

Australian Government
Australian Fisheries Management Authority

AFMA Business Efficiency Review

Cost Reduction Working Group

Protecting our fishing future

Reasons for change

- Economic climate for industry has changed
- Rising management costs
- Effects of Government buy-back
- Last levy subsidy in 2008/09
- Time for review
 - > 15 years since AFMA started
 - > Transition to a Commission

Management Costs 1999/00 – 2006/07

Year	Government	Subsidy	Industry	Industry real	Total real
1999/00	10	10	10	5	35
2000/01	10	10	10	5	35
2001/02	10	10	10	5	35
2002/03	10	10	10	5	35
2003/04	10	10	10	5	35
2004/05	10	10	10	5	35
2005/06	10	10	10	5	35
2006/07	10	10	10	5	35

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Getting the Balance Right

Industry's Goal

- minimize attributable management costs
- ensure sustainable fisheries
- maximise the returns from the fisheries resources

Government's Responsibility

- demonstrate good stewardship of fisheries resources
- implement efficient & cost effective fisheries management
- meet international obligations

Approach

- consider both sets of objectives
- determine requirements of all functions
- do an efficiency and cost effectiveness evaluation

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CRWG Process

- AFMA's statutory responsibilities form the basis of minimum service delivery
- Within those parameters, the CRWG :
 1. examined of AFMA's cost structures over 10 year period
 2. identified of cost reduction options in terms of:
 - business efficiency
 - maintaining a functioning organization
 - maintaining operational effectiveness
- The CRWG consulted with the CFA Executive, AFMA Board, Executive and senior management
- The CRWG process aligned with the Business Transformation Strategy being undertaken by AFMA

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Key areas recommended for reform

1. **Service Delivery & Performance**
 - Consolidation of policy framework
 - Improved efficiency in delivery of services
2. **Administration & Infrastructure Investment**
 - Adoption of e-business solutions
 - Restructured administrative arrangements
 - Upgraded & enhanced IT systems
 - Market testing of administrative functions where a benefit is likely
 - Alternative solutions – Observer Program
 - Fee for Service
3. **Domestic Compliance & Simplified Regulations**
 - Centralised compliance approach
 - Review of government/industry split
 - Regulatory review
 - Move towards co-management & self-regulation by industry

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Key areas recommended for reform

4. **Governance & Co-Management**
 - Rationalisation of Board processes
 - Board focus on strategic and policy issues
 - Delegated responsibilities to industry / MACs
5. **Reform of R&D Program**
 - Focus on research more directly delivering management outcomes
 - R&D investment in co-management trials
 - Efficient research administration
6. **Reform of MACs & Related Processes**
 - Rationalise MAC structures (4 MAC model preferred)
 - MAC focus on public interest issues
 - Greater industry responsibility for operational issues
 - Enhanced role of industry associations

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