

14 March 2008

Dear Stakeholder

I am writing to seek your views on the attached "**AFMA Business Efficiency Review – Discussion Paper**" which has been developed by our Cost Reduction Working Group (CRWG). In particular, I would appreciate your views on the discussion paper's recommendations, which are being submitted for stakeholder consideration and do not represent a final position of AFMA or the Australian Government.

The recommendations, if adopted, would lead to the long term lowering of AFMA's cost structures. Importantly, they would also build on the best features of AFMA's partnership model for all stakeholders and give industry a greater role in running fisheries under a co-management approach.

AFMA is committed to reducing management costs to industry to the equivalent of the 2005/06 financial year budget by 2009/10. In 2005-06, levies were \$12.4M and other licensing and observer fees were \$0.9M. As a first step, the draft levy budget for 2008/09 will be below \$14M before application of the final \$3M instalment of the government's levy subsidy. This is a reduction of around \$1M in industry attributed costs from the current financial year. We have also initiated a Business Transformation Strategy (BTS) to ensure that AFMA is an efficient and well-governed organisation at the time of its transition to a Commission. The BTS is aligned with the findings of the CRWG and provides for more efficient and effective service delivery through a new organisation structure, focus on key priorities and some reductions in staffing and travel.

While savings will be achieved in 2008/09 through these measures, they only take us part way to our target. The next stage will be the implementation of the CRWG's recommendations. If adopted, they would change how AFMA conducts its business and industry's role in fisheries management. They affect AFMA's service delivery, administration, domestic compliance, governance, consultative arrangements, research and regulation. They would result in efficiency gains across AFMA and significantly reduce AFMA's annual costs, by around \$3M to industry and \$2M to the wider community, achieved over the next three years. The \$1M reduction in the 2008/09 draft levy base forms part of these anticipated savings.

We are seeking your views before making a decision later this year on the CRWG's recommendations. I would urge you to read the Discussion Paper and consider the underlying assumptions and recommendations. We will welcome your views, including alternative approaches or suggestions to those recommended by the CRWG.

The discussion paper is being circulated for consultation from now until 16 May 2008. Please contact Dorothea Huber on (02) 6225 5381 if you would like to discuss the paper and its recommendations, or any suggestions, before submitting your views. Please address your comments to "**The Cost Reduction Working Group, Box 7051, Canberra Business Centre, Canberra ACT 2610**" or E-mail them to "**crwg@afma.gov.au**".

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tony Rundle', with a stylized flourish at the end.

Tony Rundle
Chairman