 6/9/2011 reaction to the closure of major stakeholder groups was only guessed at prior to the announcement.
  
- The risk management plan for the relocation identifies as moderately likely, with moderate consequences the risk that communication with staff and key stakeholders is inadequate, poorly timed, or conflicting, leading to staff becoming cynical, demoralised, or making decisions on the basis of incorrect information. This is a very good summary of exactly what has happened and we do not believe the consequences are only moderate.
  
- Of the eleven (11) staff members that work in Fisheries Business Services (Commercial Licensing), not one staff member has spoken to a commercial fisher that has admitted that they were consulted. In fact, on practically every conversation held between NSW commercial fishers and licensing staff since the announcement, the fishers are surprised and have no knowledge of the proposed closure. This is further evidenced by the letters of disagreement with the closure that we have received from commercial fishers [Submission Item L].
  
- Even to date, 10 months after the announcement, commercial licensing staff are still receiving calls from flabbergasted fishers alarmed and concerned that the fisheries department is being torn apart. A particularly immediate concern being voiced by commercial fishers is the expected loss of expertise in the Fisheries Business Services unit (Commercial Licensing). Knowledge cannot be replaced at short notice and there are great concerns regarding past history (corporate knowledge) that will no longer be available for reference purposes.

- Since the announcement last September 2011 to close the Cronulla site and relocate it's services, very little efforts have been made to undertake further consultation with stakeholders. In a staff meetings held at Cronulla on 12/3/2012 with Geoff Allen, Director of Fisheries and Mark Paterson, Director General of DTIRIS, the question was asked if a letter would be sent to all 1200 commercial fishers advising them personally of the government's decision and how it will affect them. In each instance, Mr Geoff Allen, supported by Mark Paterson, responded that it was not necessary at this stage.
- The only consultation likely to have been undertaken with external stakeholders prior to announcement on 8/9/2011 was with John Harrison of the Professional Fishermen's Association (PFA). The PFA only represents some 30% of fishers, mostly from the north of NSW. As shown by letters of support from commercial fishers, such as from Graham Pemberton [Submission Item L], the PFA do not represent the majority of fishers and the southern fishers do not support the Minister moving commercial managers closer to the northern fishers. Furthermore, a number of PFA members have also complained to department staff that they were not consulted by John Harrison as to whether they would personally support the closure.
- To make matters worse misinformation was given to the Minister to justify moving fisheries management closer to northern fishers (Coffs Harbour). Statements made by the PFA were quoted by the Minister as evidence that the majority of commercial catch is in the north of the State. According to Hansard records [Submission Item I] the Minister stated on 10/10/2011:  
  
"Correspondence received by my office states that the announcement to move the commercial fisheries is strongly supported by the Professional Fisherman's Association. It states further:

... taking fisheries management/research to its clients makes sense. With about 80 per cent of the catch by volume coming north of Sydney it is smart to have management and research with the catchers.”

However, as shown in an email in the SSC FOI [Submission ITEM A] from Geoff Allen (Acting Executive Director of Fisheries) to the Minister’s officers Mitchell Isaacs, Ilse van de Meent and Tim Scott on 26/9/2011 the Minister was actually informed by NSW DPI that only “62.4% of this catch was taken north of Sydney”.

- Even the figures provided by Geoff Allen to the Minister are somewhat misleading as Sydney is actually in the southern half of NSW (as is the Hawksberry River). NSW DPI records (show below) actually show that if NSW is split exactly in half by bands of latitude the ratio of commercial catch in the five years to 2009 is closer to 57% caught in the five northern bands of latitude and 43% in the five southern bands of latitude.

Latitude	2004/05	2005/06	2006/07	2007/08	2008/09	Grand Total	2004-09		
a. 28 Deg. 9 Min. - 29 Deg. Latitude (Zone 1)	1,487,889	1,248,479	1,079,936	1,303,202	1,010,932	17,491,920	North	42,933,197	57%
b. 29 Deg. - 30 Deg. Latitude (Zone 2)	2,229,148	2,061,031	2,186,559	2,492,995	2,048,600	32,585,588			
c. 30 Deg. - 31 Deg. Latitude (Zone 3)	1,461,093	1,352,404	1,141,023	1,367,857	731,992	16,319,369			
d. 31 Deg. - 32 Deg. Latitude (Zone 4)	1,716,085	1,555,216	1,562,950	1,629,399	924,207	19,195,920			
e. 32 Deg. - 33 Deg. Latitude (Zone 5)	2,758,349	2,474,818	2,709,716	2,612,513	1,786,803	33,371,126			
f. 33 Deg. - 34 Deg. Latitude (Zone 6)	1,791,654	2,054,045	2,118,493	1,674,737	1,535,790	23,399,207	South	32,887,501	43%
g. 34 Deg. - 35 Deg. Latitude (Zone 7)	1,606,032	1,365,695	1,526,119	1,577,139	1,210,083	18,239,008			
h. 35 Deg. - 36 Deg. Latitude (Zone 8)	519,593	557,496	368,953	395,586	244,286	6,633,412			
i. 36 Deg. - 37 Deg. Latitude (Zone 9)	1,461,051	1,579,116	965,078	1,382,720	142,775	12,305,481			
j. 37 Deg. - 37 Deg. 30 Min. Latitude (Zone 10)	1,225,009	1,622,381	2,854,798	1,156,987	1,951,885	13,126,154			
<b>Total</b>	<b>16,255,902</b>	<b>15,870,681</b>	<b>16,513,626</b>	<b>15,593,136</b>	<b>11,587,353</b>	<b>192,667,185</b>	<b>Total</b>	<b>75,820,698</b>	

### c) The costs and benefits of the decision to close the Centre and relocate its functions to other locations

- The only financial and economic analysis that has been undertaken into the closure of CFRC was commissioned by the then Department of Public Works and Services (DPWS) in March 1998 and conducted by Sinclair Knight Merz [Submission ITEM E]. This report assessed scenarios similar to those proposed by the closure of CFRC and the upgrade of facilities at Taylors Beach (Port Stephens). As is shown from the

Conclusions section of the Executive Summary on page (iv) the option that included maintaining the CFRC site was found to be the best option both financially and economically. It was the recommendations of this report that led to the refurbishment of the CFRC facilities (over \$1.5 million in upgrades from 2001-2011 [see Submission ITEM H Attachment A for a list of upgrades to CFRC]).

- As this is the only financial and economic analysis that has been undertaken into the closure of CFRC in recent years, and given that a further \$1.5 million in upgrades have been added to CFRC since the report was commissioned, it is most likely that retaining CFRC is still the best economic and financial option for NSW in 2012.
  
- A recent internal report generated by Dr M. Ives of NSW DPI on 7/9/2011 [Submission ITEM F] estimated the value of the publicly owned marine resources of NSW at over \$1 billion per year in direct benefits to the state (commercial and recreational fishing and tourism), with many billions more per year provided in indirect benefits (environmental functions and non-use benefits). Given indications of such a large stream of economic benefits from this natural resource, it would seem highly advisable for the government to undertake a thorough analysis before announcing any decision that could potentially jeopardise this stream of benefits for NSW. For instance, if this decision reduced the stream of benefits from this public resource by only 10% it would involve losses of economic benefits for NSW of over \$100 million a year!
  
- Despite the lack of transparency with respect to any objective or formal analyses of costs and benefits associated with the relocation, we make several comments with respect to comparative costs of maintaining CFRC versus the multiple relocation sites:

1. Three members of staff (Mr Peter Brown, Mr Rob Harris & Dr Geoff Liggins) were nominated by the Director of Fisheries (Dr Geoff Allan) to attend a meeting with Minister Hodgkinson earlier this year. At this meeting, when asked about the cost of relocation, Minister Hodgkinson stated that the cost savings resulting from the Closure of CFRC would cover the costs of relocation to the regional and other Sydney-based sites. Save Cronulla Fisheries finds this extremely difficult to believe.

2. Costs associated with the relocation will include: (a) rental of office space at sites including Coffs Harbour, Wollongong, Nowra, Mosman (SIMS) and Newington; (b) capital works to alter and construct office space and laboratories and aquaria facilities at Port Stephens; and (c) extensive flood-mitigation capital works at the Port Stephens site to prevent inundation of the site due to sea-level rise as a result of climate change.

3. Moreover, the Minister (presumably based on advice from the Department) stated the annual cost of running CFRC was about \$435k per annum. Based on email from Jeannine Biviano to Richard Sheldrake (dated 6/9/2011) uncovered by a SSC FOI [Submission Item A], Ms Biviano states that of a supposed \$455k per annum site maintenance cost, only about \$20k of this may transfer with staff, leaving a supposed \$435k site maintenance cost. The email refers to "Tim's original 09/10 numbers" – and we are aware that "Tim" is staff member Mr Tim Powys. Attached to this email was a table containing 17 line-items that added to \$455k. Based on common-sense interpretation of these line-items and conversations with the site managers and other anonymous members of staff with specific knowledge in this area, Save Cronulla Fisheries believes that the majority of this \$435k does not represent costs associated with the site but rather costs

associated with personnel on the site (i.e. costs that would transfer with staff relocated to alternative sites). We hope that the Select Committee will request the Department and/or Auditor General to provide the Inquiry with a demonstrably objective set of costs that compare the costs of relocation with the cost of a base-case scenario in which CFRC was maintained.

- We also make several comments with respect to comparative benefits of maintaining CFRC versus the multiple relocation sites:

1. The claimed basis for the closure of CFRC by the Minister and senior departmental bureaucrats has been that CFRC has poor access and limited capacity for expansion. The access to Cronulla for staff and to intra-state, inter-state and international visitors to the site is excellent, given Cronulla's location within the transport hub of Sydney. Moreover, road access to and within the site is excellent. The Select Committee will see this for themselves when they visit CFRC.
2. The supposed lack of capacity for expansion is a non-issue given (i) the contraction of NSW public service announced by the Government; and (ii) that expansion of office space and facilities within CFRC is indeed possible. The largest and most modern building on the site was purpose built to have a second story added with minimal cost. There are also three vacant lots on the site allowing for massive expansion if necessary. In fact, just one week prior to the announcement of the closure six marine parks staff were moved into Cronulla by the same Minister who has made these claims.

- Given that the Auditor General's Office has stated they are maintaining a "watching brief" over the Department's closure of the CFRCoE and relocation project, we think it



would be valuable for the Select Committee to explore the Department's performance against these guidelines with the Auditor General.

- Many significant issues concerning comparative benefits of CFRCoE versus alternative sites are raised elsewhere in this submission.

### **d) The extent to which the decision satisfies the Minister's responsibilities under the Fisheries Management Act 1994**

The objects of the FMA 1994 are as follows:

(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.

Section 7C of the Fisheries Management Act 1994 also contains the details on how these objectives are to be achieved by the implementation of Fishery Management Strategies and Section 7E details the content of the FMSs : requires the specification of how the fishery will be monitored, performance indicators to monitor if the objectives of the FMS are being met and that the requirements for Ecological Sustainable Development are being met, and also when the indicators are not being met and a review of the FMS is required. Details are included in each of the separate Fishery Management Strategies all of which include generic goals such as:

- Maintain stocks of primary and key secondary species harvested by the fishery at sustainable levels

- Facilitate effective and efficient compliance, research and management of the fishery.

- Surveys undertaken by the Save Cronulla Fisheries Team suggest that the department will lose up to 70% of the staff at Cronulla, in all areas including commercial and recreational fisheries research, management, and licensing. Such a loss includes many hundreds of years of experience and corporate knowledge. The questions must be asked as to how the Minister can meet the requirements of the Fisheries Management Act given such losses.

- The NSW coalition recently announced the reduction of government employment by 10,000. This represents less than 10% of the current public service. In comparison the wild fisheries branch stands to lose up to 50% of its staff from the closure of CFRC. This appears extreme even given current job cuts in the public service.
- Many significant issues concerning the Minister's ability to meet the government's legislated responsibilities are provided elsewhere in this submission regarding loss of staff, expertise, facilities and reduction in services. For example, if NSW fisheries is not able to meet such reporting requirements under the Fisheries Management Act the commercial fishers of NSW could lose their licence to export under our current export approval arrangements with the Commonwealth Government (SEWPaC).

**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**

- A detailed analysis comparing the facilities at CFRC with the alternative locations at Port Stephens (PSFRC), Coffs Harbour and Mosman (SIMS) is provided in the attached documentation [Submission ITEM N]. The information speaks for itself but as can be seen clearly the facilities at the alternative sites do not cover those at CFRC. Scientists and staff have expressed to the department their serious concerns with these losses and the impacts that this will have on their continuing research.
- Three reasons have repeatedly been given by Minister Katrina Hodgkinson to justify the closure of Cronulla Fisheries Research Centre of Excellence [Submission Item C] – all are false.

- Firstly, she has asserted that the Cronulla site has constrained modernisation. Based on the recommendations of a 1998 Sinclair Knight Mertz financial and economic analysis [Submission Item E] the site was recently modernised to the tune of over \$1.5 million dollars. It is now the most modern fisheries research science facility in NSW.
  - Secondly, the Minister has claimed that the site has constrained expansion capacity. The largest and most modern building on the site was purpose built to have a second story added with minimal cost. There are also three vacant lots on the site allowing for massive expansion if necessary. In fact, just one week prior to the announcement of the closure six marine parks staff were moved into Cronulla by the same Minister who has made these claims.
  - Thirdly, the Minister has consistently stated that the Cronulla site has 'limited access'. The site has a two lane road leading into it with access for a two tonne truck to any building on site. There is a wharf that research, police officers and shark meshing boats use regularly giving access to the estuary and ocean. There is a bus stop within meters of the site and taxi, ferry and train services in Cronulla, all within 5 minutes of the site. Finally Australia's largest domestic and international airport is 30 minutes away. In fact, the only access that is limited to the staff at Cronulla Fisheries is access to the Minister's office - as she still refuses to meet with staff representatives and, despite her claims to the contrary, has yet to officially visit the CFRC site.
- These three reasons given by Minister Katrina Hodgkinson to justify the closure of Cronulla Fisheries Research Centre of Excellence could actually more easily be levelled at one of the research facilities that some staff will be relocated to – the Port Stephens Fisheries Research Station. Port Stephens does not have good quality sea water available next to the site. There is no drinking water on tap and no public

transport. Expansion of the Port Stephens site would require additional septic sewerage facilities, destruction of mangroves and reclamation – all of which would not be approved under the habitat management policies that this Department upholds in its administration of Part 7 Fisheries Management Act 1994.

- Finally, it is made clear in the report by Rob Williams [Submission Item P] regarding likely inundation of the Port Stephens Institute from rising sea levels that the building of new infrastructure at such a site contravenes the NSW Department of Planning's Coastal Planning Principles for adapting to sea level rise. In a subsequent article in the Port Stephens Examiner [Submission Item O] department officials inadvertently admit to the problem of inundation in that "Department of Primary Industries dismissed the concerns, saying in a statement that all work at the site had already been constructed at an elevated level". Why would facilities need to be constructed at an elevated level if there is no problem? Are all buildings built at an elevated level and what about the grounds between buildings?
  
- Further information comparing the facilities at CFRC with the Port Stephens are presented in the included documentation [Submission Item G]. In short, if the department undertook an analysis into closing down any fisheries research facility it is most likely the analysis would show closing Port Stephens as the better option to closing CFRC.

**f) The loss of the scientific expertise held by the staff who cannot relocate from Cronulla and the implications for sustainable fisheries management**

- Previous submissions from staff to the Minister have warned the vast majority of staff could not or would not relocate regionally. Recent stats are consistent with this: i.e. 7 staff have relocated regionally, 25 staff have left the Dept, only 4 of these positions have been backfilled; outcomes for remaining staff are as yet indefinite but majority have indicated they can not move regionally
- The staff at CFRC are specialists in the highly specialised field of wild fisheries research and management. Prior to the closure the scientific staff had in excess of 500 years experience in fisheries research with more than 50 science degrees (including 19 PhDs and 1 DSc). Recreational & commercial management and associated licensing sections had over 300 years in fisheries management experience and 25 science degrees.
- Such experience cannot be easily replaced or transferred. Some effort can be made to train people and to implement improved business processes and technologically solutions but such changes would have to be well planned and managed. Already 25 staff members have left Fisheries with little or no knowledge transfer. These losses are currently being covered by remaining staff by productivity is rapidly declining and project milestones are not being met. Once the remaining staff leave this loss of staff and expertise will be felt very acutely by the stakeholders.

### **g) The impacts of the decision on service delivery to stakeholders**

- Although the state objectives of the “Fisheries research and fishery management services capacity is maintained” is one of the stated original objectives of this decentralisation there has been little or no efforts to track this progress with key

performance indices. This is evidenced by the lack of discussion or performance indicators for services shown in the relocation working group minutes. The fact that the some 25 staff have left NSW Fisheries since the closure and only 4 positions have been back-filled suggests that maintaining fisheries research and fishery management services capacity is no longer an objective of this closure.

- The loss of licensing staff will impact the stakeholders most immediately with day-to-day operations. The impact on commercial fishing industry will be profound. Commercial licensing is a complex and challenging area with one Act and nine subordinate regulations. The supporting database is complex and has been designed to meet the legislative requirements that surround the legislation. In addition to the various regulatory instruments, policy documents and the various processes to support commercial licensing are also numerous and complex. Knowledge required for legislation, policy and processes is not able to be learnt or experienced or replaced in a short time frame. To have the necessary skill sets to support the licensing requirements takes many years to ensure that service delivery to client base is met to a high (and expected) standard. Service delivery is a core function of the commercial licensing role and the loss of overwhelming majority of staff (all except one staff member) will severely impact on the quality and timeliness of work required. Licensing transactions efficiency will suffer, as will the quality of analysis and advice given to stakeholders (commercial fishers, rec fishers, conservation groups, etc).
- Furthermore, should there be a legal requirement to give information on past issues, it would be extremely difficult to obtain that information as to the whereabouts or decipher and clearly articulate what previously occurred and reasons behind those actions/decisions. This Fisheries department has worked incredibly hard to earn the respect and trust of their stakeholders, the commercial fishers of this State, and with

virtually all licensing staff having to leave the department due to this closure it will be many years before the department will be able to earn that trust and respect again.

- CFRC licensing staff also deal and interacts with the recreational fishers and the charter boat industry in relation to their licensing requirements. The database used for licensing is old and difficult to operate, regardless that there is a procedures manual to follow.
  
- The loss of management staff will impact the ability for the department to efficiently work through fisheries management issues with stakeholders, which relies heavily on an awareness of fisheries regulation history. As with the licensing staff the managers have an intimate relationship with clients and have a personal relationship with most of them. Such relationships are the oil in the wheels that makes the process work more efficiently and effectively. Finally, the ability of the department to interpret regulation to enable policy development and implementation will also suffer. A prime example of this being the implementation of the 20+ recommendations from the independent review of commercial fisheries policy, management and administration – which has been supported in principle by the Minister.
  
- The loss of recreational fishing staff will impact the department's ability to meet legislated responsibilities towards promotion and enhancement of recreational fishing in NSW. Programs likely to suffer include the promotion of fishing in schools, fishcare volunteer programs, game fish tagging programs, fish aggregating projects and event monitoring. Losses of staff and experience will impact associations with current recreational council and committee members. Moving staff to alternative locations will also increase costs of running these programs, regular meetings will be more difficult and costly given multiple staff locations in Coffs Harbour, Nowra and Newington. As



the majority of recreational fisher stakeholders are located in the Sydney basin  
[Submission Item G] CFRC is actually the ideal location for these staff.

- The loss of research scientists and technicians from the CFRC closure will mean less projects and experiments that generate the data necessary for resource assessment. The direct loss of expertise will also mean that the current expert-based resource assessment framework (RAW) currently run by NSW Fisheries staff at CFRC will no longer operate. A performance indicator presented to the relocation working group Meeting #34, 31/5/2012 by Acting Research Leader Dr Matthew Ives showed that the coverage of expertise on the 108 species that make up the 2008/09 NSW Fisheries Status Report would be as low as 40% after the closure of CFRC. This loss of expertise coverage will undermine the ability of the Minister and the Department to monitor and report on the continued sustainability of fish NSW stocks.
- This loss of expertise, data and credible assessments will mean that NSW Fisheries will not be able to produce it's biannual Status of Fisheries Resources in NSW which is currently overdue. This is one of the primary outputs of the department and is a performance requirement for the DG Richard Sheldrake.
- Under the increased uncertainty from loss of expertise and resource assessment the department will be forced by best-practices to decrease commercial and recreational catch through temporal or spatial closures. This lack of resource assessment and reporting will also impact fishers as it is a requirement for commonwealth assessed export licences.
- The disaggregation of scientists, managers, and licensing specialists is likely to result in a decreased effectiveness of intra-department communications, impacting policy

formulation, and expert-based decision-making which will result in poorer outcomes for clients/stakeholders.

- The risk management plan for the relocation identifies some risks that are deemed likely with major consequences for the department including staff leaving resulting in an inability to deliver described outcomes, negative impacts on the reputation of the department, that key knowledge, capability and skills are lost or compromised in the process of relocation, thereby threatening business viability and continuity. Measures to mitigate these risks have including the following, most of which have been done very poorly if at all:

- Well developed plans that are current and changed with context changes
- Governances arrangements
- Everyday policies and procedures, guidelines and codes
- Communications plan that includes external and internal stakeholders
- Consultative approach with staff at Cronulla
- Interviews (including exit) with Cronulla staff

## **h) The impact on staff and their families of the closure and the relocation**

- The risk management plan for the relocation identifies the risk as likely, with major consequences that stresses caused by the change and uncertainty will compromise the wellbeing and productivity of the staff and the risk that morale drops, undermining staff effectiveness and efficiency, and compromising ongoing business operations. Despite these risks being identified as major and likely and are happening through CFRC (as evidenced by the level of public protest from the staff) it has been the experience of staff representatives on the relocation working groups that these risks are not being reported on or in any way taken seriously by the relocation leadership. In

fact, the leadership has instead sanctioned in these working groups instances of non-transparent favouritism and cronyism that have led to outcry from staff and their representatives that has been duly ignored.

- Most staff are very passionate about their jobs at CFRC and are very upset to be forced to leave their jobs given the lack of analysis undertaken prior to this decision and the false justification given. Individual submissions by staff members should give sufficient details of the impact of the decision on staff and their families and examples of mistreatment and injustices handed out by senior officials.
- There are obvious impacts for staff and families from the loss of income and career continuation. This is sometimes unavoidable but should only occur when there is a well justified business case for the organisational change that makes this necessary.
- For the majority of staff the decision to close down the iconic research institute has been extremely stressful and demoralising. A number of staff have had to leave the department simply because they could not deal with any more stress and poor treatment. Staff families have been under extreme stress with a lot of stress placed on marriages, particularly where both have jobs to consider. Staff have also had children ask for counselling to deal with the stress created in the family.
- Staff are being required to make the decision that if they want to keep their jobs they will need to move their families out of their home towns and schools, away from extended family, friends and support groups. Many of the staff have lived in these areas for decades making such a move even more difficult and stressful.

- Professionally staff are being asked to make a very difficult career decision under extreme uncertainty. Despite the early promises to staff from Richard Sheldrake that all positions will be retained and facilities in the new locations will be as good as at CFRC the staff have seen this promise unfulfilled. With the majority of people not able to move the entire organisational structure of the department is in disarray, this means that people have to decide whether they will move without knowing what role they will be playing in the new department. With the promise of new, better facilities also fading away scientific staff in particular are questioning whether they will be able to operate in these new locations such as Coffs Harbour, SIMS and Wollongong.
- One of the more unsavoury parts of the relocation process is that “reasons” were given for people to stay in Sydney that was in no way made transparent. With the majority of people not able to relocate this has created a horrible atmosphere for those have not been given Sydney locations and for those that have. We were told that some effort was made to verify the reasons people may have given for having to stay in Sydney but this process in itself had no oversight. The worst incident is that a person with no direct experience in the role was given a high paying job in licensing without going through a formal hiring process (provided they agreed to move to Nowra). Other people that were more qualified for this job and might have gone given the opportunity, were not asked. Geoff Allan knew of this and when questioned many times in the working group by staff representatives still allowed it to happen. Such incidents have been extremely demoralised for a staff that is already having to deal with the injustice of this closure.
- More than the decision itself impacting staff and families, the ad hoc and inadequate support and supply of information provided to staff has been an additional source of uncertainty and concern. Finally, the fact that 10 months after the announcement to

close Cronulla there is now an Upper House Inquiry into the decision confirms to the staff that Parliament considers the decision to be questionable. The majority of the staff are still working at the CFRC site and although this Inquiry is welcomed, this Inquiry actually creates continued uncertainty for the staff. With the massive loss of staff and expertise and the injustices associated with this decision it is hard not to believe that the department is going to be forced to overturn this decision at some point.

### **i) The impact on the heritage values of the Cronulla Fisheries Research Centre.**

- Details on the heritage listings of the site are contained in [Submission ITEM K]. The site has historical significance through aboriginal occupation with a number of middens on the site as well as a birthing cave. The site has historical significance as the first fisheries research/management facility in Australia and one of the first in the southern hemisphere.
- Further information will be provided by the expert on the site history – Dennis Reid.
- There is currently an important and significant linkage among the historical occupants of the site: CFRC's role in management and sustainability of aquatic resources and fisheries; CSIRO's oceanographic and fisheries research; early 20<sup>th</sup> century aquaculture; aboriginal occupation of the site and their aquatic resource utilisation as evidenced by the middens on the site.
- The current NSW Fisheries staff have a deep respect for the site's history and were deeply hurt to hear the lack of respect shown to this history by the announcement of

the closure. Staff are concerned about any future occupants and use of the site and whether such care and respect for the heritage value of the site will continue.