

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2016

Agriculture and Water Resources

Question: 168

Division/Agency: Fisheries Research and Development Corporation

Topic: Correspondence directed to the Committee

Proof Hansard page: 51

Senator CAMERON asked:

Senator CAMERON: Can you provide copies of that correspondence to the committee?

Dr Hone: I can provide you a copy of some of the correspondence that we have got, yes—the correspondence we have received, yes.

Senator CAMERON: Why only some of the correspondence you have?

Dr Hone: I can provide you all our correspondence. I do not have all the correspondence to the government. That is what I am saying.

Answer:

Attached is the correspondence received.

1. Letter from Southern Rock Lobster (SRL)
2. Letter from National Seafood Industry Alliance (NSIA)
3. Letter from National Aquaculture Council Inc. (NAC)



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11 November 2014

The Hon Barnaby Joyce
Minister for Agriculture
PO Box 6022
House of Representatives
Canberra ACT 2600

Dear Hon Minister Joyce,

Proposal to Relocate the Fisheries Research & Development Corporation Outside of Canberra

Southern Rock Lobster Limited (SRL) has become aware that within the Department of Agriculture Portfolio certain organisations have been identified for potential relocation which includes the Fisheries Research & Development Corporation (FRDC). SRL is the organisation responsible nationally for the planning and management of Research Development & Extension (RD&E) in the Southern Rock Lobster Fishery and does not support the proposal to re-locate the FRDC outside of Canberra.

While SRL appreciates that it might be beneficial to relocate some R&D Corporations to regional areas particularly where a majority of a specific industry may be located in that area, this is not the case for the FRDC. Australia being surrounded by ocean provides a fair representation of just how widely distributed the various fishing industry sectors are around Coastal Australia. Similarly, many of the key R&D providers are also distributed in various jurisdictions.

SRL is strongly of the view that relocating FRDC would result in a considerable disadvantage to the fishing industry by requiring funds to be re-directed to cover re-location expenses, interruption to key initiatives and the inevitable loss of key staff and their intellectual and historical knowledge in a relatively small organisation in number of people. The combination of all these matters would be a significant setback to the majority of fishing industry stakeholders.

In closing I would like to emphasise that the current location in Canberra provides the best option for FRDC to be in touch with all its stakeholders and maintain its current credibility of neutrality by not being located in any one region, state or close to any specific fishery/sector or R&D provider. Being located in Canberra enhances FRDC's standing in the fishing industry through its direct accessibility, independence and its ability to provide a relatively central meeting place for all stakeholders. SRL is keen for this not to be lost and for FRDC to remain in Canberra.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ross Hodge', is written over a light blue rectangular background.

Executive Officer

Southern Rocklobster Limited

C.C. The Hon Richard Colbeck Parliamentary Secretary to the Minister for Agriculture
Paul Grimes Secretary Department Agriculture



NATIONAL SEAFOOD INDUSTRY ALLIANCE

C/o PO Box 1605 Fremantle WA 6959 T: 02 9004 1118 E: nsia09@gmail.com

5 February 2015

The Hon. Barnaby Joyce MP
Minister for Agriculture
PO Box 6022
House of Representatives
Parliament House
Canberra ACT 2600

Dear Minister Joyce,

I am writing to you on behalf of the National Seafood Industry Alliance (NSIA) to express our grave concern and strong recommendation against the Fisheries Research Development Corporation (FRDC) office being relocated outside of Canberra.

It is my understanding that the FRDC was asked to provide estimated costs associated with moving to a regional location and co-locating with a regional university, and this was submitted to the Department of Agriculture. It is also my understanding that the Department of Agriculture was expected to consult on a confidential basis with key industry stakeholders and key representative organisations regarding the possible relocation. I was personally consulted but am unaware of whoever else was consulted.

NSIA brings together the Commonwealth, State and Territory peak industry bodies in the commercial wild-catch fishing and aquaculture industries to provide national representation to the Australian Government. Our opposition to a proposal to move FRDC to a regional centre is based on a number of factors including the likely loss of key staff, diversion of research and development funds, additional time and cost of industry to meet with FRDC in a regional location and potential perception of bias if FRDC were closely aligned with a particular university.

FRDC has over 20 years service to the fishing industry and its independent and frank advice on important policy issues has been invaluable. A close association with another research partner or University could be very detrimental to FRDC's reputation and standing within the fishing and seafood industry.

It is likely that many key staff, particularly those with families, would not be prepared to relocate from a major centre to a regional centre. This would be a huge loss of capacity and capability as well as loss of corporate knowledge further impacting on implementation of many initiatives currently being undertaken by or for FRDC.

MEMBERS OF NATIONAL SEAFOOD INDUSTRY ALLIANCE



Seafood Industry Council

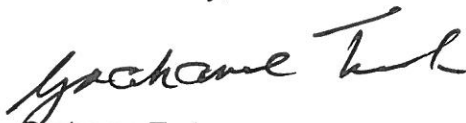


Any further loss of research and development funds is unacceptable given the recent leverage cuts of eight per cent to fund Regional Fisheries Management Organisations. Australia's commercial fishing industry is facing ever increasing pressure from competitive interests, and will be significantly disadvantaged without the continued support and benefits that result from FRDC's modus operandi to date.

Again, NSIA would urge you to rescind any plans to relocate FRDC from Canberra.

I am available to discuss this matter further with you if you have any questions.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Grahame Turk". The signature is written in a cursive style with a large, prominent initial "G".

Grahame Turk
Chairman
National Seafood Industry Alliance

Cc Senator the Hon Richard Colbeck, Parliamentary Secretary to the Minister for Agriculture



xx June 2015

The Hon. Barnaby Joyce MP
Minister for Agriculture
Parliament House
Canberra ACT 2600

minister@maff.gov.au

Dear Minister,

Possible relocation of the FRDC

Thank you for your letter of 12th May providing the National Aquaculture Council (NAC), one of the FRDC's 4 Representative Organisations, the opportunity to convey its members' views on the proposal to relocate the FRDC. Having widely canvassed the views of NAC members and other parties closely associated with the seafood industry, I can report as follows.

The industry fully supports the Government's objectives to increase regional employment opportunities, but there is widespread concern over several aspects of the relocation as currently proposed.

- A. Given the geographic spread of Australian fisheries and aquaculture, relocating an organisation such as the FRDC out of Canberra and closer to a "major fishery" is unlikely to benefit the industry as a whole, given that the FRDC's charter requires it to address RD&E needs along the whole value chain and across aquaculture, harvest fisheries, indigenous fisheries; and indeed recreational fisheries.

On the contrary, industry's interests are best served by the FRDC remaining based in Canberra, which facilitates frequent and direct contact with key representatives from the Department of Agriculture, other government agencies, and Parliament.

- B. Co-locating FRDC with "another research organisation" will not necessarily create closer collaboration in fisheries and aquaculture research. The FRDC funds and administers RD&E provided by a range of universities and other institutions, specialising in varying disciplines and located across a wide geographic spread.

Further, a Canberra base provides independence to the FRDC. Co-location with an individual research organisation would create a real loss of independence and at least a perception of bias towards the host institution.

- C. The cost of relocation, estimated to be \$4M, which the FRDC may be required to fund out of its own budget would seriously impact on funding available for fishing and aquaculture RD&E. There is a long history of industry and government co-investment in collaborative research leading to sustainable seafood production; such a drop in effective government contribution is seen as a retrograde step for both FRDC and the industry it serves.

- D. Forced relocation is likely to result in the resignation of the majority (90%) of the current staff; thereby breaking up a cohesive and efficient team, which has served the industry well over a number of years, and creating a significant loss of corporate memory.

It is particularly difficult to see the net tangible benefit of relocating the FRDC and its staff to a regional location given there are only 13 positions in question.

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NAC and several other primary stakeholder groups have made significant contribution to the draft Fisheries and Aquaculture RD&E Strategy developed for the 2015-2020 period, and the FRDC is already working towards the consolidation of the multiple Fishery Research Advisory Boards, and towards regional sector based planning.

NAC therefore offers for your consideration an alternative scenario:

- a) Retain key staff providing executive and corporate functions as the central hub of the FRDC at its present location in Canberra.
- b) Create say 5 new FRDC positions titled "Regional Officers", based in regional capitals close to major fishing and aquaculture activity. Perth, Adelaide, Hobart Melbourne/Sydney, and Brisbane are obvious candidates, but consultation with industry would determine the most effective locations. These Regional Officers could be co-located with existing fishing or aquaculture industry bodies for admin support. Their main functions would be direct liaison between FRDC and industry sectors in their jurisdiction, as well as serving as Executive Officers for the regional Fisheries Research Advisory Boards which feed into the FRDC processes.

It is suggested that this compromise scenario is less detrimental to both the FRDC and the industry it serves, whilst also addressing the Governments objectives to increase regional employment opportunities.

- FRDC maintains ease of frequent and direct access to key government agencies relevant to fisheries and aquaculture, whilst providing more efficient delivery of services to its regional industry stakeholders.
- FRDC maintains its independence from research organisations or other government agencies and avoids perception of regional bias.
- FRDC retains a core executive and administration team which has proven to be effective over a long period of time, whilst improving direct communication with stakeholders in regional areas.
- As it is most likely that implementing this scenario could be achieved at a cost well below the \$4M required for relocation, hence i) the FRDC budget allocation to RD&E would be less impacted and ii) the diverted funds would actually improve efficiency of stakeholder engagement.
- The scenario of a "Canberra hub plus Regional Officers" still represents the relocation of some 25% of FRDC staff out of Canberra to regional centres of activity.

On a personal note I feel compelled to add that after a professional career of almost 40 years with the Australian aquaculture industry, mainly with the salmon, oyster, and mussel sectors in Tasmania and close engagement with the FRDC, I sincerely believe that relocation of the FRDC in its entirety out of Canberra would be severely detrimental to the seafood industry as a whole, yet of marginal significance to Government's objectives to increase regional employment opportunities.

Your careful consideration of the risks outlined and advantages of the alternative scenario presented, before final resolution, would be greatly appreciated.

Yours sincerely,



Pheroze Jungalwalla

Chair

Cc:

Senator The Hon. Richard Colbeck senator.colbeck@aph.gov.au

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2016

Agriculture and Water Resources

Question: 169

Division/Agency: Fisheries Research and Development Corporation

Topic: Details of expenditure

Proof Hansard page: 54

Senator CAMERON asked:

Senator CAMERON: In your annual report, on the goods and services supplied, on page 151, legal fees for 2015 were \$31 824 and for 2014 legal fees were \$79 387. What was this amount of expenditure on? What legal fees were involved?

Dr Hone: I am going to have to take that on notice.

Answer:

2013-14 \$79 387 legal expenditure consisted of:

- Privacy audit to update Fisheries Research and Development Corporation (FRDC) with practices to align with the new Australian Privacy Principles (\$50 000)
- Primary Industries and Energy Research and Development (PIERD) Act review
- Miscellaneous advice on project agreements

2014-15 \$31 824 legal expenditure consisted of:

- Miscellaneous advice in relation to:
 - PIERD Act review
 - HR advice
 - Statutory Funding agreement
 - Directors indemnity deed

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2016

Agriculture and Water Resources

Question: 170

Division/Agency: Fisheries Research and Development Corporation

Topic: Relocation

Proof Hansard page: Written

Senator STERLE asked:

1. What is the current situation with the proposed relocation to Hobart?
2. Provide detail on the status and feedback that FRDC has received following its rigorous consultation with stakeholders about the proposed move of the FRDC to Hobart.
3. Has the uncertainty surrounding funding and relocation had a negative impact on the work undertaken by the FRDC?
4. Has the Minister or his department provided advice on when the 2014 budget measure will be brought back to the Senate for debate?
5. Is the membership free an annual fee?
6. What will be the impact on future research projects with the loss of R&D investment dollars if the 2014 budget measure is passed?
7. In FRDC's annual report under goods and services supplied on pg 151 – Legal fees for 2015 were \$31,824 and for 2014 legal fees were \$79,387. Provide detail as to what these expenditures were for?

Answer:

1. The Minister has agreed to the Fisheries Research and Development Corporation (FRDC) maintaining its head office in Canberra and opening a regional office in Adelaide. This initiative may be followed by offices in other regional locations.
2. Refer to previously answered question on QoN 168
3. No
4. No
5. Yes
6. Reduced research development and extension
7. Refer to previously answered question on QoN 169