

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY

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AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY

Section 1: Agency overview and resources

The Australian Fisheries Management Authority (AFMA) was established under the *Fisheries Administration Act 1991* to manage the resources of Australia's Commonwealth fisheries on behalf of the Australian community and key stakeholders using the provisions of the *Fisheries Management Act 1991*. Legislation is currently before parliament which will replace the current statutory authority with a commission under the same name. No change is planned to AFMA's legislative objectives, powers or functions.

Legislative objectives require AFMA to pursue the implementation of efficient and cost effective fisheries management consistent with the principles of ecologically sustainable development and maximising the net economic returns for the Australian community from the management of Australian fisheries. AFMA is to have regard to the impact of fishing on non-target species and the long-term sustainability of the marine environment.

In support of the objectives, AFMA's work concentrates on the provision of fisheries management arrangements, compliance and licensing services and developing appropriate management policies and regulations.

AFMA also engages in Maritime Border Protection activities, including fisheries enforcement, planning, training, detention and vessel destruction activities. These activities protect both Commonwealth and state-managed fisheries from illegal foreign fishing and contribute to wider border security issues, including biosecurity.

Together, these activities help AFMA pursue its outcome of:

Ecologically sustainable and economically efficient Commonwealth fisheries.

1.1 STRATEGIC DIRECTION

When developing and implementing fisheries management arrangements, AFMA works in partnership with key stakeholders who include commercial fishing operators and associations, researchers, environment/conservation organisations and, where appropriate, others who have an interest in how Australia's Commonwealth fisheries are managed—such as recreational/charter fishing and Indigenous interests. AFMA engages with stakeholder groups through a variety of avenues, including: management advisory committees, liaison officers, port visits, newsletters and direct mail across all major Commonwealth fisheries. These mechanisms provide an

important advisory function and maintain an open dialogue between AFMA and those with an interest in the management of the fisheries.

These partnership arrangements and the closer relationships with industry organisations are important as AFMA pursues greater co-management of fisheries.

In managing Commonwealth fisheries, AFMA is also required to pursue the government's targets in relation to the recovery of costs. In line with these requirements, Commonwealth fisheries are managed in accordance with government policy, on a cost-recovery basis. The commercial fishing industry pays for costs directly attributed to and recoverable from the fishing industry, while the government pays for foreign compliance and activities that benefit the broader community.

1.1.1 Key policy issues

In October 2006, the Australian Government announced that AFMA will be replaced by a commission of the same name. This change is expected to take effect from 1 July 2008. While the government has minimised the impact of this change on the fishing industry by continuing AFMA's functions and consultation mechanisms essentially unchanged, the governance arrangements under a commission structure are different to those of AFMA in its current form. The transition to a commission is a major task, with new governance arrangements and processes to be put into operation in 2008–09.

The legislative changes required to implement the new governance arrangements are not expected to be passed until after the introduction of the Appropriation Bills. As a result, the new arrangements are not currently reflected in the 2008–09 forward year estimates. AFMA's estimates will be revised, as necessary, to reflect these arrangements through the Additional Estimates process. The main changes expected include:

- creation of a departmental Special Account with crediting rights for levy receipts
- direct appropriation of government funding to AFMA, including supplementation for interest revenue
- classification of illegal foreign fishing vessel caretaking and disposal contracts as Administered Expenditure.

The *Securing our Fishing Future* initiative, announced in November 2005, provided a \$220 million adjustment package to help secure Commonwealth fish stocks and a profitable future for the fishing industry over the last several years. The initiative involved three major elements including a \$149 million fishing licence buyback scheme and \$70 million complementary assistance package, changes to Commonwealth fisheries management and proposed marine parks for the south-east region.

In conjunction with this package, the then Minister for Fisheries, Forestry and Conservation provided AFMA in December 2005 with a Direction under section 91 of the *Fisheries Administration Act 1991* that detailed various obligations and actions for

AFMA. These policy requirements were reflected in AFMA's subsequent fisheries management decisions and work commenced on key matters under this Direction will be completed in 2008-09.

Other policy initiatives announced by the Australian Government, which affect Commonwealth fisheries management include an expanded fisheries research program, continued development of international fisheries partnerships to ensure the sustainable management of migratory species managed by regional fisheries management organisations, development of new fisheries technologies to reduce the impact of fishing on bycatch, non-target and endangered species, the review of cancellation provisions of statutory fishing rights and increased domestic enforcement and compliance.

1.2 AGENCY RESOURCE STATEMENT

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

Table 1.1: Agency resource statement—Budget estimates for 2008–09 as at Budget May 2008

Source	Estimate of prior year amounts available in 2008–09 \$'000	Proposed at Budget 2008–09 \$'000	Total Estimate 2008–09 \$'000	Estimated Available Appropriation 2007–08 \$'000
Opening balance / Reserves at bank	25,852	-	25,852	26,714
REVENUE FROM GOVERNMENT				
Outcome 1 – Ecologically sustainable and economically efficient Commonwealth fisheries				
Payments from related entities¹				
Amounts from the portfolio department	-	43,217	43,217	41,423
Total	-	43,217	43,217	41,423
Special Appropriations				
<i>Fisheries Administration Act 1991, s. 80(2)</i>	-	10,400	10,400	9,282
Total Special Appropriations	-	10,400	10,400	9,282
Total funds from government	-	53,617	53,617	50,705
FUNDS FROM INDUSTRY SOURCES				
Levies ²	-	11,800	11,800	10,682
Less amounts paid to the CRF	-	(11,800)	(11,800)	(10,682)
Total	-	-	-	-
FUNDS FROM OTHER SOURCES				
Interest	-	1,177	1,177	1,153
Other	-	780	780	905
Total	-	1,957	1,957	2,058
Total net resourcing for agency	25,852	55,574	81,426	79,477

All figures are GST exclusive.

CRF = Consolidated Revenue Fund

1 AFMA is not directly appropriated as it is a CAC Act body. Appropriations are made to DAFF which are then paid to AFMA and are considered 'departmental' for all purposes.

2 AFMA collects levies through regulation (e.g. the Fishing Levy Regulations 2008) made under the *Fishing Levy Act 1991* and the *Fisheries Management Act 1991*. The levy regulations are made each year and are a legislative instrument for the purposes of the *Legislative Instruments Act 2003*. The levy amount collected includes an AFMA management levy and a research component. The levies collected are remitted to DAFF. An equivalent amount to the AFMA management levy is paid by DAFF to AFMA under a special appropriation under the *Fisheries Administration Act 1991*. The research component is also remitted by DAFF to the Fisheries Research and Development Corporation.

1.3 BUDGET MEASURES

AFMA is not affected by any 2008–09 Budget measure.

Section 2: Outcome and planned performance

2.1 OUTCOME 1

Ecologically sustainable and economically efficient Commonwealth fisheries.

2.1.1 Outcome strategy

AFMA's outputs of *Fisheries Policy and Planning* and *Fisheries Administration* reflect its commitment to pursuing ecologically sustainable and economically efficient Commonwealth fisheries. This is consistent with AFMA's legislative objectives and is developed in partnership with the fishing industry, government agencies and others with an interest in sustainable fisheries management.

Table 2.1.3 lists the performance information that AFMA will use to assess the level of achievement of its outcome during 2008–09. The table provides information on the strategies chosen to deliver the outcome and shows the links between outputs and the outcome. It also measures the efficiency of outputs in contributing to the outcome, including targets for performance as applicable and appropriate. Achievement of planned performance will be reported in AFMA's Annual Report.

Major reviews or evaluations that are currently planned for 2008–09 include:

- ANAO AFMA Performance Audit
- Review of Maritime Security Enforcement Programs (led by Prime Minister and Cabinet)
- Cost Recovery Impact Statement review (revision of AFMA's current cost-recovery arrangements)

In addition, AFMA will undertake internal reviews and evaluations to continually improve its performance.

2.1.2 Outcome 1 resource statement

Table 2.1 provides additional detail of Budget appropriations and the total resourcing for Outcome 1.

Table 2.1: Total resources for Outcome 1

Outcome 1: Ecologically sustainable and economically efficient Commonwealth fisheries.	2008–09 Total estimate of available resources \$'000	2007–08 Estimated actual \$'000
Output Group 1 Fisheries Policy and Planning		
Output Group 1.1: Management of Domestic Fisheries		
Revenues from government and cash reserves	15,274	17,162
Interest	318	405
Fee for service – observer fees	270	298
Natural Heritage Trust contribution	-	500
FRDC contribution for Co-management project	361	-
Subtotal for Output Group 1.1	16,223	18,365
Output Group 1.2: Management of international fishery obligations		
Revenues from government and cash reserves	353	518
Interest	7	12
Subtotal for Output Group 1.2	360	530
Total resources for Output Group 1	16,583	18,895
Output Group 2 Fisheries Administration		
Output Group 2.1: Domestic fisheries compliance		
Revenues from government and cash reserves	4,641	4,996
Interest	93	114
Subtotal for Output Group 2.1	4,734	5,110
Output Group 2.2: Foreign fisheries compliance		
Revenues from government and cash reserves	29,365	17,401
Interest	591	397
Subtotal for Output Group 2.2	29,956	17,798
Output Group 2.3: Research and Data		
Revenues from government and cash reserves	6,148	6,614
Interest	123	151
Subtotal for Output Group 2.3	6,271	6,765
Output Group 2.4: Licensing and revenue collection		
Revenues from government and cash reserves	2,188	3,115
Fee for service – other licensing fees	149	107
Interest	47	74
Subtotal for Output Group 2.4	2,384	3,296
Total resources for Output Group 2	43,345	32,969
Total resources for Outcome	59,928	51,864
Average staffing level (number)	246	237

2.1.3 Contributions to achievement of outcome

Success in achieving AFMA's outcome of *ecologically sustainable and economically efficient Commonwealth fisheries* in the long term will be indicated through the following four key result areas:

- Economic results and financial performance
- Stakeholder satisfaction
- Environment and sustainability
- Learning and innovation.

The effectiveness and efficiency of AFMA's performance will be measured by the following indicators, consistent with the Australian Government Ministerial Direction:

AFMA's key performance indicators

Effectiveness—overall achievement of outcome	
Outcome component	Effectiveness indicators
Ecological sustainability and maximising net economic returns	<ul style="list-style-type: none"> • Fewer fish species/stocks are assessed as being subject to overfishing. • Reduction in the quantity of bycatch • Positive contribution by AFMA to productivity trends in Commonwealth fisheries • Cost-effective regulation of the fishing industry • Control of illegal, unreported and unregulated (IUU) fishing in the Australian Fishing Zone
Performance information by output	
Output	Performance information
Output 1: Fisheries Policy and Planning	
Sub-output 1.1: Management of domestic fisheries	<p><i>Quality:</i></p> <ul style="list-style-type: none"> • Management Plans and regulatory instruments are consistent with AFMA's legislative objectives • the Australian Government Harvest Strategy Policy is implemented for Commonwealth fisheries • Effective consultative framework implemented with key stakeholders • Reduced impact of fisheries on threatened, endangered and protected (TEP) species • Co-management trials are undertaken <p><i>Quantity:</i></p> <ul style="list-style-type: none"> • Reduction in number of species assessed as overfished • Fewer fish species/stocks are assessed as being subject to overfishing • Estimated fishery bycatch quantity is reducing over time • Reduced quantity of discarded target species in each fishery • Increasing proportion of major fisheries with fishery independent surveys • All relevant fisheries are successfully re-assessed against the EPBC Act by the due date
Sub-output 1.2: Management of international fishery obligations	<p><i>Quality:</i></p> <ul style="list-style-type: none"> • Domestic fisheries management is consistent with Australia's international obligations where applicable • Support provided to regional neighbours to enhance their management capacity regarding shared fisheries resources (consistent with Australian Government policy) <p><i>Quantity:</i></p> <ul style="list-style-type: none"> • All relevant international obligations implemented through domestic arrangements

Output 2: Fisheries Administration	
Output 2.1: Domestic fisheries compliance	<p><i>Quality:</i></p> <ul style="list-style-type: none"> • All major domestic fisheries have compliance risk assessments conducted • Reduction in the number of high risk domestic compliance areas identified <p><i>Quantity:</i></p> <ul style="list-style-type: none"> • Minimum of 90% of investigative briefs submitted to CDPP result in charges being laid
Output 2.2: Foreign fisheries compliance	<p><i>Quality:</i></p> <ul style="list-style-type: none"> • Foreign fisheries compliance acts as a deterrent to illegal, unreported and unregulated (IUU) fishing • Timely analysis of changing threat areas and incorporation of findings into the Border Protection Command Common Risk Assessment Model. <p><i>Quantity:</i></p> <ul style="list-style-type: none"> • Minimum of 95% of investigations completed within 14 days
Output 2.3: Research and data	<p><i>Quality:</i></p> <ul style="list-style-type: none"> • Research is focused on industry and management needs • Improved framework for the assessment of research applications <p><i>Quantity:</i></p> <ul style="list-style-type: none"> • Increased proportion of identified high-priority research areas are funded
Output 2.4: Licensing and revenue collection	<p><i>Quality:</i></p> <ul style="list-style-type: none"> • Licensing transactions accurately processed • All levy regulations made and debts recovered <p><i>Quantity:</i></p> <ul style="list-style-type: none"> • All licensing and revenue collection transactions are completed within 7 working days of receipt of an application • All levies collected

Section 3: Explanatory tables and budgeted financial statements

3.1 EXPLANATORY TABLES

3.1.1 Reconciliation of total appropriation and outcomes

AFMA is not funded through appropriation.

3.1.2 Movement of administered funds between years

The AFMA manages no administered funds.

3.1.3 Special Accounts

On establishment of AFMA as a prescribed agency under the *Financial Management and Accountability Act 1997*, a special account will be established for the purposes of performing and exercising the functions and powers of AFMA.

3.1.4 Australian Government Indigenous expenditure

AFMA does not have any Australian Government Indigenous expenditure.

3.2: BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

There are no material variances between agency resourcing information and the financial statements.

3.2.2 Analysis of budgeted financial statements

AFMA currently receives most of its income (except for interest and other revenue) from a Commonwealth contribution paid through the Department of Agriculture, Fisheries and Forestry (DAFF). While AFMA recovers its domestic fishery management costs directly through levies, these funds are initially credited to Consolidated Revenue and an equivalent amount returned to AFMA by DAFF through a special appropriation.

As a result of the 2006 structural adjustment package, which resulted in a voluntary buy-back of 550 fishing concessions, the Australian Government provided levy subsidies to industry over a three year period (\$7 million in 2006-07, \$5 million in

2007-08 and \$3 million in 2008-09). AFMA has also received an additional government contribution of \$6 million over the three years for science, data and compliance projects.

AFMA is currently budgeting for operating losses for the 2008-09 to 2009-10 financial years. These losses reflect the use of cash generated from prior year surpluses to undertake projects to improve AFMA's information technology capacity and infrastructure and other business improvements. The current forward estimates indicate that AFMA will retain sufficient cash reserves after this expenditure to fully meet its expected liabilities.

Estimates have been adjusted in 2008-09 and 2009-10 to reflect reductions in the number of illegal foreign fishing vessels apprehended and requiring disposal. The estimates for 2010-11 and 2011-12 have not been adjusted at this stage, as indicated in the increases in revenues from government and supplier expenses in 2010-11.

Capital expenditure in 2007-08 to 2009-10 reflects the development and purchase of software and upgrades to information technology equipment.

3.2.3 Budgeted financial statements tables

Table 3.2.1: Budgeted departmental income statement (for the period ended 30 June)

	Estimated actual 2007–08 \$'000	Budget estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000	Forward estimate 2011–12 \$'000
INCOME					
Revenue					
Revenues from government	50,705	53,617	43,193	51,471	52,742
Interest	1,153	1,177	1,179	1,179	1,179
Other	905	780	696	711	425
Total income	52,763	55,574	45,068	53,361	54,346
EXPENSE					
Employees	19,948	19,621	18,590	18,081	17,504
Suppliers	31,326	39,346	27,627	34,737	34,988
Depreciation and amortisation	590	961	1,390	1,479	1,854
Total expenses	51,864	59,928	47,607	54,297	54,346
Surplus (deficit) attributable to the Australian Government	899	(4,354)	(2,539)	(936)	-

Prepared on an Australian Accounting Standards basis.

Table 3.2.2: Budgeted departmental balance sheet (as at 30 June)

	Estimated actual 2007–08 \$'000	Budget estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000	Forward estimate 2011–12 \$'000
ASSETS					
Financial assets					
Cash and equivalents	2,852	2,683	2,531	2,242	2,630
Trade and other receivables	651	777	565	689	656
Investments	23,000	20,000	15,000	17,000	18,000
Total financial assets	26,503	23,460	18,096	19,931	21,286
Non-financial assets					
Land and buildings	7,854	7,604	7,354	7,104	6,854
Infrastructure, plant and equipment	2,063	3,014	3,085	2,537	1,613
Intangibles	863	941	725	509	294
Other	114	144	101	127	128
Total non-financial assets	10,894	11,703	11,265	10,277	8,889
Total assets	37,397	35,163	29,361	30,208	30,175
LIABILITIES					
Provisions					
Employees	3,456	3,399	3,220	3,132	3,032
Payables					
Suppliers	8,179	10,356	7,272	9,143	9,209
Total liabilities	11,635	13,755	10,492	12,275	12,241
Net assets	25,762	21,408	18,869	17,933	17,934
EQUITY^a					
Parent entity interest					
Contributed equity	9,216	9,216	9,216	9,216	9,216
Reserves	2,369	2,369	2,369	2,369	2,369
Retained surpluses or accumulated deficits	14,177	9,823	7,284	6,348	6,348
Total equity	25,762	21,408	18,869	17,933	17,933
Current assets	26,617	23,604	18,197	20,058	21,414
Non-current assets	10,780	11,559	11,164	10,150	8,761
Current liabilities	9,734	11,886	8,721	10,552	10,573
Non-current liabilities	1,901	1,869	1,771	1,723	1,668

Prepared on an Australian Accounting Standards basis.

Table 3.2.3: Budgeted departmental statement of cash flows (for the period ended 30 June)

	Estimated actual 2007–08 \$'000	Budget estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000	Forward estimate 2011–12 \$'000
OPERATING ACTIVITIES					
Cash received					
Revenue from Government	50,705	53,617	43,193	51,471	52,742
Interest	1,153	1,177	1,179	1,179	1,179
Other	1,090	654	908	587	458
Total cash received	52,948	55,448	45,280	53,237	54,379
Cash used					
Employees	18,928	19,678	18,769	18,169	17,604
Suppliers	32,448	37,199	30,667	32,892	34,922
Total cash used	51,376	56,877	49,436	51,061	52,526
Net cash from or (used by) operating activities	1,572	(1,429)	(4,156)	2,176	1,853
INVESTING ACTIVITIES					
Cash received					
Investments	-	3,000	5,000	-	-
Cash used					
Purchase of property, plant and equipment	2,434	1,741	995	465	465
Investments	1,000	-	-	2,000	1,000
Total cash used	3,434	1,741	995	2,465	1,465
Net cash from or (used by) investing activities	(3,434)	1,259	4,005	(2,465)	(1,465)
Net increase or (decrease) in cash held	(1,862)	(170)	(151)	(289)	388
Cash at the beginning of the reporting period	4,714	2,852	2,682	2,531	2,242
Cash at the end of the reporting period	2,852	2,682	2,531	2,242	2,630

Prepared on an Australian Accounting Standards basis.

Table 3.2.4: Departmental statement of changes in equity—summary of movement (Budget year 2008–09)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2008					
Balance carried forward from previous period	14,177	2,369	-	9,216	25,762
Surplus (deficit) for the period	(4,354)	-	-	-	(4,354)
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	-	-
Estimated closing balance as at 30 June 2009	9,823	2,369	-	9,216	21,408

Prepared on an Australian Accounting Standards Basis