

**SELECT COMMITTEE ON CRONULLA FISHERIES
RESEARCH CENTRE**

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

At Sydney on Monday 6 August 2012

The Committee met at 4.00 p.m.

PRESENT

Reverend the Hon. F. J. Nile (Chair)
The Hon. N. Blair
The Hon. D. J. Clarke
The Hon. C. Faehrmann
The Hon. M. S. Veitch
The Hon. S. J. R. Whan

CHAIR: Welcome to the first public hearing of the Select Committee on the Closure of the Cronulla Fisheries Research Centre of Excellence. Before we commence, I acknowledge the Gadigal clan, who are the traditional custodians of this land. I also pay respect to the elders, past and present, of the Eora Nation and extend that respect to other Aboriginal people present.

This Committee was established in June 2012 to examine various aspects of the decision to relocate the Cronulla Fisheries Research Centre of Excellence, including the impact that the decision will have on the research being carried out at the centre and its effect on the staff and families who cannot move to other areas of New South Wales. The Committee will also review the costs and benefits of the decision and the potential loss of scientific expertise held by staff who are unable to relocate.

Today the Committee will hear from representatives of the Department of Primary Industries, Dr Richard Sheldrake, Dr Geoff Allan and Mr Kevin Cooper. As chairman of the Committee, I thank you for attending today's hearing. There will be two further hearings, one on Monday 3 September and one on Monday 10 September 2012, at which the Committee will hear evidence from other organisations and individuals. The Committee will also hold a public forum at Parliament House on the evening of 3 September. Details of those events are available on the Committee's website or by contacting the committee secretariat.

RICHARD SHELDRAKE, Director General, Department of Primary Industries

GEOFF ALLAN, Executive Director, Fisheries NSW, affirmed and

KEVIN COOPER, Leader Animal Plant and Fish Health Emergency Preparedness and Response, Department of Primary Industries, sworn and examined:

CHAIR: Do you wish to make an opening statement?

Dr SHELDRAKE: The New South Wales Government's decision to relocate the Cronulla Fisheries Research Centre of Excellence to a number of locations along the New South Wales coastline, including Port Stephens, Coffs Harbour and Nowra, delivers on its pre-election commitment to a decade of decentralisation. The Department of Primary Industries has successfully undertaken decentralisation projects before. In 1991, the New South Wales Government relocated the former Department of Agriculture headquarters from Sydney to Orange. That move was hailed as one of the most successful decentralisation projects undertaken by government. It produced increased efficiencies, greater interaction with rural and regional New South Wales and more jobs for the local economy. That move worked well for the department's stakeholders. There have been no problems recruiting highly qualified staff and the community of Orange continues to benefit from the tens of millions of dollars in salaries that are injected into the local economy. The same principles apply to the relocation of Fisheries staff from Cronulla, and the same benefits will flow to Fisheries stakeholders, staff and regional towns as a result of this move.

While many recreational fishing licence holders reside in Sydney, most recreational fishing is done on the north and south coasts of New South Wales. Similarly for commercial fishing, 60 per cent of the State's commercial catch is from areas north of Sydney. 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. Importantly, the department will consolidate its State fisheries research at the Port Stephens Fisheries Institute. All our research units will be led from Port Stephens. This consolidation is consistent with the approach we have taken in Agriculture NSW and Biosecurity NSW.

The decentralisation of the Cronulla site is progressing with nine staff having already transferred and a further 23 having agreed to transfer. It is expected that around 40 per cent of the fisheries staff will relocate. Scheduled dates for the relocation of functions have been identified and some activities have already been relocated. Staff have participated in the planning processes, with 42 working group meetings held since September 2011. To assist the Committee in understanding the New South Wales Government's decision and to put the project in perspective, I would be pleased to arrange a visit to Port Stephens and the Sydney Institute of Marine Science at Chowder Bay for the Committee to examine the outstanding facilities available at these centres.

One of the understandable concerns of employees and members of the Cronulla community generally was the future of the site. The site has significant Indigenous and post-European settlement heritage and

historical value and the New South Wales Government recognises the cultural and social values of the centre at Cronulla. 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. Today I am joined by the Executive Director, Fisheries, Dr Geoff Allan, and the relocation project manager, Mr Kevin Cooper. We are happy to answer questions. Mr Chair, I thank you and the Committee for scheduling this hearing today to fit my prior commitment.

CHAIR: Thank you very much. I want to establish a timeline for the proposal to close the centre. You mentioned the Government's decentralisation policy, which we all know about. When that policy was announced prior to the election was any mention made of the intention to close the fisheries centre at Cronulla?

Dr SHELDRAKE: No, there was no mention of it prior to the election.

CHAIR: There was no consideration of that possibility prior to the election?

Dr SHELDRAKE: That is correct.

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.

CHAIR: I note you made a statement at the end of your opening remarks that there are no plans to redevelop the site. I take that as your giving evidence that you have no plans.

Dr SHELDRAKE: That is correct.

CHAIR: The Department of Primary Industries has no plans.

Dr SHELDRAKE: That is correct.

CHAIR: Is it possible that some other government department could have plans, such as the Treasury or a commercial division of the Government?

Dr SHELDRAKE: I do not believe so. There is no evidence for that. In fact, the basis for the consultant's work that is ongoing at the moment is to look at the future use of that site. It is about identifying community use of the site at Cronulla, identifying how best the community can have access to the site and how community groups can have access to the site.

CHAIR: Finally we note that once the Government finally closes that centre it gives an opportunity for the Aboriginal Land Council to make a claim on that land. Are you aware of that? Is there any discussion or negotiation concerning that?

Dr SHELDRAKE: As I understand, the consultant that has been looking at the future use of that site has met with the local Aboriginal Land Council.

CHAIR: Are you aware if they are considering a claim on the site?

Dr SHELDRAKE: No, I am not aware of that.

The Hon. NIALL BLAIR: Dr Sheldrake, thank you for your time this afternoon. In your opening address you mentioned a number of figures. Could you just confirm that it was nine staff that have already moved from Cronulla?

Dr SHELDRAKE: I might ask Mr Cooper to give the numbers as he has been dealing with this up until now.

Mr COOPER: That is correct, nine staff have moved. One of those is in the metropolitan area, so that is to Parramatta. The other eight have moved to regional areas. There are a further 23 that have committed to move. Depending on how far you want to go with the breakdown of the figures, but as it stands at the moment we have got feedback—or 97 of the 138 positions that we are moving, we know what those people are doing. That includes 19 positions that are either casuals or short-term projects who unless they change positions they cannot move. We have got 41 who are yet to make up their mind or receive letters from us. Was that clear?

The Hon. NIALL BLAIR: Yes, sure. Some of the earlier reports were saying around 95 per cent would not relocate. That is obviously very different to the 40 per cent that you are now saying are committing. Were there any that also left prior to the relocation date to take up other jobs and not choose to relocate?

Mr COOPER: The schedule for actually moving people commenced in May and June and the bulk of the people will actually start moving, those that are going to move, in October, November, December, January. Since the announcement was made back in September, and one of the key things was to give people as much time to think about their options—so since the announcement on 8 September there have been a number of people who have either been successful at getting other employment within government, New South Wales, and currently that is sitting at 15, and there are some people who have left already. There are 11 staff who have left the site and there are another 17 that have currently indicated that they will leave and they mostly fall in December and January, but there are some in August and September and October and those dates, except for one, are all at their request, at the individual staff member's request.

The Hon. NIALL BLAIR: Obviously some are still making up their minds. What processes have been followed and put in place to assist those staff to be able to decide what their next move should be?

Dr ALLAN: Let me answer that. One of our greatest concerns when this decision was made was to make sure that we understood the needs of staff and can we meet the agency's requirements to carry out functions. We thought that one of the best ways to do that was to make sure that we gave people indications very early of where their locations would be. 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. The process that we have tried to make is to try to account for the staff's wishes and needs and give them a long time to make their decisions.

The Hon. NIALL BLAIR: Some of those time frames you have talked about have been 12 to 18 months. Why such a long time frame?

Dr ALLAN: We recognise that people have got lots of commitments to the area, they have got projects that are ongoing. We wanted to make sure that people have got plenty of time to take advantage of their families

and their personal circumstances, if they have got to move houses, look for real estate in other places. We wanted to give them every opportunity to come with us and I think the fact that we have got 40 per cent of people that are coming is evidence that that has been a strategy that has been at least partially successful.

Dr SHELDRAKE: I think the experience we have had from some of the other moves, particularly in relation to agriculture, we learnt that giving people a lead time which is a bit longer and allowed them to work through some of those personal situations actually works to the advantage of the move in the long run because it does allow people to work through not only their work programs but their personal issues.

Mr COOPER: I would just like to add there is a lot of discussion there about staff and that has been most important. Dr Allan talked about the three months not two weeks notice. In that 40 odd people that we are yet to get feedback from, some of those people have been required to give us advice but we have been negotiating with them on a date. So we are not absolute with that. There are currently five people with outstanding last days of duty. The other comment I would make in terms of time since the announcement, the other thing is that people will have recognised there is a number of risks associated with this move and some of it is about getting the timing right, about peaks of work in terms of seasonality of work, whether it is the research or the licensing. So the scheduling and the move whilst taking account of staff's needs has also taken account of the business needs and the facilities in terms of accommodating those people, so to make sure that they are all in place as those things come on line.

The Hon. DAVID CLARKE: Mr Cooper, what about those employees that cannot relocate? What are you doing to assist them?

Mr COOPER: In terms of cannot relocate, there is a range of, if you like, support that has been available to them. In the first instance there has been training to assist people to actually apply for other jobs both within government and externally.

The Hon. DAVID CLARKE: Have any availed themselves of that?

Mr COOPER: Most certainly. We are up to our fifth workshop that has been scheduled for later in August. Those workshops initially whilst not well attended have since been well attended. As I reported earlier, 15 staff have been successful at getting jobs in government elsewhere and I would expect that number to increase. But equally note that some of the people that have left and not gone in government, at least two of them have attributed that training—that is the job skills training—to allowing them to get those jobs successfully.

As well as that, we have also run very specific skills development training. So some of it can be seen as pretty ordinary in terms of developing people's skills with Word and Excel and PowerPoint, but at the other end of the scale we have run very high level training for the use of GIS systems and they are run over two separate week periods and the staff have been put through that; we have had people do training in statistics packages. So we are trying to assist them to make them more employable in terms of chasing alternative employment.

The Hon. DAVID CLARKE: Do you think you have been successful in doing that?

Mr COOPER: Clearly not everyone has got a job, but to date we are looking good. Personally I would like to see everyone go to a job and part of what is driving me is to make sure that they have that opportunity available to them.

The Hon. DAVID CLARKE: These programs are ongoing, are they?

Mr COOPER: Yes and any options put to us we will look at favourably.

The Hon. DAVID CLARKE: We have heard a lot about these facilities in Port Stephens. What can you tell us about those? How do they compare to similar facilities elsewhere in Australia?

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. I hope you come to Port Stephens to have a look at how we have run that sort of place to make it suitable for experimental research.

The Hon. DAVID CLARKE: Do you say that you have objective evidence of experts who support you in what you are saying that the facilities at Port Stephens are superior to those at Cronulla?

Dr ALLAN: 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 aqua cultural research unit and the aquatic ecosystems research unit. Everything that the aqua cultural 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. By contrast, at Cronulla, less than a quarter of the research that they do requires seawater facilities. Is there evidence to support that? I think the answer is probably yes.

The Hon. NIALL BLAIR: Just staying on the facilities and some of that being behind the decision, why not just rebuild some of those other facilities at Cronulla?

Dr ALLAN: That is always an option. There are limitations at Cronulla. You have been there. The topography does not really lean itself to large-scale expansion. It is certainly not impossible to expand there but there are difficulties there and, of course, some of the Indigenous and heritage values and the other post settlement historical values just present additional challenges. It is not a site that lends itself readily to expansion.

The Hon. CATE FAEHRMANN: Can I just ask what that expansion is when you say it does not lend itself to expansion? What expansion exactly is the Government proposing that Cronulla cannot cope with?

Dr ALLAN: I was asked the question can it be expanded, and the challenge of any expansion, if you want to replicate certain facilities, say, for example, at Port Stephens, the difficulties are, as I mentioned, space, topography and the heritage and historical values. It depends, whatever you wanted to expand there are going to be issues. You could certainly put more tanks there, you could change the areas, there are some things you could do within the space available, but a large-scale expansion of facilities such as at Port Stephens would present those challenges.

The Hon. NIALL BLAIR: The refurbishment you mentioned and the heritage listing of some of those buildings, and we saw today the lab that has been refurbished, how will things like that be replaced? Do you have equivalent facilities for laboratories in some of the other areas?

Dr ALLAN: We have. The staff that currently use a laboratory at Cronulla will be relocated to Port Stephens, Coffs Harbour and SIMS primarily at Port Stephens. 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. So I do not think we are going to lack for laboratory facilities of the sort we saw at Cronulla today post-relocation.

The Hon. DAVID CLARKE: I understand there are a number of university students who use the Cronulla Fisheries facilities—in fact, I think we saw a couple there today. What is going to happen with those people?

Dr ALLAN: A number of the projects are there now and it has been fantastic that we have been able to assist university students with their training and we get some good research out of those projects. The core of our research, however, involves work on wild fisheries, stock assessments of the work. The university projects, some of them are discretionary. The person that has the most of our students has relocated to Port Stephens. We have students at Port Stephens and at Coffs Harbour and at SIMS we will have other students who will come and work at those locations as well. The projects that are currently based at Cronulla will be largely completed, I understand, before we close the facility down in the first part of next year.

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.

The Hon. DAVID CLARKE: In an expanded form?

Dr ALLAN: We will have expanded facilities at Port Stephens and there has been a \$20 million refurbishment of the facilities at SIMS; they have got excellent facilities there for some of the work. With research the question with students usually is, depending on whether they are honours or masters or Ph.D., they will talk about whatever project and they come to talk to us as Fisheries to say, "What are our needs? What are our research needs? What are our management needs?" and we will discuss a project. So we will make sure the projects have facilities that are available to answer the questions and we will fit those projects around our available facilities and they will be outstanding in our new locations.

The Hon. DAVID CLARKE: Are you going to ensure that this process of taking university students on is going to continue and that is regarded as a very important part of what you are doing?

Dr ALLAN: It is a very important part. We are going to deal with that and that is why we have got this relationship, this increased alliance with SIMS, for example. We will co-locate with them, we will build on that partnership so those students will have the opportunity to work with us and they will understand our management needs and immediate needs for New South Wales fisheries. We will build that capacity—continue and expand on the work that is being currently done.

Dr SHELDRAKE: I might add that that approach is consistent with the approach that we have taken across the department in agriculture biosecurity where we encourage collaboration with universities and Ph.D. students from universities being part of the collaborative R and D, and it is incredibly productive and enables students to get projects underway that are genuinely relevant to the industries that DPI services.

Dr ALLAN: Let me just stress: we currently do that with our other locations. As you know, we have locations around the State—we have Port Stephens, we have Batemans Bay and Narrandera—and in all locations we have students associated with our researchers and they work effectively and very closely and we will continue with it.

The Hon. NIALL BLAIR: So do you collaborate with industry and other research bodies at those other facilities like Port Stephens?

Dr ALLAN: Yes.

The Hon. NIALL BLAIR: What sort of research and collaboration have you got going at the moment?

Dr ALLAN: We will collaborate with other State governments and Federal governments depending on the projects. Some of our aquatic ecosystems will collaborate with CSIRO, for example, the Victorian State Government, the South Australian State Government; we will look at our research needs for New South Wales, we will look at what our stakeholders needs are, we will form projects that will deliver the best benefit for those stakeholders and those needs and that often involves collaboration. Many of our external funding agencies we

work with—the Fisheries Association Development Corporation, some of the cooperative research centres—they really encourage collaboration; it is a feature of most of our projects.

The Hon. NIALL BLAIR: What about things like the research that looks at, say, Sydney-type subjects? We talked today about the shark tagging, for example, in Sydney Harbour. Will research and projects like that continue?

Dr ALLAN: Yes, and that is why we are keeping a base in Sydney, for those Sydney-based functions of research but also of management, and also we talked about our recreational fishing community. Dee McElligott runs our volunteer program and we have education officers at other regional locations but the Sydney-based education program will continue, our Sydney-based research will continue and our Sydney-based management will continue. So we will retain those functions.

The Hon. DAVID CLARKE: You are saying that this shark tagging work in Sydney Harbour is going to continue?

Dr ALLAN: Yes.

The Hon. DAVID CLARKE: It is not going to in any way be impeded?

Dr ALLAN: It will not be impeded. The tagging work has got a couple of functions. Some of the sharks are moving up and down the coast. We will continue that project to its natural conclusion as planned, on schedule and on budget. It is important work to us to understand those sharks' biology and their movements.

Mr COOPER: If I can just add to that? Right now there is a recruitment going for the shark observer as part of that program. It is underway at the moment to recruit and fill that position in Sydney as part of the shark program.

The Hon. STEVE WHAN: Dr Sheldrake, following a Department of Primary Industries request for information for the decision to close Cronulla Fisheries, the reporter Anne Davies stated that the information she was provided from the request revealed that there was no business case, no costings, no analysis of benefits and detriments prior to the announcement of this decision. Is that statement correct?

Dr SHELDRAKE: The advice that I received was based on the opportunities for the 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.

The Hon. STEVE WHAN: So has there been a business case done since of cost benefit?

Dr SHELDRAKE: Part of the processes that we will be going through will be looking at all of the costs that are associated with the move. We will not know the total costs of the move until we identify who is transferring, the costs of transfer, et cetera. So, at a point we will be able to identify what the costs of this move are and we will look to the benefits over a long time frame.

The Hon. STEVE WHAN: So going into this move the department does not know if you will end up paying more in the long term for the provision of these services or less, is that correct?

Dr SHELDRAKE: The decision was based around identifying the opportunities and the benefits for regional New South Wales. The benefits that accrue to regional communities are some of the benefits that will come out of this. It is not just about the costs associated with transporting facilities from Cronulla to Port Stephens or Coffs Harbour; it is a broader issue than that.

The Hon. STEVE WHAN: Another email from Jeannine Biviano dated 2 September 2011, which relates to the Government Information (Public Access) Act, states that she is "not sure that we should indicate the fact that the proposal went up in May" which you already have indicated. It also states, "I would prefer it if that was not included in the correspondence and with the focus more on the Government's regionalisation strategy." Why do you think she would have made that comment? Does that indicate that the May proposal was not about regional relocation strategies but that it may, in fact, have been about saving money?

Dr SHELDRAKE: I do not believe so. Ms Biviano at that stage was the head of the Department of Primary Industries Corporate Services.

The Hon. STEVE WHAN: Why do you think she would have made a statement that suggests you should not focus on the May paper, which you mentioned earlier, and essentially puts a spin on it, which states it is about regionalisation strategies?

Dr SHELDRAKE: As I have said, the focus is on looking at the opportunities for decentralising a facility in the metropolitan area and identifying what the opportunities are to regional New South Wales by relocating it.

The Hon. STEVE WHAN: Are Port Stephens and Coffs Harbour in need of population growth?

Dr SHELDRAKE: I think all of regional New South Wales is grateful for an increase in jobs. I do not think it matters which regional town you pick; I think any mayor whom you choose to interview would be grateful for job opportunities in those towns. I think Coffs Harbour and Port Stephens would be exactly the same.

The Hon. MICK VEITCH: Like Grafton.

The Hon. STEVE WHAN: In many of those cases where there is high unemployment they might like job opportunities but they do not necessarily need population pressure. Is that right?

Dr SHELDRAKE: I am not going to be able to speak totally for the mayors of Port Stephens or Coffs Harbour but I think the two go hand in hand. This is about jobs that are genuinely great opportunities for regional New South Wales. These are exciting jobs. They will attract great people to those towns, and there is a multiplier associated with it. I think you will find that local communities do value the relocation of this facility from Cronulla to regional New South Wales.

The Hon. STEVE WHAN: How many of the 14 scientists at Cronulla have already agreed to move to Port Stephens? How many have indicated they will not go?

Dr SHELDRAKE: I will ask Mr Cooper to answer that.

Dr ALLAN: One Cronulla scientist has already moved to Port Stephens. His particular case is interesting as he was very pleased to move. He had a large mortgage on his house in Helensburgh in the Sutherland shire. He has now bought an acreage at Medowie. He is pretty happy. He has reduced his mortgage and he is very pleased. So that is one scientist. We have at least one other that I know about. Some of the other scientists have not yet made their final decision.

The Hon. STEVE WHAN: How many overall? Two definites?

Dr ALLAN: Two definites and we are waiting to see a few more people.

The Hon. STEVE WHAN: What is your strategy to ensure there is no loss of corporate knowledge and the long-term research that is done by those scientists?

Dr ALLAN: To retain our scientific knowledge we have about 40 scientists in Fisheries overall, a bit over one-third of whom are at Cronulla and another one-third is located elsewhere. With all our scientists we have an ageing demographic for our long-term permanent staff. Our succession planning for those is that we encourage our junior scientists or junior technicians to do post-graduate work and that occurs throughout our organisation. We train people from universities. We are co-locating with universities to help encourage other students to do Fisheries work, and we will recruit those positions in new locations according to the needs that we identify. I am sure a number of the scientists who will not relocate from Cronulla have decided to exit the department because of the Cronulla closure, but some of them would have made that decision in a few years anyway.

The Hon. STEVE WHAN: Traditionally you would have a number of years to plan, I hope, to undertake succession planning which has now been cut short in most of those cases. Is there a risk that you will lose significant scientific knowledge?

Dr ALLAN: There is a risk and we are trying to manage that by the process I have outlined.

The Hon. STEVE WHAN: A number of public statements say that no positions will be lost, and this closure is not about cost savings. An email from Jeannine Biviano indicates that she feels that 10 administrative support positions will no longer be required. What other positions are likely to be no longer required as part of this process? Are there positions where people are not moving that you will not fill or that you will not fill with a whole position?

Dr SHELDRAKE: At this stage we have identified and attempted to relocate all positions in some form in Fisheries, that is, permanent staff and ongoing temporary staff. Our strategy is to try to relocate all those permanent staff and all the ongoing temporary staff at the sites to which we wish to relocate staff.

Dr ALLAN: So all those staff members have been offered jobs in new locations; it was not an exercise in downsizing the organisation.

The Hon. STEVE WHAN: You referred to long-term temporary staff. I spoke to a long-term temporary staff member today who certainly has not been offered a position.

Dr SHELDRAKE: I said ongoing temporary staff.

Dr ALLAN: I agree that the guy you spoke to has been on year-by-year contracts for a range of reasons, one of which is that we had funding for only those short-term periods of work. We have been lucky enough to roll those one after another, and that has been great. It is a shame for him that he does not have ongoing work. But we will have those contracts in new locations so staff in other places will have those other contracts as opportunities arise, and those will be some of the jobs that will go to regional people.

The Hon. STEVE WHAN: You said that your offer is for all positions but do you expect there to be positions that will not be filled in the long term? Do you expect to make savings from those positions?

Dr ALLAN: I expect there will be positions that will not be filled in the long-term, yes. It is not about savings but we will look at our functions and our needs post relocation when we will know all the staff that are there. That would be the responsible thing to do and that is what we will be doing.

Dr SHELDRAKE: If every staff member moved every job will be there.

The Hon. STEVE WHAN: You mentioned the facilities at Port Stephens and Cronulla. Certainly Fisheries research at Port Stephens is fantastic and nobody disputes that it does some great research. Currently Cronulla specialises in wild catch research. There seem to be significant concerns in scientific circles, in universities and by professional fishing groups that a number of elements of that wild catch research will not continue properly in the new locations due, effectively, to a brain-drain from people not moving across. I am not convinced from what you have said that you plan to ensure that does not occur.

Dr ALLAN: There are two things—facilities and the people capacity to do that work. I refer, first, to people capacity to do that work. I have talked about our approach of trying to encourage new young scientists and to offer opportunities to our partners in universities. So we will train new scientists in our work. Our research leaders will continue and we will have work. We have enough senior scientists coming to minimise the risk of not having people with expertise. But I agree; it is something we have to manage carefully and it is a challenge. It is always a challenge in an organisation. I refer, next, to facilities. 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.

The Hon. STEVE WHAN: I note a number of your comments today and also the Minister's comments relating to the inadequacy of the Cronulla site. In November 2009, as Minister, I toured the site and no inadequacies and no constraints to future expansion were pointed out to me. Why is that?

Dr ALLAN: I do not want to talk about it being inadequate.

The Hon. STEVE WHAN: The Minister certainly has.

Dr ALLAN: In relation to research facilities I talked to you about the great water supply at Cronulla. The actual facilities, the aquarium and tank facilities, are not optimal. If we were building it again we would not build those same facilities, so in that sense they are not great. They have done some fantastic work at Cronulla. You saw some of the work that has been done there. It has been highly successful. What we are able to do is replace that work at our new locations.

The Hon. MICK VEITCH: That is fascinating. At what point was the inadequacy of the Cronulla site determined? When did you determine that it could not cope with additional expansion or enhancement? The Hon. Steve Whan said that in 2009, when he was Minister, those matters were not raised with him, but in May 2011 a report generated by someone identifies those problems. At what point were the problems determined?

Dr SHELDRAKE: I do not think it should be expressed in that way. I think the new Government came in with a clear mandate to address decentralisation.

The Hon. MICK VEITCH: That is why it closed Grafton prison.

Dr SHELDRAKE: I was provided with a brief which identified a major research facility in the Sydney metropolitan area dealing with Primary Industries research—Fisheries. In that climate and with that reform agenda—the recognition that regional New South Wales needed a shot in the arm—I provided advice to the Government. On that basis we have recommended the most appropriate locations to conduct that work.

Dr ALLAN: This is not about why Cronulla is bad. It is about whether we can do the work that is done at Cronulla at other locations. The answer to that part is yes. In meeting the needs of the decentralisation policy can we decentralise work that is done at Cronulla Fisheries?

The Hon. STEVE WHAN: A number of them are going to city locations.

The Hon. MICK VEITCH: Mosman.

Dr SHELDRAKE: That was in recognition of a fact that was highlighted in an earlier question that a lot of the work in Sydney Harbour—and the shark program was discussed—was best done at a Sydney location. So based on the input from scientists and Dr Allan's management team we have developed a partnership relationship with the Sydney Institute of Marine Science using its site at Chowder Bay. That should be seen as a positive outcome in dealing with issues in metropolitan Sydney as well as in regional New South Wales.

The Hon. MICK VEITCH: In the Minister's press release that announced the closure of Cronulla Fisheries the Minister referred to the issue of the limited capacity to expand the site. The Minister inferred it was more about the capacity of the Cronulla site rather than decentralisation. Were there expansion plans for Cronulla prior to the Minister's announcement to close the site—yes or no—or you can take the question on notice.

Dr SHELDRAKE: No.

The Hon. MICK VEITCH: Did Cronulla Fisheries have a five-year or 10-year maintenance program of scheduled works?

Dr ALLAN: All our stations have a maintenance program and a maintenance budget and Cronulla, like some of our other sites around the State, has some history and heritage and is an expensive facility to maintain. The primary driver for the relocation was the Government's policy of decentralisation.

The Hon. MICK VEITCH: There were no expansion plans for Cronulla Fisheries prior to the announcement to close it?

Dr ALLAN: Not that I am aware of.

The Hon. MICK VEITCH: The Minister put in her press release the limited capacity for expansion of a site. From where did she get that information?

Dr ALLAN: My understanding is that if we are looking ahead at the future of Fisheries research where do we do it? We want a place that has room to grow, to change and to adapt to new technologies. In that case it would need change and expansion. I believe it was in that context that the Minister made those comments.

The Hon. MICK VEITCH: At some point someone must have advised the Minister of the issue concerning the expansion of the site. I will move to another matter, that is, the relocation of staff from the Cronulla site. Who undertakes that process? Who determines which jobs go to Nowra, Port Stephens and Mosman?

Mr COOPER: When I came on board my job was to start from the starting point of where all the staff were then sent to either Nowra, Coffs Harbour or Port Stephens and my discussions with each of the staff were that it was a starting point and we would look for things like collaborations with things like universities and we explore each of those. During that month to six-week period, apart from talking to the vast majority of staff on-site I would also interact with the senior managers and the working groups on that site.

As we went through that process each of the managers would then say, "Yes, we think that is a viable proposition" and so then interact, take it forward and then meet with Geoff and Richard and the Minister's office. So through toing and froing, as Geoff said, 25 November was the first time we put it on the table in terms of where it had been on 8 September compared to where it was on 25 November. That was an evolution and then through the next month to six weeks that was fine-tuned and pretty much it has changed very little since then except for individual requests from individual staff to modify their moving date, changing date or destination.

The Hon. MICK VEITCH: Is there a prepared evaluation or written document that says these are the criteria for this job to go to the Sydney Institute of Marine Science [SIMS]; this is a job that goes to Port Stephens? Is there a set process for that that can be looked at?

Dr ALLAN: As soon as the announcement was made we created a working group. That working group had the senior managers in each of the functional areas and they then had their separate working teams apart from that. That working group has met 42 times, basically weekly, since the decision.

The Hon. MICK VEITCH: Are they minuted meetings?

Dr ALLAN: Minuted meetings and the minutes are available to all staff and there are a couple of staff representatives. I think you met Peter Brown today and he is one of the staff representatives, so we have team leaders on the working group and a couple of staff representatives. All meetings are minuted and all minutes are available to all staff. That is one of the source documents that is available to keep staff informed of how the relocation is going.

One of the roles of that working group has been to identify the functions and business needs and the best locations to carry those functions within the moves. Now we know that we will move into Port Stephens, Coffs Harbour and Nowra and the functions are meant to stay in Sydney. So that was the function of that group: to look at the risks to the agency, to our legislative responsibilities, to our continuing projects and to make sure that we had located in the best place to keep synergies between research and management and policy and compliance and to build on those. That was the job of that team.

The Hon. MICK VEITCH: Did you look at the respective work units to make sure that fragmentation would not happen?

Dr ALLAN: Exactly, to try to minimise fragmentation, to minimise siloing, to make sure our functions could work together in an effective and cooperative manner.

The Hon. MICK VEITCH: So an evaluation has been developed as some sort of a criteria tool?

Dr ALLAN: Yes, we looked at criteria. We had a series of principles that were involved with the relocation; we had nine principles that were there and that is available. I am wondering whether that document is available on the website but I can certainly provide you with that information.

The Hon. MICK VEITCH: That would be good.

CHAIR: You have used the word "team" a couple of times in your evidence. Is that the same organisation that you call Work Group or is there another working group?

Dr ALLAN: Our working group is the major group that has met 42 times and under that working group are some working teams. I am sorry if I have confused the Committee with a change of terminology.

The Hon. CATE FAEHRMANN: Dr Sheldrake, in response to questions you said that in May 2011 you were presented with a brief that came out of the Primary Industries division of the department. Can you be any more specific than that? This was, I think you suggested, the first time you heard about the proposed closure of Cronulla. Where from the Primary Industries division did that brief come from?

Dr SHELDRAKE: I can make it available. What I was trying to indicate was it was the first formal briefing which captures the issues in terms of the opportunities of relocating Cronulla. I really cannot remember whose signature is on it but the document is freely available and I can make it available to the Committee.

The Hon. CATE FAEHRMANN: If you can provide that on notice that would be great. I do not think it was presented during the Government Information (Public Access) Act requests; that is all. I do not think we have seen that.

Dr SHELDRAKE: I thought it was available but I am happy to make it available.

The Hon. CATE FAEHRMANN: I am pretty sure I have gone through a lot of those documents. In the freedom of information documents that were released, the PowerPoint slide, "Decentralisation of Cronulla activities" says that "an assessment of Fisheries organisational structure identified that improved efficiencies and cost savings could be significantly enhanced by aligning the delivery of services to regional areas". What is that assessment of Fisheries organisational structure?

Dr ALLAN: The basic structure there was that we restructured Fisheries soon after our new division was located, which was, I have mentioned that, at the start. We brought all the functions of Fisheries together under one agency, Fisheries NSW. Previously we had the functions of Fisheries in two different divisions within what was Industry and Investment at the time. Bringing those elements together brought for the first time our compliance, our research and all our management functions altogether, so I believe that must have been what was talked about at that time.

Dr SHELDRAKE: Could I just add one more point? I think what we are trying to do as well at the same time is, for example, relocating licensing and commercial staff into locations which probably allow efficiencies and improved service delivery. That may have been part of that document.

The Hon. CATE FAEHRMANN: So that assessment was obviously undertaken after the election in response to a request by the new Minister. Are you saying to me that that assessment therefore identified that relocating Cronulla would lead to improved efficiencies and cost savings? So immediately after the election I am aware that an assessment was undertaken but when that assessment was undertaken and the documents around the change in the department structure, were there documents and an assessment done about moving Cronulla at that time because that is what that says?

Dr ALLAN: I am not aware of any documents to that effect.

The Hon. CATE FAEHRMANN: So you would be aware of the Sinclair Knight Mertz report in March 1998; that the Department of Public Works and Services commissioned Sinclair Knight Mertz to have a look at Fisheries structure and do a cost benefit analysis before suggesting whether Cronulla was going to move or not; what was going to happen with Fisheries? Are you aware of that report?

Dr ALLAN: No, I am not aware of that. What date was that, did you say?

The Hon. CATE FAEHRMANN: It was 1998.

Dr ALLAN: No.

The Hon. CATE FAEHRMANN: Dr Sheldrake can have that expression on his face, however that is the type of report surely from a consultant that is required—and this is what we are trying to get to the bottom of

as a Committee. Where is that report or something like it for this decision? Was there something? I have the Department of Primary Industries submission, which frankly for a Committee is almost laughable in its lack of detail. This Committee is looking into the closure of a centre and all the decisions behind the closure and what we get from the department is almost spin rather than fact and substance. Is there a cost benefit analysis and what assessment of Fisheries organisational structure identified the need for Cronulla to move? Was there one because it says that there was in that. That is what you gave to staff, I understand.

Dr SHELDRAKE: I think I said this some time ago that there was no cost benefit analysis, if you like, of the relocation of the functions from Cronulla to regional New South Wales. The decision was taken in line with the Government's commitment to identify jobs and create opportunities for genuinely great jobs in regional New South Wales and was consistent with what we had done in the past in relocating Agriculture NSW and then our laboratories at Rydalmere to regional New South Wales some time ago.

The Hon. CATE FAEHRMANN: With respect to those previous relocations, have you announced those relocations and made the decision to relocate on the basis of no supporting documentation as well?

Mr SHELDRAKE: I cannot speak for the relocation of the Sydney head office; that was 19—

Mr COOPER: It was 1991.

Dr SHELDRAKE: It was announced in 1989 and relocated in 1991, as Mr Cooper said. I cannot tell you whether there was a detailed piece of work. My understanding was again it was a commitment to look at the opportunities for generating growth in regional New South Wales and in that case it was Orange city.

The Hon. CATE FAEHRMANN: Did it go to Cabinet?

Dr SHELDRAKE: I cannot recall. I do not know.

The Hon. CATE FAEHRMANN: I do not think it did.

Dr SHELDRAKE: Which? This decision?

The Hon. STEVE WHAN: No, the Cronulla decision?

Dr SHELDRAKE: The Cronulla decision, no.

CHAIR: No, it did not go to Cabinet?

Dr SHELDRAKE: No, that is correct.

The Hon. CATE FAEHRMANN: It does seem like a decision was made quite hastily, with the Minister for several months afterwards explaining or justifying her decision based on lack of capacity, lack of expansion capacity and problems with access. I think today we have heard from you that access and expansion capacity are not the issues, is that correct, and it is all about decentralisation? The Minister's speech in Hansard on this issue was all about access and expansion not about decentralisation. Today you are selling decentralisation and in your submission you did not mention access or expansion, so is the department at odds with the Minister over the purpose of the move?

Dr SHELDRAKE: No, I do not believe we are.

Dr ALLAN: You have been there yourself and you have seen the limitations for access and expansion; you have seen those things. The rationale for this decision was about decentralisation.

The Hon. CATE FAEHRMANN: Dr Sheldrake, you are aware that Treasury was quite interested in this whole proposal and I understand that to begin with it did not go to Treasury. Can you talk me through the interactions between the department and Treasury over this proposal?

Dr SHELDRAKE: I do not recall a great deal of interaction to report.

The Hon. CATE FAEHRMANN: You are aware of the *Sydney Morning Herald* article that referred to the fact that the department had broken down some of the parts of the move to avoid scrutiny? The department was told to get the Fisheries plan under radar. You were aware of the New South Wales Government guidelines for economic appraisal, that in general an economic appraisal is required for all individual projects in excess of \$1 million and that therefore with economic appraisals you would need to look for objectivity, you need to present an independent, unbiased assessment of all the costs and benefits of the various means of achieving the stated service delivery objectives, so why did that not go to Treasury and was it because you did not have an independent, unbiased assessment of the costs and benefits in order to avoid scrutiny?

Dr ALLAN: That article in the Herald was a document that was available. That talked about an expansion of facilities at Port Stephens. It was not just about the Cronulla relocation but it was a whole lot of factions. With all our research stations we look at our capital requirements for future works. The initial one that was given by the Herald included a whole lot of costs that were not associated with Cronulla. We looked at "What do we need to help assist the relocation of staff at Cronulla?" That is when you broke it down to that sort of amount of money. I do not believe there is any desire to try and sort of reduce it under some magic number that escapes the given process.

Mr SHELDRAKE: And there was none. In fact, my recollection is that some of the numbers were preliminary in advice and in fact when the project was costed the laboratory works were significantly less than the figures that were quoted in an early version and I think that was what was referred to.

The Hon. STEVE WHAN: What about redundancy and relocation costs? Surely Treasury would have been interested in them?

Dr ALLAN: That was a capital request; that is, what capital we needed for that work. It is different.

The Hon. STEVE WHAN: Did the redundancy and relocation costs go through any process with Treasury?

Dr SHELDRAKE: In answer to your previous question, in terms of determining the costs and benefits, they will be part of the factors that we will include in an analysis.

The Hon. STEVE WHAN: Treasury has become very generous.

The Hon. CATE FAEHRMANN: The internal note said that it raised considerable inquiry from Treasury and that it is clear in its current form that there is little likelihood of it being supported and requested that it be broken down. It is a very difficult proposal to sell, is it not?

Dr SHELDRAKE: I do not believe that. The matter you are referring to that was reported in the *Sydney Morning Herald* some time ago was dealt with as part of a project at Port Stephens. As I said, the dollars 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.

CHAIR: I wish to follow up those questions about the cost benefit. You would agree that on a major project a cost-benefit analysis would normally be done first and given to the Minister so that she could make a decision supporting the closure of the centre. That was not supplied. Would you as a public servant agree that that would normally have been the practice?

Dr SHELDRAKE: You can do that with discrete projects—even large discrete projects—and you can sometimes do it very well. However, 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.

CHAIR: What stage have you reached in preparing a cost-benefit analysis? Has it been started?

Dr ALLAN: We are now starting to understand some of the costs of staff who have decided to exit the department. We know what their entitlements will be. Each individual will have a different set of entitlements

based on their length of service and so on. When we can sum the entitlements of the staff who are leaving, that will be one input into the cost-benefit analysis. That has been started. The staff who are moving will be eligible for the transferred employees award. They will be another group of costs. Those costs will depend to some extent on whether they purchase a house in the new location. So it will be some time before we really understand that. Those two factors—the cost of exiting staff and transferring staff—are the largest costs and we do not know what they will be yet. Approximately one-third of the staff are yet to make a final decision. Therefore, there is a lot of variability in the cost structure. In terms of the benefits, they relate to multipliers in regional locations and the more intangible benefits that will accrue. They are the policy benefits that have been mentioned. We have started to put the costs together and that will continue until we know what all the costs will be. We will then be able to assess the benefits.

CHAIR: Will you provide the Committee with a summary of what you have been able to ascertain so far?

Dr SHELDRAKE: Yes. We can tell you what we know so far.

CHAIR: Your answer suggested a vagueness about when staff will make a final decision. I got the impression when I spoke to staff today that they received a final letter on 1 August and that they must make a decision within a week. Is that correct?

Mr COOPER: As I said, staff were given their initial formal notification in late February about their destination and their indicated scheduled move date. For the most part that has changed very little. They were aware at the time that based on the scheduled move date they would then get a formal notification, which had the two weeks and three months attached to it that is embedded in the policy. Those letters started going out to staff in April and they will continue to go out until December. The last two staff on site scheduled to move will move in March, so they will not get their formal letters until December—that is, three and a half months before their move. The letters have been staggered based on the move date and 19 staff members are still to get letters. All the other staff on site have received their letters. At this stage, five staff members have said that they will not accept a transfer and we are negotiating a last day of duty. Some would have received letters last week.

CHAIR: How many?

Mr COOPER: About 11 last week, and we have already had replies from three of them. There would have been eight or nine the week before that. If they want more information, we will work with them to provide it. We are not going to hold them to the date. We have done that all the way through. A group of six people could have formally advised us six or seven weeks ago, but we are continuing to work with them to provide the best information so that they can make a decision to transfer or not to transfer. As I said, the moving dates for the majority of the staff are in late October, November, December and January. Some staff will move or exit in August, September and October. With the exception of one, they have all nominated those dates. The Committee met one staff member today who changed her moving date late last week from January to August.

CHAIR: Is there any possibility of you increasing pressure on staff to make a decision as a result of this inquiry?

Mr COOPER: Absolutely not. I work very hard with the staff to understand their needs. I then go back to the managers and work with them to come up with an option that works for them and the staff within the timeframe. You may be talking about movement of functions and staff. The library will move to Port Stephens at the end of this month. That is on track to happen. The small group going to Wollongong will go in the second week of September. All those staff have accepted the move to Wollongong and all but one, who is on leave, have inspected the site. I spoke to that staff member today. Staff will move to Nowra in late September, and some have moved already. The people who will move then have chosen to move. The staff member on leave has indicated she is likely to move in late September. If she cannot move then we will work around it. One person will move to Coffs Harbour in early October. He has said that is when he wants to move. We will work with him. A couple of staff will move in late October—which is the scheduled moving period. We will work with them to establish the best date. Nothing has changed throughout the process in terms of when and how we work with people. Matt Taylor moved in January and people have been moving since then.

CHAIR: You mentioned moving the library. Are you aware that many library books are in a skip ready to go to the tip?

Mr COOPER: Yes, I am well aware of that.

CHAIR: Are they all rubbish?

Mr COOPER: Most of the staff would be aware that I have been working from the library since I started there. The librarians are exceptionally professional. Two, three and at times four librarians have been working through the process. I am confident that anything that has gone to the skip has either been duplicated in the system or is available electronically. The librarians have been meticulous in extracting important historical documents and those sorts of publications. Anything that has gone to the skip has been deemed unnecessary by professionals whose job it is to make those decisions.

CHAIR: The skip is full to overflowing.

Mr COOPER: I suspect that that is the second or third skip that has been filled. As I said, the librarians, not only the library staff at Cronulla, have been diligent in establishing whether the publications exist elsewhere in the network, whether they are current and relevant and whether they held electronically. Only on that basis would they have found their way to the skip. Some of the publications that are surplus to requirements that could have gone to the skip have been carefully set aside and staff have been made aware that they can find a home for them.

CHAIR: Was there any pressure to reduce the quantity of books before the shift?

Mr COOPER: The first commitment I gave was to move the library to Port Stephens and we have worked hard to achieve that. I am confident that the departmental head librarian, the librarian on site, the library technical staff and other staff working with them will move the library and combine it with the existing library at Port Stephens.

The Hon. NIALL BLAIR: You have mentioned flexibility with regard to people setting their relocation date and giving the staff as much notice as possible. Has the Minister been determined to be well across that and to give that guidance? What involvement has she had?

Dr ALLAN: That was one of the first instructions she gave. 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 Veronica Silberschneider and her husband John Stewart 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.

The Hon. NIALL BLAIR: A lot of this research and work may have been done by the department prior to the announcement. However, I can guarantee that when people look at sites and ask questions there is an element of fear progressing through the department. I imagine that that is inevitable. Was it the intention to ensure that the staff understood what the Government was doing and to involve them in the process to establish the best fit for them?

Dr ALLAN: Exactly right, and that is one of the reasons why we went to staff so they were the very first to know what the decision was and the decision being made and to involve them in the process. Our people on the ground—you have met some of them there—are very competent, very diligent and very passionate about what they do. They are the people who best know where we best can move some of the functions, so we have tried to involve them in that process right from the start. As you mentioned, Cronulla is one of our larger locations but we have got over 400 staff in fisheries in total. In all those locations we are keen to see that we make sure that we protect their functions.

The Hon. NIALL BLAIR: Dr Allan, you manage all those facilities across the State?

Dr ALLAN: Yes.

The Hon. NIALL BLAIR: Is your PhD in a scientific background, research background, fisheries background?

Dr ALLAN: I have a research background. My background has been in aquaculture, aqua cultural research.

The Hon. NIALL BLAIR: So you manage all of the facilities for the department right across the State and you are based at one of the other sites; you are not based at Cronulla?

Dr ALLAN: I am based at Port Stephens.

The Hon. NIALL BLAIR: You would obviously have a good handle on what is happening for the industry into the future as well as in regards to embracing technology and the type of research that may be needed, and also the type of associations and industry stakeholder groups that we need to be working with?

Dr ALLAN: Well, we look towards what is driving our department into the future and we have got a few key things. So, yes, staying involved with those stakeholder groups is a very important part of how we can manage for the future.

The Hon. NIALL BLAIR: Obviously we have not been to the other sites yet and it is hoped that will be something that the Committee will do, but again with your responsibility for managing all the sites and looking at where the department needs to be for the future—let us remove the decentralisation argument for a minute, I will come to that—do you believe that the other sites and where we are moving these specialised facilities to are best suited for the future of the department and the industry over and above what is actually provided and the limitations, although we can argue about what some of those may be, than what we have at Cronulla?

Dr ALLAN: Post relocation we will be in a very good place to service our stakeholder needs, so yes.

The Hon. DAVID CLARKE: What about your compliance operations? How will they be affected by this decentralisation move?

Dr ALLAN: We only have one compliance staff member based at Cronulla. His position has been relocated to Ourimbah. He is not a front-line compliance officer; he is a lawyer by training and we need his services. But compliance will not be affected at all. We will still retain a Sydney north and Sydney south compliance team and they are important.

The Hon. DAVID CLARKE: There is going to be no effect there at all?

Dr ALLAN: No effect on compliance. We hope to manage service across our whole agency post relocation.

The Hon. NIALL BLAIR: Again because we have not been to the other sites yet, are Port Stephens, Coffs Harbour and Nowra all well equipped to handle the new staff and the facilities that will be coming to those locations?

Dr ALLAN: Yes, they are. We have taken a lease out on a new site at Nowra so that will be our only sort of new addition. That will have some advantages over Cronulla. You saw some of the licensing areas. You saw the commercial licensing and you might have seen the building for the recreational licensing. They are in separate buildings at the moment. They will all be brought together in one building, one new location. That will offer some synergies and some advantages. Nowra I think will be very well equipped. We will have a storage facility at Nowra which will be the largest we have got. We have got some storage for the records and things at Cronulla but our facilities at Nowra will be equal or better than what we have currently got at Cronulla. At Port Stephens we have got plenty of space for offices and for other storage and other facilities. The simple answer to your question is yes, we have got plenty of ability to replicate the needs from Cronulla.

The Hon. DAVID CLARKE: So for those who want to go, there will be opportunities for them?

Dr ALLAN: Every sort of ongoing temporary staff member and permanent casual has been offered a job and there is a space for them, an office for them, an ability for them to continue their functions at new locations.

The Hon. DAVID CLARKE: You have put a lot of effort into this, you are assuring us?

Dr ALLAN: We have. Our staff really are our primary needs and we have tried to retain as many people as we can post the relocation.

The Hon. DAVID CLARKE: Getting back to this issue of water, are you convinced that the water quality is sufficiently high at Port Stephens to take over from the present facilities down here at Cronulla?

Dr ALLAN: As I mentioned, you set your research based on your facilities that are available. But our water at Port Stephens has been suitable for breeding molluscs and finfish. We have had some success with some of our very highly marine dominant species such as yellowtail kingfish and snapper. Those animals were bred at Port Stephens and reared right through the larval stages. That is difficult, challenging environment work. We have kept some animals alive for more than a decade at Port Stephens, so the water has been fine for those. We have kept sharks in waters in Port Stephens without—just the straight water we have used there, so that has been totally suitable. Our water is of sufficient quality to meet all the research needs from Cronulla.

The Hon. NIALL BLAIR: Dr Sheldrake, you have mentioned the decentralisation of the Department of Agriculture as it was back then. Going through and examining after that experience, what are some of the benefits that the communities of Coffs Harbour and Port Stephens and Nowra may experience from a decentralisation of a unit like this?

Dr SHELDRAKE: There are a number of benefits. 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.

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. In terms of doing the benefit what has really got to be taken into account is the length of time that we are talking about. The Orange decision was made in 1989. The closure of Rydalmere was made in 1995. From that laboratory the staff moved to largely Tamworth, Wagga Wagga and Orange. All of those benefits are still flowing to those country towns, so any analysis that you do here needs to be long term and you need to be able to see how that impacts over that time.

The Hon. DAVID CLARKE: What about maintenance of service to stakeholders? What will happen in that area?

Dr SHELDRAKE: I would say it will be enhanced, and that was our experience in Orange. Servicing stakeholders, for example, in Orange has been enhanced by having people working in agriculture who are in tune with the agricultural community. I would make the point that having people either involved in compliance, licensing, research in fisheries, whether it is recreational or commercial, will be better in tune with those communities and those industries relocated in regional New South Wales.

The Hon. DAVID CLARKE: And you are confident of that?

Dr SHELDRAKE: Yes, I am.

The Hon. DAVID CLARKE: On past performance?

Dr SHELDRAKE: On the experience that we have had in this agency, or the forerunners to this agency.

The Hon. STEVE WHAN: Dr Sheldrake, are you aware of a draft Cabinet submission from your department on progressing the Government's decentralisation agenda which suggests a policy framework where decentralisation should include the following guiding principles: All relocation proposals should be based on well defined, clear and logical rationale for relocation supported by a comprehensive business case including

risk assessment; the proposal should be actionable and easy to implement. It goes on to detail a whole range of steps, none of which have happened in this case. Does this show us that this decision was one made in haste for political reasons rather than sound reasons?

Dr SHELDRAKE: No, it does not. I think my answer to the previous member's question is capturing that. It was not made in haste. It was made in line with the new Government's policy to recognise the importance of regional New South Wales, but it was a decision which drew upon a considerable expertise across the organisation and looked at how we would be able to continue those services that we provide at Cronulla and continue to service the stakeholders in the community.

The Hon. STEVE WHAN: Exactly how many of these jobs will stay in the Sydney Basin?

Dr SHELDRAKE: I am going to defer to Mr Cooper.

Mr COOPER: Currently 25.¹

The Hon. STEVE WHAN: Twenty-five out of 138. You are making it clear again that this decision, you say, has been driven by a decentralisation policy. Does the department—your department is also responsible overall for the strategy of decentralisation—classify all of the Sydney Basin as the city? In other words, when you are looking at decentralisation does that mean that the department also believes it is appropriate to remove jobs from western Sydney or from other parts of the Cronulla shire to move to regional New South Wales simply because they are in the Sydney Basin, or is there a somewhat more strategic focus on transport and so on in Sydney?

Dr SHELDRAKE: I think from my perspective it was in this case to look at an opportunity to relocate a function at a location and that made sense in terms of a regional relocation.

The Hon. STEVE WHAN: Where is the department's head office located for trade and investment?

Dr SHELDRAKE: The Department of Trade and Investment's head office is in the city.

The Hon. STEVE WHAN: In which building?

Dr SHELDRAKE: The Department of Trade and Investment's head office is in the MLC building in King Street.

The Hon. STEVE WHAN: It is a beautiful view, too. Surely when you are looking at decentralisation CBD located areas should be the first ones to look at decentralisation?

Dr SHELDRAKE: I am not sure that I am the right person to be asking the questions to. The focus for the inquiry is on Cronulla. I am not sure that that question is relevant to the inquiry's terms of reference.

The Hon. STEVE WHAN: How is moving from Cronulla to Newington decentralisation of jobs?

Dr SHELDRAKE: I will ask Mr Cooper to answer it, but I think in answering some previous questions clearly we have attempted to accommodate those needs that still exist in the Sydney metro area. Where it made sense for that work to continue to be conducted out of the Sydney metro, the other example is the Sydney Institute of Marine Science, those staff were located there.

The Hon. STEVE WHAN: The Sydney Institute of Marine Science, I do not think anyone would argue—in fact, we have all said that the shark research and so on should be located in the harbour. But for the people who are moving to Newington, surely you would acknowledge that for many of those who live in the shire area they are now going to be making much heavier use of congested roads than they would have in the past?

Dr SHELDRAKE: Perhaps if I ask Mr Cooper to comment.

¹ Correspondence from Dr Richard Sheldrake, Director General, Department of Primary Industries, dated 7 August 2012.

Mr COOPER: Okay, the groups that are going to Newington include the education groups, you spoke to them today, and quite clearly they belong in the metropolitan area. The site at Newington is a department site and they also will be co-located with some similar minded people that come from the food authority. We are also looking to link up with public information from the marine park side of things. That is why they will be located there. Then the other group, and there is a couple of other individuals whose work revolves around Sydney Harbour with them. And then there is the fisheries reform group, a small group, you spoke to Peter Brown today. The project that they currently sit on runs until 13 June and most of their, if you like, service providers are in the metropolitan area so it makes sense that they be within reach of that hub.

The Hon. STEVE WHAN: Will it cost more or less to accommodate them at Newington than it does at Cronulla?

Dr SHELDRAKE: What you have at Newington is a Department of Primary Industries [DPI] facility. It is the New South Wales Food Authority. We will be utilising and spreading our costs across a site that is already occupied by DPI.

The Hon. STEVE WHAN: What is the time frame for the site review for the Cronulla site? When will that be completed for the future of the site itself?

Dr SHELDRAKE: I have not got an exact date for the completion but it is imminent.

The Hon. STEVE WHAN: Will that be provided to this Committee when it is completed? Will you be able to give us certainty over who the long-term owner of the site will be and which department will be administering it, or whether the current department will continue to administer it?

Dr SHELDRAKE: When the report is available I am sure the Committee would be able to get access. So perhaps, Chair, if you were to approach and we will make the—

CHAIR: Can you give us the terms of reference for that consultation, assuming there are terms of reference?

Dr ALLAN: Yes. The terms of reference are in the Government's submission.

The Hon. MICK VEITCH: In response to my questions a bit earlier when I was talking about the criteria that has been established to identify where certain positions from Cronulla will be relocated you spoke about that process. We were told today on our site visit that the recreational fishing stuff will be moved to Port Stephens. Is that correct?

Dr ALLAN: No. Most of the recreational fishing management will go to Nowra. There is one position that has gone to Coffs Harbour.

The Hon. MICK VEITCH: A bit earlier Dr Sheldrake identified where the stakeholders are. Whereabouts are most of the recreational fishing licences held? Where are they located?

Dr ALLAN: They are located around the State but a large proportion of recreational fishing licences are held in the Sydney region. Interestingly, places where people fish are outside the Sydney region. More people have fishing licences held in Sydney but more people fish in the Illawarra and the Hunter than in Sydney. It is a bit like tourism: people leave the city and go and stay and do their tourist activities and so it is with fishing. To try and give an example of our recreational fishing needs we can look at how our staff interact with our fishing stakeholders, whether they are commercial or recreational. Most of those interactions are outside the Sydney region. That is one measure of where our stakeholder needs are. Our commercial fishing, I think, as Dr Sheldrake mentioned, is north of Sydney and most of our recreational fishing is also conducted outside the Sydney region.

The Hon. MICK VEITCH: Looking at impacts on communities and decentralisation, has the Minister at any stage requested that the bureaucracy brief the local member for Cronulla about the decision?

Dr SHELDRAKE: Yes. I met with a local member at some point some time ago.

The Hon. MICK VEITCH: Before or after the decision was made?

Dr ALLAN: After the decision was made.

The Hon. MICK VEITCH: We have read his email; he is pretty happy about the decision apparently—not. We have seen a lot of research being conducted today in our walk around the facility. Are there any current research projects that have been impacted upon by the decision to close and what are the arrangements that have been put in place to assist those research projects?

Dr ALLAN: One of the functions of the working group was to identify those projects and any risks to any projects. As I mentioned, one of the functions of our working group's terms of reference was to identify those risks to projects. We have done an analysis and we should not miss any milestones for any research projects. Some might be a little bit late but we will complete all of the milestones. We think that we will have no real problems in delivering on all the research outcomes for those projects.

The Hon. MICK VEITCH: The change management plan was put in place for this process. What sort of information was provided to the staff in accordance with the change management plan so that they could make an informed decision about potential relocations?

Dr ALLAN: The change management plan was firstly provided to staff and then, as I think Kevin went through the process, in the last week of November we provided to staff all the areas where each position would go to. So they saw for the first time—

The Hon. MICK VEITCH: Are you able to table that information for us—all the stuff that was provided to the staff so that the staff could make some sort of an informed decision about whether they would take—

Mr COOPER: There is no problem providing you with either the older versions or the current versions of each of those documents that have been provided. Obviously we can give you, if you like, examples of individual's letters that have been sent rather than the actual letter that was sent. Geoff is talking about some of the working groups and the plans. Equally there are other documents like operational plans that have been produced either fortnightly or monthly; so they are available to you as well, which has a lot of the operational detail in terms of what has been done and how it has been done, and each of the managers have also been provided with information to provide to staff and individually. If each of the staff require specific information it would be tailored to their specific needs. So a lot of that was one on one.

Dr ALLAN: Can we just be sure what data you want? Do you want all the operational plans or all the location plans?

The Hon. MICK VEITCH: What I want is the information that was provided to the staff in accordance with the change management plan so that they could actually make some informed decisions around whether they move or whether they look at the redundancy arrangement. I just want to know what you provided—real estate information, work opportunities for spouses, educational requirements—any of the stuff you provided to the staff at Cronulla Fisheries to assist them in making a decision.

The Hon. CATE FAEHRMANN: Further to that, I was wondering if you could also provide a list to the Committee of all the staff positions and how long those people have been in those positions and what they have chosen to do in terms of taking a redundancy, whether they could re-locate or what they have chosen to do. It is very difficult for us to get our head around who is doing what; we are hearing a range of different figures. Could you provide that please?

Dr SHELDRAKE: We need to be a little bit careful in terms of confidentiality, in terms of making staff details available, but I think I understand the question.

The Hon. CATE FAEHRMANN: We do not need names. It will be kept confidential at the Committee. This would be something that would guide our processes and we would not publish something like this.

Dr SHELDRAKE: I think I understand the intent of the question. We will look to provide what we can and if there are confidentiality issues we will provide the data and then we can perhaps—

The Hon. CATE FAEHRMANN: Dr Sheldrake, when you were discussing how you are just acting on the Government's policy of decentralisation with the move, government policies can change all the time but surely the underpinning guidelines for the way decisions are made, the guidelines for the public service and departments to follow do not change—do you follow me?

Dr SHELDRAKE: Yes, I do.

The Hon. CATE FAEHRMANN: For example, New South Wales Finance and Services have change management guidelines. I understand there are change management guidelines, project risk management guidelines, benefits, realisation guidelines, benefits and management plan guidelines, risk management guidelines. Did you follow those guidelines? Has the department followed those guidelines when making this decision?

Dr SHELDRAKE: For example, you referenced the change management plan guidelines, so in terms of developing the change management plan we followed a set of guidelines to develop change management plans and we can provide those. I think that was the purpose of Mr Veitch's question.

The Hon. CATE FAEHRMANN: Yes, but being very specific. There are different guidelines—benefits realisation guidelines. You said there is no cost benefit analysis on this but you do have these guidelines to follow. Is that correct? So you did follow these guidelines. It would be good for the Committee to know that the decision within the department was made following these guidelines. Regardless of the Government's policy on decentralisation it is the proper thing to do within the public service, is it not?

Dr SHELDRAKE: I think what I have said to you today is that within the Government's policy and commitment to reinvigorate regional New South Wales we identified an opportunity. I am not exactly familiar or I do not recall the set of guidelines you are referring to, but in terms of us identifying an opportunity, we believed that the functions that are currently carried out at Cronulla can be carried out elsewhere in New South Wales at those locations that we have identified.

The Hon. CATE FAEHRMANN: I would have thought that the total cost of relocating Cronulla would have been estimated at some point—it is very surprising if it has not been estimated yet—that that cost has been estimated so that the relocation to Nowra, the relocation to Port Stephens, the relocation to Chowder Bay, and I hear there may need to be an extension at Coffs Harbour, the highest level of redundancies that you can expect from staff to the lowest level, this is basic. Surely you have done the cost for the whole relocation—a predicted cost, a range of costs—the bare minimum you could expect and the maximum.

Dr ALLAN: Until we know exactly what individuals are choosing to do we do not have that. We can look at the range, exactly as you said. You could take an average figure for a relocation or a redundancy and multiply that, but that is not particularly instructive; it is better to use the figures that we know will—

The Hon. CATE FAEHRMANN: An email that was recovered from FOI on 29 September 2011 from Alfred Schway, who is in Treasury, states: "As per our conversation today the Treasurer's office has requested a briefing note on the closure of the centre. I assume that there is some documentation, cost benefit analysis or a business plan for the closure. Could you please send me a copy of the above documentation?" Then Alfred requests different information such as what is the estimated annual saving, if any, from the closure and relocation and what is the cost of relocation, that is, the transfer of staff, equipment, set-up cost in other locations, et cetera. Alfred requested that information by close of business Friday 30 September 2011. So Treasury has requested from your department how much this will cost. Have you costed the complete relocation from Cronulla?

Dr ALLAN: We have not costed the complete relocation from Cronulla for the reasons that I said, that we do not know all the costs.

The Hon. CATE FAEHRMANN: So have you got back to Treasury and said, "We can't tell you"?

Dr SHELDRAKE: I am not familiar with Mr Schway or the email but, as Dr Allan has said, we have not costed—given that we do not know what the costs are—we would not be able to provide Mr Schway with those sorts of details.

CHAIR: Who did it go to?

The Hon. CATE FAEHRMANN: It is blanked out. Ultimately it went to Tim Scott, chief of staff, from the Minister's office. That is where it was directed to. I understand the Auditor-General is maintaining a watching brief over your department's handling of the closure and relocation. Have you had any inquiries from the Auditor-General's department regarding this matter?

Dr SHELDRAKE: Yes, I have.

The Hon. CATE FAEHRMANN: Are you concerned that we have inquiries from the Treasurer's office that have not been answered about the cost, we have got a watching brief from the Auditor-General, we have got accusations in the *Sydney Morning Herald* that the cost of this relocation has been divided into lots of different subcategories to avoid scrutiny? Are you concerned, as Director General of the department, Dr Sheldrake, that this is a decision that has been made for political reasons and has no justification and your department is trying to avoid scrutiny by Treasury? It does seem that way.

Dr SHELDRAKE: Firstly, I refute the comment you made about the article published in the *Sydney Morning Herald* based on some draft costings and suggesting that we as a department were endeavouring to get around Treasury guidelines. That is not true.

The Hon. CATE FAEHRMANN: Could you send us all the draft costings you have on this? You are very clear that the draft costings for the Port Stephens relocation are under one million dollars, so you have done draft costings. I am just wanting to capture that.

Dr SHELDRAKE: Just to clarify: That was a capital works project on a project, as I recall, to refurbish a laboratory suite or a laboratory facility or enhancement at Port Stephens.

Dr ALLAN: Can I answer that? I think what I said before is that the initial capital estimations we had for the works at Cronulla would capture needs for expansion. The next thing we could break that down into is what are the needs for the Cronulla relocation, particularly the labs and the facilities. That was the one that was one million dollars.

CHAIR: In relation to the cost benefit analysis, was there a question at some point as to the emotional impact on staff? Today one female staff member broke down in tears. Have any arrangements been made for counselling and support for them? Some staff members indicated that, if they want to relocate, their husbands who are employed in Sydney cannot move and single mothers have family support in Sydney and cannot relocate. They have been torn apart by this decision.

Dr SHELDRAKE: The answer to that is yes. I think particularly the three of us, and I think everybody in the department, including the Minister, appreciate the impact that a decision like this has on individual staff members. I would say—and I will ask Mr Cooper to give some statistics—we have endeavoured to try to address, in particular, the concerns of staff as much as we possibly can.

Mr COOPER: In fact, earlier when questions were asked about support for staff and about transferring them, I was pretty keen to mention that clearly not everyone can move. So equally it is important that you provide staff who cannot move with the mechanisms that will allow them to make that decision timely and also ensure they have the right support available to them. The department has provided in old language all on-site counselling support for individuals. The department's usual 24/7 hotline is available to them. One of the priorities of the managers of the working group and the working teams that have been talked about is peers keeping an eye out for each other. That has been very effective in just checking how people are going.

Part and parcel of what I have done is to make sure there is an option there of people that they can talk to. As was mentioned earlier, you talked about the husband and wife on the site, and there are more than one of those examples. Clearly, if they go home it is very difficult to explore that at home. We want to make sure that there are all sorts of avenues for them to get the support that is available to them to make a decision, to live with a decision that is best for them and to work through that. The simple answer is: Yes, there has been support. Effectively, if any options have been put forward they have been adopted as well. We are pretty keen to make sure that they are all supported, regardless of whether they are going to transfer or, more importantly, if they cannot transfer. You alluded to a number of examples. From my perspective everyone has a special case. You have to listen to them, work through it, see where they sit and ensure you provide the right support to them to do that.

CHAIR: That is the end of our allocated time for hearing. Thank you and your support staff for your attendance and for our inspection of the site and the cooperation the Committee received.

Dr SHELDRAKE: As I said in my opening remarks, I would like to invite the Committee to Port Stephens and to the Sydney Institute of Marine Science facility at Chowder Bay.

CHAIR: The Committee has resolved to support that in principle and to investigate how we will do that.

(The witnesses withdrew)

(The Committee adjourned at 6.05 p.m.)