

FISHERIES RESEARCH AND DEVELOPMENT CORPORATION

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FISHERIES RESEARCH AND DEVELOPMENT CORPORATION

Section 1: Overview

The Fisheries Research and Development Corporation (FRDC) is one of eight rural research and development corporations. We are co-funded by our stakeholders, the Australian Government and the fishing industry.

The Corporation invests strategically across all of Australia in research and development (R&D) activities that benefit all three sectors of the fishing industry – commercial (wild catch and aquaculture), recreational and traditional. Our goal is for Australia's fisheries to be sustainably managed.

The FRDC aims to work with partners to disseminate R&D results and assist with their adoption and, when appropriate, commercialisation.

Strategic directions are set with key stakeholders and then partner organisations are directly engaged from all over Australia to undertake R&D activities.

This innovative approach to project management gives us a great deal of flexibility, while enabling us to work as a virtual organisation many times our size.

The seafood industry is Australia's fourth most valuable food-based primary industry with a landed value of more than \$2 billion a year. In addition more than 3.4 million Australians recreationally fish each year spending an additional \$1.8 billion a year. For Indigenous communities the fishing industry not only provides avenues for income but also plays a significant role in their culture and subsistence.

Fish are a valuable, community-owned, renewable resource. They are, however, limited and vulnerable. Therefore, it is important they are managed using the best information available.

The Corporation and its partners are striving to ensure that fisheries ecosystems are used in a sustainable way so that future generations benefit.

Our R&D aims not only to ensure the sustainability of Australia's natural resources, but also to raise awareness of key fisheries-related issues such as industry development, the social and economic impacts on fishing communities, and the health benefits of seafood.

FRDC Budget Statement: Overview

The business environment in which the FRDC operates is characterised by:

- the need for effective stewardship to ensure best use of Australia's resources
- a high emphasis on natural resource management
- specific priorities of the three sectors of industry
- geographic diversity – Australia's waters extend from the tropics to the Antarctic, and include both marine and freshwater
- a broad range of products, including 800+ commercial species, 1000+ recreational species and 100+ farmed species, with a further 100+ protected species.

The five strategic challenges

The FRDC and its stakeholders have analysed the fishing industry's business environment and the changes likely to occur during the next 20 years. This analysis has resulted in identification of five strategic challenges:

- natural resources sustainability
- resource access and resource allocation
- responses to demand; profitability
- people development
- community and consumer support.

1.1 SUMMARY OF AGENCY CONTRIBUTIONS TO OUTCOMES

The products and services delivered by the FRDC (outputs, products and services) that contribute to achievement of its outcomes are summarised in Table 1.1.

Table 1.1: Contribution to outcome

Outcome	Output groups
Outcome component	
<p>Natural resource sustainability The natural resources on which the commercial, recreational and traditional sectors of the fishing industry depend are used in an ecologically sustainable manner.</p>	Program 1: Natural Resource Sustainability
<p>Industry development The commercial sector of the Australian fishing industry is profitable and internationally competitive; the commercial, recreational and traditional sectors are socially resilient.</p>	Program 2: Industry Development
<p>People development The knowledge and skills of people in and supporting the Australian fishing industry, and in the wider community, are developed and used so that Australians derive maximum economic, environmental and social benefits from fisheries research and development.</p>	Program 3: People Development

Section 2: Resources for 2007–08

2.1 APPROPRIATIONS AND OTHER RESOURCES

Table 2.1 shows the FRDC's total resources from all origins for 2007–08, including appropriations.

The total revenue for the FRDC in the 2007–08 Budget is \$30.7 million.

Table 2.1: Total resources, 2007–08

Source	Total resources \$'000
Funds from industry sources	
– Money from industry levies	7,163
Funds from Australian Government	
– Australian Government contribution	16,035
Other resources	7,545
Total resources	30,743

Table 2.2 provides details of other resources available to be used by the FRDC. These resources are approved for use and are included in Table 2.1.

Table 2.2: Other resources available to be used

Source	Estimated resources 2006–07 \$'000	Budget estimate 2007–08 \$'000
Interest	250	250
Sale of goods and services	60	40
Aquafin CRC for Sustainable Aquaculture of Finfish	3,100	2,500
Seafood CRC	-	4,000
Other income	850	755
Total resources	4,260	7,545
	2006–07	2007–08
Average staffing level (number)	10	11

2.2 BUDGET MEASURES, 2007–08

The FRDC is not affected by any 2007–08 Budget measure.

2.3 OTHER RESOURCE INFORMATION

The FRDC has no administered funds, special appropriations or special accounts.

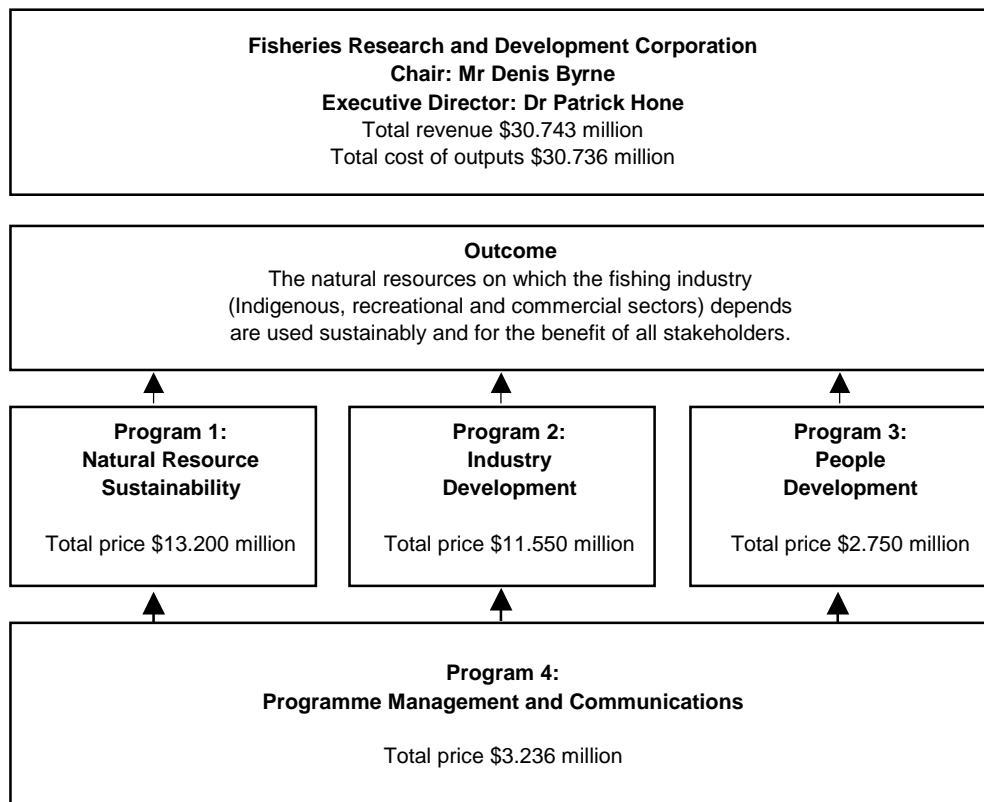
Section 3: Outcomes

This section summarises how the resources identified in Section 2 will be used to contribute to the outcome of the FRDC. Key performance measures and performance evaluation activities are specified for each output. More detailed information on output attributes is maintained by agencies for internal management purposes.

3.1 SUMMARY OF OUTPUTS AND CONTRIBUTION TO OUTCOME

The relationship between activities of the FRDC and the outcome is summarised in Figure 1.

Figure 1 Contributions to outcomes



3.2 OUTCOME PERFORMANCE INFORMATION

3.2.1 Contributions to achievement of Outcome

FRDC funds research and development projects that are strategically consistent with both government and industry priorities and which contribute to the achievement of the outcome.

3.2.2 Performance information for Outcome 1

The FRDC is only one of many entities, often working in partnership, whose outputs advance the fishing and aquaculture industry and the natural resources on which it depends.

The ecological response of fisheries and the collective behavioural response of humans making use of them extends over years or decades. Consequently, most of the targets in this section extend well beyond the 2007-08 financial year.

Performance information for individual outputs and output groups relating to the FRDC are summarised in Table 3.1.

Table 3.1: Performance information for Outcome

Performance information by output	
Output	Performance indicators
Program 1: Natural Resource Sustainability	
<p>Investment in research that assists in the development of formal socio-economic assessments for incorporation into fisheries resource allocation processes.</p> <p>Investment in R&D on spatial management.</p> <p>Investment in R&D that will assist in fisheries becoming self-managed or co-managed.</p> <p>Investment in R&D that will lead to a reduction in species that are overfished or of an unknown status.</p> <p>Increased communication and extension of R&D results with fisheries management agencies.</p>	<ul style="list-style-type: none"> • Self-managed or co-managed fisheries governance structures and processes are developed and a minimum of five fisheries brought under self-management. • 30% reduction in species that are overfished or of an unknown status. • Increased utilisation of fisheries R&D outputs by fisheries management agencies. • Development of formal socioeconomic assessments for incorporation into fisheries resource allocation processes. • Evidence of improved use of spatial management as a tool for fisheries management. <p>Price: \$13.200 million</p>
Program 2: Industry Development	
<p>Invest in market research that provides intelligence on international market places.</p> <p>Invest in R&D activities that boost feeding efficiency.</p> <p>Integrate into R&D research application cycle the need for industry participation in breeding programmes.</p> <p>Invest in R&D projects that will underpin or be part of a third party assessment standard.</p> <p>Invest in R&D projects that will lead to the establishment of entities that utilise fish waste.</p>	<ul style="list-style-type: none"> • At least two companies accessing new markets for domestically produced seafood. • Establishment of a third-party audited food quality standard for vessels and processors. • 5% increase in finfish production through improved feeds and feeding practices. • Establishment of a commercial operation specialising in the utilisation of fish processing waste. • At least two entities utilising improved stock from selective breeding programmes. <p>Price: \$11.550 million</p>
Program 3: People Development	
<p>Investing in the Australian Rural Leadership Programme.</p>	<ul style="list-style-type: none"> • Two seafood people to complete the Australian Rural Leadership Programme annually.
<p>Investing in research that assist postgraduate students complete their courses.</p> <p>Invest in the 'Advance in Seafood' Leadership Development Programme.</p> <p>Investment in extension activities that communicate the health benefits of seafood.</p> <p>Invest in R&D that provides a solid understanding of the environmental impacts of aquaculture ventures.</p>	<ul style="list-style-type: none"> • Minimum of five postgraduate students complete courses. • Minimum of ten fishing industry participants attend the 'Advance in Seafood' Leadership Development Programme. • 10% increased consumption of seafood by Australians. • Aquaculture ventures are able to access new sites. <p>Price: \$2.750 million</p>

FRDC Budget Statement: Outcomes

Performance information by output	
Output	Performance indicators
Program 4: Programme Management and Communications	
<p><i>Business strategy and planning</i> The FRDC aims to have a clearly defined and implemented business plan and strategy aligned to government and industry needs which are understood and supported by stakeholders. It does this through maintaining a high level of support for the five-year plan <i>Investing for Tomorrow's Fish</i> and ensuring ongoing development builds on, and drives innovation in the fishing industry.</p>	<ul style="list-style-type: none"> • Approval of the annual operational plan and annual report by the Parliamentary Secretary and the acceptance of these documents by the FRDC's representative organisations • Evidence of Fisheries Research Advisory Body (FRAB) influence on research providers — minimum 80% of applications submitted through FRABs • Planning and reporting documents (annual report, annual operational plan and Portfolio Budget Statement) published and submitted in accordance with legislative time frames • The views and priorities of stakeholders influence research providers in the development of R&D applications
<p><i>Information management systems</i> The FRDC aims to provide business systems that meet the requirements both of the organisation and its stakeholders.</p>	<ul style="list-style-type: none"> • The FRDC website is viewed as a source of fishing industry information • Stakeholder satisfaction with information management systems; especially Fishbase and its web interface Fishnet (project management system)
<p><i>Quality system</i> The FRDC aims to be recognised as a quality-driven organisation, through quality leadership, continuous improvement and appropriate accreditation. Evidence that the FRDC is succeeding in its goal include:</p>	<ul style="list-style-type: none"> • Maintenance of its ISO9001:2000 accreditation
<p><i>Corporate communications</i> The FRDC aims to inform all stakeholders of its goals, strategies and achievements and provide them with access to information that will help them.</p>	<ul style="list-style-type: none"> • Adoption of the results of research and development • Positive feedback from market research on stakeholders • Reporting requirements are met on time and within budget • Publications are of a high standard and are developed and delivered in a professional manner
<p><i>Risk management</i> The FRDC aims to ensure its risks are identified, assessed and appropriately managed.</p>	<ul style="list-style-type: none"> • Good business performance with a minimum of failures • An operational risk management framework
<p><i>Finance and administration</i> The FRDC aims to have best practice accounting and investment functions, managed in accordance with board and statutory requirements.</p>	<ul style="list-style-type: none"> • Contributions from fishers and aquaculturists above that which will be matched by the Australian Government (minimum of 85% of the contributions paid by industry to the FRDC that can be matched by the Australian Government) • FRDC expenditure on R&D programmes maximised (the proportion of expenditure on R&D programmes, and programmes support — respectively minimum 90% (including communications) and maximum 10%)
<p><i>Human resources management</i> The FRDC aims to have best practice in human resources management clearly focused on delivering FRDC's business objectives.</p>	<ul style="list-style-type: none"> • Happy, competent and well-trained staff contributing to the achievement of the corporation's objectives

Performance information by output	
Output	Performance indicators
<p><i>Corporate governance</i> The FRDC aims to have a best practice system of governance.</p>	<ul style="list-style-type: none"> • An ethical business culture • Meeting statutory requirements; for example, in relation to annual operational plans, annual reports and investment plans.
	<p>Price: \$3.236 million</p>

3.2.3 Evaluations for Outcome

The FRDC undertakes ongoing evaluations at a project and sub-programme level. Each project seeks feedback from recipients of that research outcome. Sub-programmes are reviewed at mid-term and at the end of each funding cycle.

In addition, the FRDC runs biannual stakeholder research and a workshop to evaluate progress against the key performance indicators set out in the strategic research and development plan. The outcomes of the research and the workshop are integrated into the FRDC's planning cycle to ensure that future plans remain salient.

Section 4: Other reporting requirements

4.1 PURCHASER–PROVIDER ARRANGEMENTS

Agencies may need to provide resources to other general government sector bodies, for example in payment for services rendered or as part of cross-agency initiatives. Consequently, the sum of amounts in agency resourcing tables in Budget Paper No. 4, and in the resourcing tables in this document, will not equal total resourcing at the whole-of-government level (as reproduced in Budget Paper No. 1).

The Corporation does not have any purchaser-provider arrangements.

4.2 COST RECOVERY ARRANGEMENTS

The Corporation has no ongoing cost recovery arrangements.

4.3 AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE

Table 4.1: Australian Government indigenous expenditure

Outcome	Appropriations				Other \$'000 (E)	Total \$'000 (F)=(D)+(E)	Cross reference (G)
	Bill No. 1 \$'000 (A)	Bill No. 2 \$'000 (B)	Special Approp \$'000 (C)	Total Approp \$'000 (D)			
Outcome1							
FRDC							
Administered 2007–08	-	-	-	-	-	-	
Administered 2006–07	-	-	-	-	-	-	
Departmental 2007–08	-	-	-	-	324	324	
Departmental 2006–07	-	-	-	-	312	312	
Total Outcome 2007–08	-	-	-	-	324	324	
Total Outcome 2006–07	-	-	-	-	312	312	
Total AGIE 2007–08	-	-	-	-	324	324	
Total AGIE 2006–07	-	-	-	-	312	312	

Section 5: Budgeted financial statements

5.1 ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

The FRDC does not anticipate any material variances from the 2007–08 estimated actual and the 2008–09 budget estimate. Movements within the forward estimates reflect immaterial incremental decreases across revenue and expenditure.

5.2 BUDGETED FINANCIAL STATEMENTS TABLES

Table 5.1: Budgeted departmental income statement (for the period ended 30 June)

	Estimated actual 2006–07 \$'000	Budget estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000
INCOME					
Revenue					
Revenues from government	15,367	16,035	16,131	16,651	17,265
Goods and services	60	40	50	50	60
Interest	250	250	250	250	250
Other	10,339	14,418	15,945	16,030	17,805
Total revenue	26,016	30,743	32,376	32,981	35,380
Total income	26,016	30,743	32,376	32,981	35,380
EXPENSE					
Employees	1,370	1,440	1,450	1,500	1,550
Suppliers	690	730	740	750	760
Grants	23,300	27,500	29,000	29,500	31,000
Depreciation and amortisation	300	451	483	512	546
Other	650	615	600	600	600
Total expenses	26,310	30,736	32,273	32,862	34,456
Surplus (deficit) attributable to the Australian Government	(294)	7	103	119	924

Table 5.2: Budgeted departmental balance sheet (as at 30 June)

	Estimated actual 2006–07 \$'000	Budget estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000
ASSETS					
Financial assets					
Cash and equivalents	81	89	86	130	1,014
Trade and other receivables	900	600	700	800	900
Investments	5	5	5	5	5
Total financial assets	986	694	791	935	1,919
Non-financial assets					
Infrastructure, plant and equipment	420	332	271	229	201
Intangibles	2,304	2,741	2,869	2,949	2,982
Total non-financial assets	2,724	3,073	3,140	3,178	3,183
Total assets	3,710	3,767	3,931	4,113	5,102
LIABILITIES					
Provisions					
Employees	378	397	417	438	459
Total provisions	378	397	417	438	459
Payables					
Suppliers	118	125	126	128	130
Grants	1,182	1,192	1,218	1,243	1,268
Other	461	475	489	504	521
Total payables	1,761	1,792	1,833	1,875	1,919
Total liabilities	2,139	2,189	2,250	2,313	2,378
Net assets	1,571	1,578	1,681	1,800	2,724
EQUITY^a					
Parent entity interest					
Reserves	82	82	82	82	82
Retained surpluses or accumulated deficits	1,489	1,496	1,599	1,718	2,642
Total parent entity interest	1,571	1,578	1,681	1,800	2,724
Total equity	1,571	1,578	1,681	1,800	2,724
Current assets	986	694	791	935	1,919
Non-current assets	2,724	3,073	3,140	3,178	3,183
Current liabilities	2,139	2,189	2,250	2,313	2,378
Non-current liabilities	-	-	-	-	-

a 'Equity' is the residual interest in assets after deduction of liabilities.

Table 5.3: Budgeted departmental statement of cash flows (for the period ended 30 June)

	Estimated actual 2006–07 \$'000	Budget estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	60	40	50	50	60
Appropriations	15,367	16,035	16,131	16,651	17,265
Interest	250	250	250	250	250
Other	11,381	14,732	15,859	15,945	17,720
Total cash received	27,058	31,057	32,290	32,896	35,295
Cash used					
Employees	1,352	1,421	1,430	1,479	1,528
Suppliers	706	723	738	748	758
Grants	23,335	27,490	28,975	29,475	30,975
Other	650	615	600	600	600
Total cash used	26,043	30,249	31,743	32,302	33,861
Net cash from or (used by) operating activities	1,015	808	547	594	1,434
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	1,100	800	550	550	550
Total cash used	1,100	800	550	550	550
Net cash from or (used by) investing activities	(1,100)	(800)	(550)	(550)	(550)
Cash at the beginning of the reporting period	166	81	89	86	130
Cash at the end of the reporting period	81	89	86	130	1,014

Table 5.4: Departmental statement of changes in equity — summary of movement (Budget year 2007–08)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2007					
Balance carried forward from previous period	1,489	-	82	-	1,571
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	1,489	-	82	-	1,571
Income and expense					
Income and expenses recognised directly in equity:					
Gain/loss on revaluation of property	-	-	-	-	-
Sub-total income and expense	-	-	-	-	-
Surplus (deficit) for the period	7	-	-	-	7
Total income and expenses recognised directly in equity	-	-	-	-	-
Transfers between equity components	-	-	-	-	-
Estimated closing balance as at 30 June 2008	1,496	-	82	-	1,578

Table 5.5: Departmental capital budget statement

	Estimated actual 2006–07 \$'000	Budget estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	-	-	-	-	-
Funded internally by departmental resources	1,100	800	550	550	550
Total	1,100	800	550	550	550

Table 5.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2007–08)

	Land	Investment property	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2007									
Gross book value	-	-	-	-	420	-	-	2,304	2,724
Accumulated depreciation	-	-	-	-	-	-	-	-	-
Opening net book value	-	-	-	-	-	-	-	-	-
Additions:									
by purchase	-	-	-	-	73	-	-	-	73
by finance lease	-	-	-	-	-	-	-	-	-
internally developed	-	-	-	-	-	-	-	727	727
from acquisitions of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
Revaluations and impairment through equity	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	-	-	-	(161)	-	-	(290)	(451)
Impairments recognised in operating result	-	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-	-
Disposals:									
from disposal of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
other disposals	-	-	-	-	-	-	-	-	-
As at 30 June 2008									
Gross book value	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-	-
Estimated closing net book value	-	-	-	-	332	-	-	2,741	3,073