



# **COST RECOVERY IMPLEMENTATION STATEMENT**

## **AFMA 2017 CRIS**

## **2017-18 BUDGET**

The Australian Government's overarching cost recovery policy<sup>1</sup> is that, where appropriate, non-government recipients of specific government activities should be charged some or all of the costs of those activities. This may include goods, services or regulation, or a combination of them. The Australian Government Charging Framework set out the overarching framework under which government entities design, implement and review cost recovered activities.

---

<sup>1</sup> The cost recovery policies and framework are available on the Department of Finance website ([www.finance.gov.au](http://www.finance.gov.au)).

# Contents

Australian Government.....	1
Australian Fisheries Management Authority .....	1
1 INTRODUCTION .....	5
1.1 Purpose of the CRIS.....	5
1.2 Description of the activity being cost recovered.....	5
1.2.1 Background .....	5
1.2.2 Key Activity Groups .....	5
2 POLICY AND STATUTORY AUTHORITY TO COST RECOVER .....	18
2.1 Government policy approval to cost recover the activity .....	18
2.2 Statutory authority to charge.....	18
3 COST RECOVERY MODEL .....	19
3.1 Outputs and business processes of the activity .....	19
3.2 Costs of the activity .....	20
3.3 Design of cost recovery charges .....	22
3.3.1 Changes to AFMA’s cost recovery arrangements from the 2010 CRIS.....	23
4 RISK ASSESSMENT.....	27
5 STAKEHOLDER ENGAGEMENT .....	28
5.1.1 Key issues raised through public consultation on draft 2016 CRIS .....	29
5.2 KEY DATES AND EVENTS .....	30
5.3 CRIS approval process and change register .....	30
6 FINANCIAL ESTIMATES .....	31
7 FINANCIAL PERFORMANCE .....	32
7.1 NON-FINANCIAL PERFORMANCE .....	32
8 Attachment A – Cost drivers for allocation to fisheries.....	33

## Figures

Figure 1: AFMA's cost recovered levies vs cpi adjusted levies.....	20
--	----

## Tables

Table 1: Costs for management of domestic commercial fisheries .....	6
Table 2: Outputs and costs for domestic commercial fisheries .....	6
Table 3: Costs for management of traditional, indigenous and non-commercial fisheries.....	8
Table 4: Outputs and costs for management of traditional, indigenous and non-commercial fisheries .....	9
Table 5: Costs for input into defining international treaty standards and developing regulation	10
Table 6: Outputs and costs for input into defining international treaty standards and developing regulation.....	10
Table 7: Costs for policy support .....	11
Table 8: Outputs and costs for policy support .....	11
Table 9: Costs for domestic fisheries enforcement .....	12
Table 10: Outputs and costs for domestic fisheries enforcement .....	12
Table 11: Costs for foreign fisheries compliance enforcement and capacity building.....	13
Table 12: Outputs and costs for foreign fisheries compliance enforcement and capacity building .....	13
Table 13: Costs for data collection and management .....	14
Table 14: Outputs and costs for data collection and management .....	14
Table 15: Costs for research .....	16
Table 16: Outputs and costs for research.....	16
Table 17: Costs for licensing / registration and revenue collection .....	17
Table 18: Outputs and costs for licensing / registration and revenue collection .....	17
Table 19: Costs of cost recovered activities by direct, indirect and overhead costs.....	21
Table 20: Difference in CRIS budget activity groups 2010-2016 .....	26
Table 21: Risks identified for AFMA's cost recovery arrangements .....	27
Table 22: Summary of major consultation in the development of this CRIS.....	28
Table 23: Change register .....	30

Table 24: Summary of forward budget estimates .....	31
Table 25 : AFMA historical performance .....	32
Table 26: Activity output allocation to fisheries .....	33

# 1 INTRODUCTION

---

## 1.1 Purpose of the CRIS

This Cost Recovery Implementation Statement (CRIS) provides information on how the Australian Fisheries Management Authority (AFMA) implements cost recovery for the management of Commonwealth fisheries. It also reports financial and non-financial performance information for Commonwealth fisheries management and contains financial forecasts for 2017-18 and three forward years. AFMA will continue to maintain the CRIS whilst the activity or cost recovery for the activity continues.

The purpose of this CRIS is to give effect to and transparently demonstrate compliance with the Australian Government Cost Recovery Guidelines (CRGs).

The CRIS will be amended each year to provide updated revenue/financial estimates and financial/non-financial performance indicators and if required, any changes to AFMA's levies/fees cost recovery model.

## 1.2 Description of the activity being cost recovered

### 1.2.1 Background

AFMA's policy outcome is to deliver on behalf of the Australian Government:

Ecologically sustainable and economically efficient Commonwealth Fisheries, through understanding and monitoring Australia's marine living resources and regulating and monitoring commercial fishing, including domestic licensing and deterrence of illegal foreign fishing.

The Commonwealth commercial fishing industry pays for costs attributable to the fishing industry while the government pays for costs attributable to the broader community. Determination of priorities and availability of funding may impact on whether or not an activity occurs and when it occurs.

### 1.2.2 Key Activity Groups

AFMA has analysed the activities it undertakes to determine which activities should be cost recovered under the Australian Government Charging Framework and cost recovery guidelines.

AFMA adopted an activity based costing approach to determining costs for activities. However, not all costs captured for activities through this approach should be cost recovered. Therefore for some activities AFMA has not recovered some percentage of those activity costs. AFMA has adopted this approach as it balances the administrative overheads and efficiencies of splitting activities to minor elements. This information has been provided in activity group breakdowns.

Managing Commonwealth fisheries and deterring illegal foreign fishing consists of a number of key activities which are described below.

The following provides an overview of these key activity groups and who will pay the costs associated with each activity.

### **A. Management of Domestic Commercial Fisheries**

This activity group includes devising fishing regulatory policies and management arrangements, co-management, implementing management arrangements, assessing risks of commonwealth fisheries to the marine environment, and monitoring the performance of domestic fisheries, including Australian boats fishing on the high seas. Examples include determining catch levels to maximise net economic returns to the community, developing and implementing regulations for commercial fishing and controlling specific fishing activities.

This activity also covers the full range of AFMA’s engagement with commercial stakeholders. The predominant means of consulting and analysing all sectors’ stakeholder advice is through AFMA’s Management Advisory Committees (MACs) and Resource Assessment Groups (RAGs). They are responsible for providing advice on matters regarding individual fisheries or groups of fisheries to AFMA management and the AFMA Commission. Other activities covered include, port visits and industry education programs.

There is no impediment to charging for these activities and the group that creates the need for the activities is identifiable. This group is predominately concession holders in each fishery and it is appropriate that they are charged the majority by levy or a fee.

**Table 1: Costs for management of domestic commercial fisheries**

User	Cost of Activity	Charge
All Commonwealth Commercial fishing industry	\$5,414,466	Levy
Australian public, recreational fishers, eNGOs and other government organisations	\$2,864,307	Government funded

AFMA has the following outputs for this activity and they are provided with some explanation of the activities included and rationale for apportioned funding source.

**Table 2: Outputs and costs for domestic commercial fisheries**

Output	Activities	Cost recovered amount	Government funded amount
Bycatch	Involves developing and implementing bycatch programs and strategies. Some bycatch management activities are performed to meet requirements from non-industry stakeholders and therefore is 30% funded by government	\$793,209	\$339,947

Output	Activities	Cost recovered amount	Government funded amount
Consultation and Engagement <sup>2</sup>	Includes working with science agencies and organisations, conducting port visits and providing advice to fishing operators, collaborating with the fishing industry and providing fishing industry education materials. These activities are cost recovered except for 20% of the costs associated with engagement with science organisations and agencies due to work being performed beyond essential fisheries management science	\$531,375	\$25,297
MAC & RAG	Includes appointing and administering Management Advisory Committees (MACs) and Resource Assessment Groups (RAGs). This is fully cost recovered except for 20% of the costs associated with engagement to meet the needs of non-industry stakeholders such as environmental non-government organisations (eNGOs) and recreational fishers	\$1,130,663	\$282,666
Risk Management	Includes assessment of fisheries under the EPBC Act including export approvals, developing Threatened, Endangered and Protected (TEP) species management strategies and Environmental Risk Management (ERM). A small portion of activity costs (5%) are government funded as there are additional activities needed to be performed beyond essential fisheries risk management.	\$505,697	\$42,424
Species and environmental management	Involves fisheries management including harvest strategies, setting total allowable catch and effort, fishery plan administration, reporting fishery performance, and reviewing directions and fishing conditions. A small portion of fishery management activities (5%) are government funded as there are additional activities needed to be performed beyond essential fisheries species and environmental management	\$1,994,686	\$104,983
Strategy, Governance & Leadership	AFMA does not cost recover costs for its Commission, CEO or General Manager Operations, though partial costs are recovered from General Manager Corporate (25%) and Executive Manager Fisheries (50%).	\$458,836	\$2,068,990

<sup>2</sup> Costs for consultation and engagement with environmental non-government organisations (eNGOs), recreational and amateur fishers and general public liaison are included as part of the activity group “Management of traditional, indigenous and non-commercial fisheries”.

## ***B. Management of traditional, indigenous and non-commercial fisheries***

This activity group involves AFMA’s contribution to the management of traditional, indigenous or non-commercial fishing sectors, such as the Torres Strait Fisheries, recreational fishing in Commonwealth waters and AFMA’s involvement with the joint authority fisheries and implementing Offshore Constitutional Settlement arrangements.

This activity also captures engagement and consultation with other sectors whose costs are covered by the government such as engagement with the environmental non-government organisations, the recreational sectors and the Protected Zone Joint Authority, including some costs from the engagement on Management Advisory Committees or in other non-commercial stakeholder meetings. The traditional, indigenous or non-commercial users create the need for this activity group.

The management objectives for the indigenous and non-commercial fisheries in the Torres Strait are to provide access to the way of life and livelihoods of traditional inhabitants, include their right in relation to traditional fishing as provided under the [Torres Strait Treaty](#) with Papua New Guinea. It is therefore appropriate to provide government funding for activities related to these objectives.

Engagement with the recreational fishing sector is required to ensure all stakeholders views are considered as part of managing commonwealth marine resources. However, individual users creating the need are difficult to identify and therefore cannot be charged under existing commonwealth laws.

While some commercial fishers may potentially gain from some of these activities, it is not appropriate that these costs are recovered from the commercial industry as they are not the users of the activities AFMA undertakes. This activity group is therefore government funded.

**Table 3: Costs for management of traditional, indigenous and non-commercial fisheries**

User	Cost of Activity <sup>3</sup>	Charge
Traditional, indigenous and non-commercial fishers, Australian public, environmental non-government organisations (eNGOs), recreational and amateur fishers, and other government organisations	\$2,234,975	Government funded

AFMA has the following output for this activity and it is provided with some explanation of the activities included.

---

<sup>3</sup> The costs of these activities are offset by \$353,593 in other revenues received by AFMA.



**Table 4: Outputs and costs for management of traditional, indigenous and non-commercial fisheries**

Output	Activities	Cost recovered amount	Government funded amount
Traditional/ Non-commercial fisheries management	Includes assisting with the administration of Protect Zone Joint Authority (PZJA) fisheries, Torres Strait fisheries, and other indigenous fisheries, liaising with environmental non-government organisations (eNGOs) and recreational fishing sectors through advisory committees and stakeholder forums. This also includes the management of Offshore Constitutional Settlements (OCS), joint authorities, and Memorandum of Understanding (MOU) between the states and Commonwealth.	\$ -	\$1,120,463
MAC & RAG	Includes appointing and administering Management Advisory Committees (MACs) and Resource Assessment Groups (RAGs).	\$-	\$1,114,512

### ***C. Input into defining international treaty standards and developing regulation***

AFMA provides input to the Australian Government’s position in international fisheries forums, including regional fisheries management organisations (RFMOs), bi-lateral and other multilateral agreements and bodies. This input includes technical advice and research supporting government policy and statutes leading to sustainable management of straddling and highly migratory fishing stocks.

Australia is also required to meet certain requirements under international treaties including United Nations Convention on the Law of the Sea and the UN Fish Stocks Agreement. Many of these requirements require AFMA to perform certain activities on behalf of the Australian government and community that leads to improved regional cooperation including increasing Australia’s food security.

Some members of the commercial industry and recreational sectors may be users of the outcomes of these activities from time to time, along with the Australian public, through the improved sustainability of fish stocks. Individual fishing companies may also gain better access to international markets as a result. However, they are not the users creating the need for the activity and therefore should not be charged.

This activity is primarily a service to the Australian government and broader Australian community so is government funded.

**Table 5: Costs for input into defining international treaty standards and developing regulation**

User	Cost of Activity	Charge
Australian public, regional fisheries bodies, and other government organisations	\$3,280,147	Government funded

AFMA has the following output for this activity and it is provided with some explanation of the activities included.

**Table 6: Outputs and costs for input into defining international treaty standards and developing regulation**

Output	Activities	Cost recovered amount	Government funded amount
International relations	Involves engaging with Regional Fisheries Management Organisations (RFMOs) and other authorities. This also includes attending bilateral treaty meetings to implement Australia's obligations to international agreements. Reporting includes RFMO requirements as well as to other international bodies.	\$ -	\$2,124,989
International capacity building	Involves participating capacity building programs with neighbouring countries and supporting key regional and international fishing bodies.	\$-	\$1,155,158

#### ***D. Policy support***

This activity group includes policy advice and support to the Parliament and Ministers and to relevant government departments and agencies including answering Ministerial and Parliamentary questions, researching, planning and advising on proposals for changes to legislation, whole of government programs, Commonwealth-state and international fisheries arrangements, and preparing budget and related reporting documents and statutory reporting review activities of the AFMA Commission.

This activity also includes a component of operational policy, economic advice, environmental management, legal services such as quota administration, bycatch and discards policies, drafting subsidiary statutory instruments, managing protected species issues, and MAC/RAG administration. AFMA determined the size of this component through analysis of its activities.

This activity generally provides broad policy support and information to a range of other government departments and agencies and these activities are, as a result, generally funded by government. However, there is a component of this activity that

commercial fishing users generate and is therefore funded by the commercial fishing industry.

**Table 7: Costs for policy support**

User	Cost of Activity	Charge
All Commonwealth commercial fishing industry	\$477,646	Levy
Australian public, and other government organisations	\$1,170,817	Government funded

AFMA has the following outputs for this activity and they are provided with some explanation of the activities included.

**Table 8: Outputs and costs for policy support**

Output	Activities	Cost recovered amount	Government funded amount
Policy advice	<p>Includes providing and developing advice and policy in accordance with the <i>Fisheries Management Act 1991</i>, the <i>Fisheries Administration Act 1991</i>, and other relevant legislation. 50% of these activity costs are recovered from the fishing industry because when reviewing the activities broadly covered across AFMA half of them relate to commercial fisheries management.</p> <p>Involves advising Parliament and Ministers, providing and developing policy including technical and governance policies - including developing and publishing corporate reports, public data, and performance indicators such as the Annual, Regulatory Performance Framework (RPF) and compliance performance. Also includes liaison with state agencies and other organisations on broader marine resource policies and management. These activities are 100% government funded.</p>	\$477,646	\$1,170,817

### ***E. Domestic fisheries enforcement***

This activity group comprises compliance risk assessment, investigation and enforcement. It also incorporates, with respect to fisheries compliance, cooperation, consultation and exchange of information with state, territory and overseas bodies having similar functions to AFMA.

Most of AFMA activities relating to the management of the fishing industry are aimed at developing and instilling a culture of voluntary compliance by regulating, collecting biological and economic data, consulting with stakeholders, monitoring fishing activities and assessing fisheries performance to ensure Commonwealth fisheries are sustainable as well as contributing to policies that balance competing sectoral

interests in Australian marine living resources. The costs of the majority of these activities are recovered from the commercial fishing industry.

The scope for non-compliance in fisheries is broad but not solely attributable to the key extractive users. Fishing takes place at sea, in relatively isolated areas out of the public gaze, where “policing” in a more conventional form is supported and informed by members of the public. In order to maximize the effectiveness of AFMA’s domestic enforcement activity group, a centralized, risk based strategic model has been determined as the most appropriate policy.

Rather than recover compliance costs from the commercial fishing industry, compliance costs are fully government funded as this reflects the range of threats to the community owned fishery resource. There are a range of users of fisheries resources such as the community, recreational fishers, charter and state/ territory commercial fishers. AFMA does not have mechanism to recover costs from the majority of these users and the cost recovery guidelines recognise that it is not appropriate to recover enforcement costs.

The activities in this activity group contribute to the orderly management of the fishery as a whole.

**Table 9: Costs for domestic fisheries enforcement**

User	Cost of Activity	Charge
Australian public, recreational fishers, and other government organisations	\$3,943,179	Government funded

AFMA has the following output for this activity and it is provided with some explanation of the activities included.

**Table 10: Outputs and costs for domestic fisheries enforcement**

Output	Activities	Cost recovered amount	Government funded amount
Compliance and domestic illegal fishing	Involve undertaking compliance activities in accordance with AFMA’s risk based approach, vessel and fish receiver inspections. Includes assessment and investigations, data analysis, briefing and related prosecutions.	\$ -	\$3,943,179

### ***F. Foreign fisheries compliance enforcement and capacity building***

Foreign fisheries compliance enforcement activities are undertaken by several Commonwealth agencies, including AFMA. The objective is to prevent, deter and eliminate illegal, unreported and unregulated (IUU) fishing by foreign owned and /or

flagged vessels anywhere in the Australian Fishing Zone (including the Torres Strait Protected Zone), on the high seas or within RFMO areas of competence.

Activities include maritime surveillance and the apprehension and prosecution of illegal foreign fishers. Capacity building programs are directed towards enhancing the capabilities of neighbouring and regional countries to manage their fish resources and reduce the incidence of IUU fishing to improve food security and regional economic stability.

Whilst there are some benefits to commercial fishers, this activity primarily assists the broader Australian and global community and is therefore government funded.

**Table 11: Costs for foreign fisheries compliance enforcement and capacity building**

User	Cost of Activity <sup>4</sup>	Charge
Australian public, and other government organisations	\$6,469,698	Government funded

AFMA has the following outputs for this activity and they are provided with some explanation of the activities included.

**Table 12: Outputs and costs for foreign fisheries compliance enforcement and capacity building**

Output	Activities	Cost recovered amount	Government funded amount
International illegal fishing	Including combating illegal fishing in the Australian Fishing Zone and PZJA fisheries. Involves engaging with Australian Border Force and other international bodies in Regional Plans of Action (RPOA) to prevent and deter illegal, unreported and unregulated (IUU) fishing. Caretaking and disposal of Foreign Fishing Vessels is included.	\$ -	\$6,469,698

### ***G. Data collection and management***

The data collected through this activity is essential to assessing the impact of Commonwealth fisheries on marine resources, the broader marine environment, the efficiency of the fishing operations for bio-economic assessment, reporting on fisheries activities and interactions with threatened, endangered and protected species.

The need for the activity is created by the commercial fishing operations and it is appropriate that the majority of costs for these activities are recovered from the commercial fishing industry.

---

<sup>4</sup> The costs of these activities are offset by \$70,000 in other revenues.

Requests for data extracts from other government agencies are not cost recovered under government cost recovery policy. Provision of data for AFMA commissioned research is recovered through fishery levies. The cost of releasing data to the public is government funded (i.e. on data.gov.au). In other cases, where possible and cost effective to do so, AFMA will recover costs on a case-by-case basis.

This activity group is directed at monitoring fishing activity and commercial fishers' compliance with fisheries regulations. It includes activities such as electronic data monitoring, observers and the unloading of catch in foreign ports. The need is primarily created by commercial fishing activities and commercial fishing as a group is the primary user of the activity. It is appropriate that the cost for these activities is recovered from the commercial industry. However, monitoring costs for non-commercial fisheries are government funded.

Where the activities are undertaken to assess each fishery's impact on particular species or the marine environment these costs will be recovered through a levy. Where the activities can be directly attributable to an individual company or firm, such as an observer or electronic monitoring equipment placement they will be recovered in the form of a fee.

**Table 13: Costs for data collection and management**

User	Cost of Activity <sup>5</sup>	Charge
All Commonwealth Commercial fishing industry	\$5,340,028	Levy and fees
Australian public, and other government organisations	\$1,453,914	Government funded

AFMA has the following outputs for this activity and they are provided with some explanation of the activities included.

**Table 14: Outputs and costs for data collection and management**

Output	Activities	Cost recovered amount	Government funded amount
CDR	Involves collection and monitoring with Catch Disposal Records (CDR) for the commercial fishing industry	\$181,878	\$786

---

<sup>5</sup> The costs of these activities are offset by \$633,200 in fee for service revenue and \$525,118 in other revenues.

Output	Activities	Cost recovered amount	Government funded amount
Data Management	Involves managing data and its analysis, providing data and reports to the fishing industry, MACs or RAGs which are cost recovered at 80% to reflect the needs of government, eNGOs and other non-commercial stakeholders.  Costs from publishing of data and reports for public access or use by government agencies are fully government funded.  Management of fishery data plans and research reporting are cost recovered at 50% because this activity is both for government and industry in approximately equal amounts.	\$240,156	\$233,566
Manual data entry	Includes e-Logs information technology support as well as capture, entry, and reporting of all types of log books. Log book data is used by non-industry stakeholders.	\$290,362	\$24,603
Electronic monitoring	Includes the administration and implementation of the e-monitoring program.  E-monitoring administration is cost recovered at 50% because there are additional costs in initial set up which will benefit future adopters of e-Monitoring and should not be fully recovered from current industry participants. This will also encourage additional uptake and increase AFMA's overall data monitoring capabilities.	\$1,488,974	\$217,338
Observers	Includes the administration and implementation of the Observer program.  Observer program administration is cost recovered at 80% as some work done by the administration team is to meet non-industry requirements.	\$2,434,097	\$242,015
SBT	Undertake Southern Bluefin Tuna monitoring in the ranching sector. This activity has only a single user, the commercial fishing industry.	\$447,974	\$ -
Vessel monitoring	Includes the administration and implementation of the vessel monitoring program for the commercial fishing industry.	\$256,586	\$735,607

## H. Research

AFMA has direct responsibility under the *Fisheries Administration Act 1991* to establish research priorities relating to fisheries managed by the Authority and arrange for research to be undertaken.

The purpose of this activity group is to provide information and administration to support fisheries management decisions. This activity group includes activities and products that are used primarily by the commonwealth commercial fishing industry, including; surveys, fishery assessments, fishery modelling, new technologies, data analysis and resource assessment groups. Therefore, this is primarily funded by levies. However, research and administration for non-commercial fisheries is government funded.

**Table 15: Costs for research**

User	Cost of Activity <sup>6</sup>	Charge
All Commonwealth Commercial fishing industry	\$2,531,343	Levy
Australian public, and other government organisations	\$1,151,406	Government funded

AFMA has the following outputs for this activity and they are provided with some explanation of the activities included.

**Table 16: Outputs and costs for research**

Activity Function	Activities	Cost recovered amount	Government funded amount
Research Contract Administration	Administer research programs and contracts including administering the AFMA Research Committee, developing/reviewing research plans and reporting to FRDC and ABARES. These costs are all recovered from industry at 50% because AFMA commissions research for other government funded activities. For example, research for non-commercial fisheries. It also responds to government reporting/enquiries such as reporting to FRDC, ABARES and other parts of government which should not be cost recovered.	\$111,571	\$111,571
Research Projects (OBRB)	The cost of research projects. Research costs have been split consistently across government (25%) and cost recovery (75%) to simplify administration and to better represent the general use of broader fisheries science and the Australian public over time.	\$2,419,772	\$1,039,835

### ***I. Licensing / registration and revenue collection***

This activity group comprises the transactions of granting and registration of Commonwealth fishing concessions, transferring concessions between fishers and charging fees for transactional services and levies for other activities.

---

<sup>6</sup> The costs of these activities are offset by \$311,854 in other revenue.



The activities in this group are used by fishing concession/licence holders, their representatives and the broader industry. Charging for this activity group is through fees for service for transaction activities (detailed in Schedule 2 of the [Fisheries Management Regulations 1992](#)) and by levy for the remainder of the activity group.

**Table 17: Costs for licensing / registration and revenue collection**

User	Cost of Activity <sup>7</sup>	Charge
All Commonwealth Commercial fishing industry	\$1,301,689	Levy and fees
Traditional, indigenous and non-commercial fisheries	\$393,963	Government funded

AFMA has the following output for this activity and it is provided with some explanation of the activities included.

**Table 18: Outputs and costs for licensing / registration and revenue collection**

Output	Activities	Cost recovered amount	Government funded amount
Service	Involves processing licenses, licence administration, issuing, reconciling levies and recovering levies.	\$572,411	\$317,409
Pisces/goFish	Involves costs for development, maintenance and amortisation of the licencing system	\$729,278	\$76,554

---

<sup>7</sup> The costs of these activities are offset by \$44,404 by fee for service revenue and \$69,656 in other revenue.

## 2 POLICY AND STATUTORY AUTHORITY TO COST RECOVER

---

### 2.1 Government policy approval to cost recover the activity

AFMA's management of Commonwealth fisheries covers a range of activities which are driven by AFMA's legislative functions.

AFMA is required by Part 7 of the [Fisheries Management Act 1991](#) to “collect, on behalf of the Commonwealth, a payment in the nature of a community return payable by persons exploiting fisheries resource”; and to “achieve government targets in relation to the recovery of AFMA's costs”. AFMA aims to recover all costs from the fishing industry in line with the [Australian Government Charging Framework](#) (2015) and [Australian Cost Recovery Guidelines](#) (2014) to support the legislative responsibilities of Commonwealth entities, as detailed, in the [Public Governance, Performance and Accountability Act 2013](#). That is,

*“Where specific demand for a government activity is created by identifiable individuals or groups they should be charged for it unless the Government has decided to fund that activity”*

The [Fisheries Administration Act 1991](#) has objectives to “implement efficient and cost effective fisheries management on behalf of the Commonwealth” and continues to reduce its costs in regulating domestic fisheries management.

### 2.2 Statutory authority to charge

AFMA's cost recovery arrangements are fully authorised by applicable Commonwealth Law. Part 7 of the [Fisheries Management Act 1991](#) provides for administration and collection of both fishing levies and charges, with references to the following legislation:

- [Fishing Levy Act 1991](#)
- [Fishing Levy Regulation 2015](#)
- [Foreign Fishing Licences Levy Act 1991](#)
- [Statutory Fishing Rights Charge Act 1991](#)
- [Fisheries Management Regulations 1992](#), and for Torres Strait fisheries,
- [Fisheries Levy Act 1984](#)

The [Fisheries Administration Act 1991](#) also requires AFMA to pursue the achievement of government targets in relation to the recovery of costs of the Authority.

## 3 COST RECOVERY MODEL

---

### 3.1 Outputs and business processes of the activity

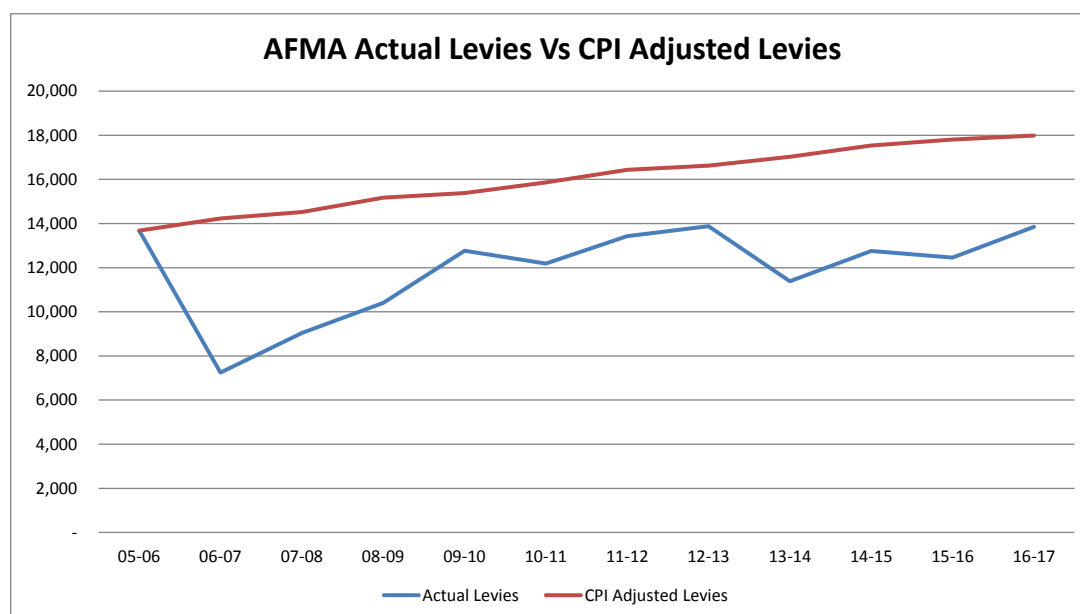
As described in section 1.3.1 of this CRIS, AFMA's objective is Ecologically Sustainable and Economically Efficient Commonwealth Fisheries. Contributions to achieving this objective during 2017–18 include:

- Managing Commonwealth fisheries in-line with the Commonwealth Harvest Strategy Policy and Guidelines that facilitate sustainable and profitable fisheries;
- Preventing unacceptable impacts of Commonwealth fisheries on marine ecosystems and organisms by assessing risk and applying ecological risk assessment and ecological risk management frameworks and managing all fisheries in line with Commonwealth policy on fisheries bycatch;
- Improving the efficiency and cost effectiveness of fisheries administration by streamlining business processes, and reducing red tape and unnecessary regulatory requirements;
- Increasing opportunities for co-management of fisheries;
- Deterring illegal fishing in Commonwealth fisheries through targeted enforcement based on compliance risk assessments and available resources;
- Deterring and preventing illegal foreign fishing in the Australian Fishing Zone and adjoining regions by providing the fisheries focus in the Australian Government border protection arrangements, prosecuting offences, disposing of forfeited boats, gear and catches, and engaging in capacity building programmes and cooperative monitoring, control and surveillance activities with regional countries; and
- Effective engagement with the community and other stakeholders to improve communications and increase public awareness and accessibility of fishery management information.

AFMA has been committed to the fishing industry to keep cost-recovered levels at, or below, 2005-06 levels. This, however, does not mean that AFMA will not cost recover full costs from the fishing industry. AFMA has achieved this through continuing to introduce cost savings and deliver service improvements to the fishing industry. This has resulted in seeing real dollar decreases in cost recovered amounts since that commitment. See

Figure 1 below.

Figure 1: AFMA's cost recovered levies vs CPI adjusted levies



### 3.2 Costs of the activity

An analysis of the activities undertaken and service provided by AFMA was carried out to review which activities should be cost recovered. Costs for activities are defined as direct costs, indirect costs, overheads, and capital costs. Each will be reviewed and adjusted annually based on operations, the price of goods and services received and estimates of achievable cost savings.

Direct costs, of which staff costs are the most significant component, will be based on annual estimates of resource needs in the context of statutory requirements and informed by analyses of staff utilisation and surveys of future operational requirements. AFMA managers will provide direct input to validate the costs and identify likely variations over time as part of AFMA's budgeting processes. An examples of direct costs include staffing costs for fishery management areas.

Indirect costs are those costs that are allocated to fisheries for specific activities using a cost driver for allocations. For example, observer costs are attributed to fisheries using "observer days".

Overheads, include costs such as salaries of staff in corporate services areas (e.g. finance, human resources, legal), ICT infrastructure and accommodation costs (e.g. rent, maintenance, utilities). These costs that cannot be easily linked to an activity or for which the costs of tracking this outweigh the benefits. These overheads will be allocated in the CRIS on the basis of full-time equivalent staffing required to perform an activity.

**Table 19: Costs of cost recovered activities by direct, indirect and overhead costs**

Activity group	Activity output	Direct costs (\$)	Indirect costs (\$)	Overhead costs (\$)
Data Collection & Management	CDR	0	178,833	3,046
	Data Management	0	147,508	92,648
	Electronic Monitoring	0	1,426,653	62,322
	Observers	0	1,865,793	568,304
	SBT	0	447,974	0
	Vessel Monitoring	0	256,586	0
	Manual Data entry	0	256,525	33,838
<b>Data Collection &amp; Management Total</b>		<b>0</b>	<b>4,579,871</b>	<b>760,156</b>
Domestic Fisheries Compliance Enforcement	Compliance and domestic illegal fishing	0	0	0
<b>Domestic Fisheries Compliance Enforcement Total</b>		<b>0</b>	<b>0</b>	<b>0</b>
Foreign Fisheries Compliance Enforcement & Capacity Building	International illegal fishing	0	0	0
<b>Foreign Fisheries Compliance Enforcement &amp; Capacity Building Total</b>		<b>0</b>	<b>0</b>	<b>0</b>
Input into defining international treaty standards & developing regulation	International capacity building	0	0	0
	International relations	0	0	0
<b>Input into defining international treaty standards &amp; developing regulation Total</b>		<b>0</b>	<b>0</b>	<b>0</b>
Licensing / Registration and Revenue Collection	Service	0	511,854	60,557
	Pisces / IT	0	438,622	290,656
<b>Licensing / Registration and Revenue Collection Total</b>		<b>0</b>	<b>950,476</b>	<b>351,213</b>
Management of Domestic Commercial Fisheries	Bycatch	190,089	323,223	279,897
	Consultation and Engagement	237,580	141,546	152,248
	MAC & RAG	744,428	139,609	246,626
	Risk Management	313,471	0	192,226
	Species and environmental management	1,312,260	0	682,426
	Strategy, Governance & Leadership	0	321,193	137,643
<b>Management of Domestic Commercial Fisheries Total</b>		<b>2,797,829</b>	<b>925,571</b>	<b>1,691,066</b>

Activity group	Activity output	Direct costs (\$)	Indirect costs (\$)	Overhead costs (\$)
Management of Traditional, Indigenous & Non-Commercial Fisheries	Other fisheries management	0	0	0
<b>Management of Traditional, Indigenous &amp; Non-Commercial Fisheries Total</b>		0	0	0
Overheads	Corporate	0	0	0
<b>Overheads Total</b>		0	0	0
Policy	Policy	0	301,004	176,642
<b>Policy Support Total</b>		0	<b>301,004</b>	<b>176,642</b>
Research	Research Contract Administration	0	65,307	46,263
	Research Projects	2,419,772	0	0
<b>Research Total</b>		<b>2,419,772</b>	<b>65,307</b>	<b>46,263</b>
<b>Grand total</b>		<b>5,217,601</b>	<b>6,822,231</b>	<b>3,025,340</b>

Capital Costs will be allocated directly to the relevant activity where the cost is attributable specifically to the activity and on the basis of AFMA's internal costing methodology where it is not. The charges take account of all of AFMA's operating costs including depreciation and amortisation of assets. The use of depreciation and amortisation will be applied to capital expenditure required for the replacement and enhancement of assets.

### 3.3 Design of cost recovery charges

Each year AFMA conducts an extensive and detailed annual budget process as part of the Australian Government's budget process. Budgets are developed on an activity basis and in consultation with industry including the industry peak body, the Commonwealth Fisheries Association (CFA), and Fishery Management Advisory Committees before approval by the Chief Executive Office as the Accountable Authority.

There are two types of charges for the activities that AFMA provides:

1. Fees - Where it is practical and cost effective to do so costs will be recovered as fee for service where the activity and its costs can be linked to a specific individual or organisation. This CRIS analysis covers activities such as licensing and applicable observer costs as recoverable through fees as there is a direct link between the costs of the activity and the amount recovered which pursues the government cost recovery guidelines of efficiency and transparency. Fees are based on estimated efficient unit costs, such as the daily costs of placing an observer on a fishing boat including administration. The efficient cost is determined by identifying direct costs, overheads, capital costs and depreciation

as detailed in section 3.2 above. This also aids in the transparency of the development of the cost.

Fees will also be charged to third party groups for the costs of information services. Typically the amounts recovered are small proportion of AFMA's overall costs. With the introduction of goFish, AFMA's online business facility, reduced fees have been introduced which recognise the lower costs of electronic transactions.

2. Levies – The majority of AFMA's cost recovered revenue is collected in the form of a levy. This is due to the different sectors that operate in AFMA's fisheries. Individual fishing operators are levied an amount proportional to their access right holdings in a fishery. This is facilitated through regulations under applicable legislation.

The quantum and makeup of levied activities in each fishery are developed in consultation with the relevant management advisory committee or industry sector on an annual basis and may change over time according to the fisheries circumstances. The current apportioning of costs to fisheries can be seen in Attachment A. The Minister for Agriculture and Water Resources approves levies in the form of annual levy regulations, which are made law by the Governor-General in council and subject to disallowance by Parliament.

In addition to the annual process for setting levies, after the end of a financial year, for each fishery, any net difference between total levies received and total recoverable costs actually incurred will be ascertained and an adjustment, up or down as required, made in the following year's levies for that fishery.

### **3.3.1 Changes to AFMA's cost recovery arrangements from the 2010 CRIS.**

The framework and legislation under which the draft 2016 CRIS has been developed has changed from the 2010 CRIS. These changes include:

- A new charging framework called the [Australian Government Charging Framework](#) (2015)
- New cost recovery guidelines. The [Australian Government Cost Recovery Guidelines](#) (2014) replaced the [Australian Government Cost Recovery Guidelines](#) (2005)
- New financial and resource management legislation for AFMA. The [Public Governance, Performance and Accountability Act 2013](#) replaced the [Financial Management and Accountability Act 1997](#) and supplementary legislation.

The 2017 CRIS is AFMA's application of the new framework. In developing the 2017 CRIS, AFMA reviewed its activities and placed them into a structured hierarchy to better map effort and costs of delivering activities to the users and beneficiaries of the



activity. AFMA has endeavoured to use the most efficient method to attribute these costs to activities. This has resulted in some activities having both government and industry activity costs aggregated into an activity. For example, “reporting” is split to industry and government at the aggregate level and not at the lower individual activity level. AFMA will continue to review and refine its activity model.

This review has resulted in a number of activities which were previously charged through overheads being directly allocated to activities, including:

- Information technology support costs for AFMA’s licencing systems, Pisces and goFish.
- Additional staffing costs are being recovered for data management which is more reflective of the effort in the data team.
- Components of Executive Manager Fisheries (50%) and General Manager Corporate (25%) are cost recovered as portions of their work directly relate to management of fisheries and staff managing fisheries.
- Costs from fishing operational policies have been included at a rate of 50% to reflect that about half of that activity is attributable to users other than fishery concession holders. The other 50% of costs are funded by government.

Other significant changes include:

- AFMA manages a lot of fisheries and marine research and previously applied a number of ways to charge government and industry depending on the type of research. This has been simplified and now all research will be funded 75% by the fishing industry and the other 25% by government.
- Some of research administration is government funded (50%) because AFMA commissions research for other government funded activities. For example, research for non-commercial fisheries. It also responds to government reporting such as reporting to FRDC and ABARES which should not be cost recovered.
- Observers for Torres Strait Prawn are now fully recovered; an increase from the previous 80% recovery.
- The SBT monitoring program is now 100% industry cost recovered consistent with other Commonwealth fisheries.
- Acknowledging that some work is being done on a day-to-day basis which is driven by government requirements, 5% of the activities for fisheries management is funded by government.
- The development and implementation of fishery management arrangements in excess of the Fisheries Management Act 1991 (such as the research, review, development and implementation of the Commonwealth Fisheries Bycatch Policy) is cost recovered (70%). The other 30% is funded by government as these costs cannot be controlled by fishers and can have significant up-front costs.

- e-Monitoring program administration has been included at a rate of 50% to industry. This is to encourage increased uptake and to reflect that first movers should not pay the full cost. The other 50% is government funded.
- Observer program administration is cost recovered at 80%. The remaining 20% is government funded. This is consistent with e-services administration where there is a portion of work done which is not directly related to the collection and management of data such as responding to non-industry enquiries.
- Government funding (20%) has been applied to some data reporting and engagement activities to allow for the engagement and consultation with the non-commercial sectors and other stakeholders.
- Much of the government reporting is funded by government (50%) because of the reporting needs of government do not always reflect the needs of fishers
- Costs for Management Advisory Committees and Resource Assessment Groups are supported by government funding (20%) to represent the consultation and work done with state government, recreational and non-government environment groups' membership of the committees.

AFMA has had a number of internal structural changes which have transferred costs between activity groups. This has resulted significant changes in costs between activity groups. However, the total cost-recovered amounts have not significantly changed.

AFMA no longer receives government funding for participating in Southern Ocean patrols. However, AFMA continues to work with other government agencies so that these areas are patrolled and there is participation by AFMA.

**Table 20: Difference in CRIS budget activity groups 2010-2017**

Activity Group	2010 CRIS	2010 CRIS (CPI adjusted to 2016)	2017 CRIS	Commentary
Management of domestic commercial fisheries	4,336,000	4,915,340	8,278,772	The increase of \$3,363,432 is primarily a result of having an internal move of staff into this activity group over time. These costs were previously included under Data and Collection Management, overheads, and funded by other programs such as Caring for our Country.
Management of traditional, indigenous and non-commercial fisheries activities	2,390,000	2,709,332	2,234,975	The decrease of \$474,357 is due to efficiencies in the area and some movement of activities to Input into defining international treaty standards and developing regulation activities. However, this is offset by increasing requirements for consultation with the eNGO and recreational sectors.
Input into defining international treaty standards and developing regulation activities	815,000	923,894	3,280,147	The increase of \$2,356,253 is primarily from moving functions from the foreign fisheries compliance activity group to this activity group.
Policy support	4,830,000	5,475,344	1,648,464	The decrease of \$3,826,880 is primarily due to moving these activity functions in Management of Domestic Commercial Fisheries and efficiency savings.
Domestic fisheries compliance enforcement activities	3,423,000	3,880,353	3,943,179	The increase of \$62,826 is due to reductions in staffing and efficiencies by the implementation of a risk based approach to fisheries compliance.
Foreign fisheries compliance enforcement and capacity building activities	19,990,000	22,660,898	6,469,698	The decrease of \$16,191,200 is from the loss of funding of Southern Oceans patrols and reclassifying activities under the activity group for defining international treaty standards and developing regulation activities.
Data collection and management	4,524,000	5,128,459	6,793,942	The increase of \$1,665,483 is from the expansion of the observer program and the introduction of electronic monitoring.
Research	5,253,000	5,954,862	3,682,749	The decrease of \$2,272,113 is within normal fluctuations of research costs. Some years see increases and some decreases depending on annual research requirements.
Licensing / registration and revenue collection	1,371,000	1,554,182	1,695,652	The increase of \$141,470 is primarily brought about by the continued automation of the licensing system.
Unallocated			724,895	Property costs – offset by sublease contracts

Activity Group	2010 CRIS	2010 CRIS (CPI adjusted to 2016)	2017 CRIS	Commentary
<b>Total costs</b>	<b>46,932,000</b>	<b>53,202,664</b>	<b>38,752,472</b>	The total decrease in budget is \$14,450,192
<b>Total cost recovered</b>	<b>13,543,000</b>	<b>15,352,503</b>	<b>15,065,172</b>	The decrease of \$287,331 represents minor overall changes in cost recovery from the fishing industry over the last 6 years, noting there are substantial inter-year variances in budgets.

## 4 RISK ASSESSMENT

AFMA completed a CRIS Charging Risk Assessment (CCRA) as part of establishing the new CRIS. The CCRA's overall rating was low. This determined that changes to the CRIS did not require the Finance Minister's approval for its release. It also determined the Minister for Agriculture and Water Resources as the appropriate authority to agree the CRIS.

AFMA examined other risks in relation to the changing regulatory environment and AFMA CRIS. Table 21 lists those risks and AFMA management response.

**Table 21: Risks identified for AFMA's cost recovery arrangements**

Risk	Management
Increases in Research budget increases beyond CPI may be introduced because of additional research to deal with external factors in determining causes of fish stock variances	<p>AFMA is required to arrange the undertaking of research and balances risks, catch and cost to mediate demands of research in any one particular year.</p> <p>AFMA is renewing its strategic research plan and this should contain sufficient information to account for expected research and manage research budgets with in CPI.</p>
Variability of research costs year to year can increase costs significantly for concession owners from year to year	<p>AFMA manages this risk by informing the fishing industry of variances through the annual budget cycles.</p> <p>Updating this CRIS document provides information on prior year performance and expected budgets</p>
Increasing proportion of costs being cost recovered compared to government appropriation can leave AFMA without funds to operate if levies are not collected.	<p>AFMA currently uses government appropriation to supplement cash flow while levies are being made, invoiced and receipted in the latter half of the year.</p> <p>AFMA will need to look at its process in future years to reduce the period between budget finalisation and receipting of invoices to reduce the likelihood that AFMA can operate its cash flow.</p>

## 5 STAKEHOLDER ENGAGEMENT

Communication with AFMA’s stakeholders is an essential part of developing the CRIS for the upcoming budget year.

AFMA has consulted the peak industry body, the Commonwealth Fisheries Association (CFA) on the initial structure and design of the draft CRIS.

AFMA developed a comparison budget for 2015-16 and also for 2016-17 using both the 2010 CRIS and the draft 2016 CRIS. This allowed stakeholders to see where changes to cost recovery arise and provided a basis for consultation.

AFMA wrote to the CFA, relevant industry associations, all Commonwealth concession owners and Management Advisory Committees (MACs) seeking their comments on the draft 2016 CRIS. This consultation continued to 29 January 2016 after a period of over 9 weeks. Information has also been made available on AFMA website encouraging feedback from all stakeholders. In addition AFMA has established a phone service for stakeholders to use to obtain further information.

Following the consultation, AFMA considered the comments received, and made minor changes to address issues or suggestion for improvement.

The Department of Finance reviewed the draft 2016 CRIS model. The Department of Agriculture and Water Resources has been consulted regularly throughout the development of the 2016 CRIS.

**Table 22: Summary of major consultation in the development of this CRIS**

Date	Who	What
June 2015	Commonwealth Fisheries Association (CFA)	New cost recovery guidelines and AFMA cost recovery principles presented
July 2015	Commonwealth Fisheries Association (CFA)	First draft CRIS highlighting changes the government cost recovery guidelines.
September 2015	Management Advisory Committees (MACs)	Notification of CRIS review and implication of new government cost recovery guidelines.
November 2015	Department of Finance	Reviewed draft 2016 CRIS including policy application and cost recovery risk assessment.
	Department of Agriculture and Water Resources	Reviewed draft 2016 CRIS including policy application and alignment with departmental cost recovery.
	Commonwealth Fisheries Association (CFA), Management Advisory Committees (MACs), all concession owners , and relevant industry organisations	Consultation on draft 2016 CRIS budget and changes using 2015-16 budget as a baseline comparison. All information is available on the website. This continued through to end January 2016 for approximately 9 weeks.
December 2015	Commonwealth Fisheries Association (CFA) and relevant industry associations.	Additional break down of activity outputs provided. This information was made available on the website. Numerous phone calls with industry associations as requested.

Date	Who	What
	Department of Agriculture and Water Resources	Review of draft 2016 CRIS.
	Department of Finance and Department of Agriculture and Water Resources	Review of draft 2016 CRIS model.
January 2016	Commonwealth Fisheries Association (CFA) and relevant industry associations	Phone conference to discuss more details on the draft 2016 including reasons for changes
February 2016	Department of Agriculture and Water Resources	Review of changes to proposed 2016 CRIS.
March 2016	Commonwealth Fisheries Association (CFA)	Proposed 2016 CRIS.
November 2016	Commonwealth Fisheries Association (CFA) and relevant industry organisations	Proposed 2016 CRIS with 2016-17 financial year data

### 5.1.1 Key issues raised through public consultation on draft 2016 CRIS

AFMA received 12 submissions from various sectors and industry groups in the fishery industry.

There was general concern raised about the changes in cost recovery frameworks. AFMA continues to help the fishing industry understand these changes and the effects on cost recovery for certain activities. These changes included AFMA changing to an activity based costing model, how it more effectively captures costs for activities, and makes direct comparison to the previous 2010 CRIS difficult.

Concern was raised over the increases in recovered costs when using the prior year budgets. The total increase in cost recovery was due to including activity costs that were not previously included or moved from overhead to direct costs. This was a result of moving to an activity based costing model for the CRIS. This provides additional transparency to the fishing industry on what activities are driving costs including better indication of future costs.

Changes to cost recovery affected fisheries differently depending on which activities AFMA provided them. The fishing industry raised concern about the equity of increase in cost recovery to specific fisheries. AFMA reviewed the allocation model and adjusted it to take account for:

- Attributing licensing costs to indigenous and non-commercial fishers; and
- The complexity of fisheries in attributing costs for licensing systems

The fishing industry suggested changes to AFMA's activities, such as changes its Bycatch program. AFMA consults with the fishing industry on specific programs and activities during settings it cost recovered budget and is not part of the draft CRIS consultation.

Submissions generally supported non cost recovered activity groups and the simplification of research cost attribution. There was also continued support for

introducing more fee-for-service arrangements where possible. AFMA continues to simplify arrangements and is moving towards more individual fisher management which will see fewer fishery management costs being socialised.

Submissions raised the affordability of fisheries management with a decreasing base of fishers. AFMA shares the fishing industry concerns about economic pressures on concession owners in Commonwealth fisheries and AFMA continues to work with the fishing industry, Management Advisory Committees (MACs), Resource Assessment Groups (RAGs) and relevant industry associations to ensure the management of fisheries is efficient and effective. However, the regulatory environment requires a minimum level of activities to be undertaken and paid for by the fishing industry or government to ensure the long-term sustainable use of Commonwealth marine resources. AFMA welcomes the fishing industries advice and support for implementing future reforms and the delivery of these activities.

Submissions also provided AFMA with suggestions to investigate to further reduce other costs. AFMA will investigate these and provided feedback to the Commonwealth Fisheries Association.

## 5.2 KEY DATES AND EVENTS

The new charging arrangements will be implemented from for the 2017-18 financial year with new levies being due from January 2018.

Key dates in the consultation process are:

- March 2017 draft 2017-18 budget released for comment to CFA and management advisory committees
- May 2017 finalisation of AFMA's budget
- November 2017 Levy regulations approved by Minister
- January 2018 Levy invoices sent to concession holders

## 5.3 CRIS approval process and change register

AFMA considers stakeholder feedback in the development of the CRIS and through its annual budgeting cycle. AFMA will update the CRIS annually and changes to the CRIS will be recorded in this register.

The Minister of Agriculture and Water Resources approved the CRIS model on 9 December 2016. The CRIS will be published on AFMA's website.

**Table 23: Change register**

Date of CRIS change	CRIS change	Approver	Basis for change
17/07/2015	Draft CRIS	Nick Rayns	Draft CRIS for consultation
24/11/2015	Draft CRIS budget	Nick Rayns	Draft CRIS budget impacts released for comment

Date of CRIS change	CRIS change	Approver	Basis for change
19/02/2016	Draft CRIS V2	Nick Rayns	Incorporated changes from consultation. Includes changes to allocations of costs for IT and amortisation of the Pisces system and inclusion of non-commercial Torres Strait fisheries in the allocation of licensing and registration costs.
20/09/2016	Draft CRIS V2.1	Nick Rayns	Minor adjustment to consolidate Commissioners, CEO and GMs into single activity for increased transparency
	2017 CRIS		CRIS document approved by Minister

## 6 FINANCIAL ESTIMATES

This section will be updated with 2017-18 budget estimates when finalised. The numbers in this section are provided for guidance only.

A summary of the AFMA's budget estimates from the 2017-18 Portfolio Budget Statements is provided at Table 24.

All cost recovered activities are subject to a detailed annual review as part of AFMA's budgeting processes.

**Table 24: Summary of forward budget estimates (2017-18 Portfolio Budget Statements)**

Budget item	2016-17 Estimated actual \$000	2017-18 Budgeted \$000	2018-19 Estimated expense \$000	2019-20 Estimated expense \$000	2020-21 Estimated expense \$000
Industry levies and licence fees	14,704	14,238	14,524	14,813	15,109
AFMA appropriation – departmental funding	20,310	20,049	19,952	20,018	20,115
Other revenue	3,128	2,733	2,790	2,633	2,775
Expenses not requiring appropriation	1,768	1,853	1,644	852	990
AFMA administered appropriation – illegal foreign fishing vessel caretaking and disposal	5,354	5,424	5,501	5,588	5,672
<b>Total available funding</b>	<b>45,264</b>	<b>44,297</b>	<b>44,411</b>	<b>43,904</b>	<b>44,661</b>



## 7 FINANCIAL PERFORMANCE

The numbers in this section are provided for guidance only.

**Table 25 : AFMA historical performance**

Budget item	2015/16 \$000	2014/15 \$000	2013/14 \$000	2013/12 \$000	2011/12 \$000
Budgeted Levy Expenses (X)	12,614	13,677	12,869	13,936	13,495
Actual Levy Expenses (Y)	12,369	13,655	12,110	13,168	13,399
Balance (Y-X)	- 245	- 22	- 759	- 768	- 96
Cumulative Balance*	NA	NA	NA	NA	NA
Explain impact on balance management strategy	AFMA applies any under or over spend to the following year cost recovered revenue				

\* AFMA does not carry forward any cumulative balance as any prior year under or overspend is applied in determining levies

### 7.1 NON-FINANCIAL PERFORMANCE

AFMA recovers costs for most of its regulatory activity from the fishing industry. It is therefore appropriate for AFMA to utilise reporting from the Regulator Performance Framework under the governments cutting the red tape initiative. Measuring and publicly reporting performance will give the fishing industry, the community and individuals confidence that AFMA is effectively and flexibly managing risk.

The activities described in this document directly map to AFMA's goals and objectives and key performance indicators (KPIs) as detailed in the 2017-18 Annual Operational Plan. Performances against these KPIs are reported in AFMA Annual Report, Regulator Performance Framework, and Performance Statement each year. The fishing industry will have the opportunity to provide feedback as part of that reporting framework

Please visit AFMA's [corporate and annual reporting](#) to review the relevant KPIs and information.

## 8 Attachment A – Cost drivers for allocation to fisheries

For some activities, the recovery of costs is split across fisheries and government. AFMA looks at who uses and/ or benefits from the activity and uses as a fair method to distribute costs.

These allocations occur after a more generic allocation where the amount of an activity is cost recovered. For example, Management Advisory Committees are funded 80% by industry and 20% by government. This is because some of the work done by MACs is for government, such as providing advice to AFMA on draft government policies. This 80% is then allocated to the fisheries based on the amount of work performed for each fishery.

AFMA uses the following activity allocation:

**Table 26: Activity output allocation to fisheries**

	Electronic monitoring	Observers	VMS	CDR	Log books	Manual data entry	Data management	Service	Pisces / IT Support	Bycatch	Species and environmental management	Risk management	Strategy, Governance & Leadership	Consultation and engagement	Policy	MAC & RAG	Research contract administration
Rationale	EM devices fitted	Observer days	Number of boats	Prior year actuals	Log book sea days	Prior year actuals	Prior 3 year average	Prior year actuals	% number of licence types	Bycatch allocation	Calculated % of direct costs					Calculated % of direct MAC/ RAG costs	% of research costs
South East Trawl	0.0%	15.8%	13.3%	45.2%	16.6%	14.1%	12.2%	30.2%	22.4%	20.0%	19.9%	19.9%	19.9%	19.9%	19.9%	22.5%	23.1%
Gillnet Hook and Trap	50.7%	10.1%	18.8%	32.2%	34.9%	21.8%	11.7%	30.7%	23.5%	12.0%	16.1%	16.1%	16.1%	16.1%	16.1%	16.8%	4.3%
Great Australian Bight Trawl	0.0%	1.9%	1.4%	1.0%	1.5%	1.4%	2.4%	0.8%	4.1%	5.0%	3.8%	3.8%	3.8%	3.8%	3.8%	5.0%	6.7%
Coral Sea	0.0%	0.9%	2.0%	0.1%	0.8%	0.4%	1.4%	0.2%	1.0%	2.0%	2.4%	2.4%	2.4%	2.4%	2.4%	1.7%	0.0%
Heard & McDonald Islands	0.0%	44.4%	1.4%	0.1%	0.0%	0.8%	4.9%	1.2%	2.0%	2.0%	2.6%	2.6%	2.6%	2.6%	2.6%	1.5%	0.0%
Small Pelagic	0.0%	0.5%	0.9%	0.2%	0.4%	1.1%	14.2%	1.0%	7.1%	25.0%	11.3%	11.3%	11.3%	11.3%	11.3%	9.9%	17.7%
Macquarie Island	0.0%	5.8%	0.3%	0.0%	0.0%	0.0%	0.4%	0.3%	1.0%	2.0%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	2.9%

	Electronic monitoring	Observers	VMS	CDR	Log books	Manual data entry	Data management	Service	Pisces / IT Support	Bycatch	Species and environmental management	Risk management	Strategy, Governance & Leadership	Consultation and engagement	Policy	MAC & RAG	Research contract administration
Bass Strait Central Zone Scallop	0.0%	0.0%	1.7%	1.2%	3.5%	1.8%	1.6%	1.2%	2.0%	0.0%	4.6%	4.6%	4.6%	4.6%	4.6%	4.4%	0.0%
Western Deepwater Trawl	0.0%	0.7%	0.6%	0.0%	0.0%	0.2%	0.7%	0.1%	1.0%	2.0%	1.4%	1.4%	1.4%	1.4%	1.4%	0.0%	0.0%
Northern Prawn	0.0%	7.5%	16.8%	0.0%	2.7%	2.1%	4.5%	2.1%	4.1%	15.0%	12.0%	12.0%	12.0%	12.0%	12.0%	20.5%	27.7%
North West Slope	0.0%	0.7%	1.2%	0.0%	1.3%	0.7%	0.6%	0.1%	1.0%	2.0%	1.4%	1.4%	1.4%	1.4%	1.4%	0.0%	0.0%
Southern Squid Jig	0.0%	0.0%	3.2%	0.8%	1.1%	0.5%	0.7%	0.7%	1.0%	0.0%	1.2%	1.2%	1.2%	1.2%	1.2%	2.1%	1.5%
Torres Strait Prawn	0.0%	3.2%	11.6%	0.0%	0.0%	3.4%	2.5%	1.7%	2.0%	2.0%	2.3%	2.3%	2.3%	2.3%	2.3%	0.0%	0.0%
Skipjack Tuna	0.0%	0.9%	0.3%	0.0%	0.0%	0.0%	0.2%	0.2%	2.0%	0.0%	0.9%	0.9%	0.9%	0.9%	0.9%	0.0%	0.0%
Eastern Tuna & Billfish	44.0%	0.0%	13.6%	13.7%	33.3%	18.3%	7.4%	7.1%	9.2%	7.0%	9.2%	9.2%	9.2%	9.2%	9.2%	11.3%	9.2%
Southern Bluefin Tuna	0.0%	2.6%	8.7%	4.9%	0.0%	23.4%	2.1%	4.5%	2.0%	2.0%	6.6%	6.6%	6.6%	6.6%	6.6%	1.6%	6.7%
Western Tuna & Billfish	5.3%	0.0%	1.2%	0.2%	2.1%	2.3%	1.3%	1.4%	5.1%	2.0%	2.7%	2.7%	2.7%	2.7%	2.7%	1.2%	0.3%
Government funded	0.0%	5.0%	3.2%	0.4%	1.7%	7.8%	31.2%	16.6%	9.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>TOTAL*</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

\* The totals may not seem to add to 100% due to rounding