



Australian Government

Australian Fisheries Management Authority



# Guidelines for categorising research costs in accordance with the Cost Recovery Impact statement

December 2006

# Guidelines for categorising research costs in accordance with the Cost Recovery Impact Statement

## BACKGROUND

AFMA's cost recovery impact statement (CRIS), which was endorsed by the Board in February 2004, states that broader marine research will be 75% funded by the Australian Government (from the AFMA Research Fund) and 25% funded through industry levies. Fisheries management research and collection of verified data will be 20% funded by Australian Government appropriations and 80% funded through industry levies.

The CRIS states that *“Broader marine research will include research projects that have significant spillover benefits for the general public or involve significant innovation. Broader marine research could also include research into collapsed fisheries, by-catch and resource allocation to non-commercial sectors. Broader marine research does not include fisheries management research, observers, monitoring, or fixed station surveys. Any project to be categorised as broader marine research for cost recovery purposes would have to be approved by the AFMA Research Committee (ARC) and endorsed by the Board. The ARC will develop guidelines for deciding what constitutes broader marine research. Broader marine research will include the cost of resource assessment groups. The ARC will also develop guidelines on what costs can be included in resource assessment groups, to ensure they fall within the appropriate categories.”*

## APPROVAL OF RESEARCH PROJECTS

All research activities must pursue the objectives of the *Fisheries Management Act 1991* and be consistent with current strategic research plans and fisheries management plans. Research projects must be approved by the AFMA Research Committee. Approval will be subject to availability of sufficient Australian Government and industry funding (see budget constraints later).

For the purposes of these Guidelines research is defined as follows.

Research is the process of acquiring and developing knowledge that assists AFMA make ecosystem based fisheries management decisions. All research funded by AFMA must be consistent with AFMA's legislative objectives. A strategy for communicating research is considered a valid project output. However, research does not include the communication to stakeholders of management arrangements or their responsibilities.

The AFMA Research Committee / Commonwealth Fisheries Research Advisory Body will determine the appropriate funding source for research proposals using the *Research / RAG proposal funding assessment decision tree* (Attachment 1) in conjunction with these Guidelines and AFMA's *Policy on Industry-based scientific surveys* (Attachment 2).



## RESOURCE ASSESSMENT GROUPS

The following types of activities related to resource assessment groups (RAGs) will qualify for 75% Australian Government funding from the AFMA Research Fund:

- Members travel to attend RAG meetings
- Meeting costs, eg, room hire, meals, audio-visual equipment hire
- Fees payable to the Chair and scientific members for attendance and preparation for RAG meetings (development of assessment models, undertaking resource assessments and all related scientific analysis will be funded as fisheries management research as separate projects – see below)
- Participation costs for Australian scientific delegates at regional fisheries management forums where Australian fishery assessment inputs are required and where no alternative Australian Government funding is available.<sup>1</sup>
- Reporting and publication costs

Data collection, monitoring, routine data analysis and supporting research used by the RAGs will be classified as fisheries management research. Salaries for participation by AFMA staff in RAGs will be a direct fisheries management cost.

## BROADER MARINE RESEARCH

The following types of activities related to broader marine research will qualify for 75% Australian Government funding from the AFMA Research Fund:

- Research into fisheries that are declared collapsed by AFMA<sup>2</sup>
- Research or consultancies where there are significant spillover benefits to resource user groups other than commercial fishers such as research into: sharing marine resources between commercial fishers and recreational or traditional fishers. This may include international population assessment work that is substantially and inextricably linked with a domestic fishery.<sup>1</sup>
- Research to assess the impacts on commercial fisheries of Australian Government policies, programs or initiatives that are not primarily related to fisheries management, eg research into impacts on commercial fisheries from regional marine plans, marine protected areas, marine resource allocation between user groups, national plans of action and recovery plans for threatened species
- Research that facilitates assessment or monitoring of populations of protected species or important non-commercial bycatch where there are other significant sources of threat

---

<sup>1</sup> These guidelines do not imply any transfer to AFMA of funding responsibilities for Australian support toward international fisheries obligations.

<sup>2</sup> A fishery is collapsed if the fish species that would be caught in the fishery is listed under the Commonwealth *Environment Protection and Biodiversity Conservation Act 1999* as: critically endangered; endangered; or vulnerable.



- Research that is highly innovative or makes fundamental advances in understanding of species biology, ecosystem functions or trophic dynamics. Such knowledge should have identified wider uses beyond immediate fisheries management applications
- Research into the impact of activities other than fishing, such as pollution or predators, on marine ecosystems
- Research into management systems that has a benefit to all or many fisheries.

The 25% industry share of the cost of broader marine research projects will be allocated to the relevant fisheries based on the relative benefits to those fisheries.

## **FISHERIES MANAGEMENT RESEARCH AND COLLECTION OF VERIFIED DATA**

Unless specifically identified as broader marine research or one of the RAG activities listed above, research including the following types of research and data collection activities required for fisheries management will qualify for 20% funding from Australian Government appropriations and 80% industry levy funding:

- All observer programs,
- Collection of data for research and assessment models,
- Fixed station surveys, including surveys that are used for stock assessment,
- Monitoring, and
- Population assessment work.

## **MULTI-CATEGORY AND MULTI-FISHERY RESEARCH PROPOSALS**

A research proposal will be categorised as 50:50 *Fisheries management research and collection of verified data* and *Broader marine research* when there are equivalent benefits that could justify the research proposal under either category. The funding splits applicable to each category will be applied to the respective 50% of the cost of the project. This equates to 52.5% from industry levies, 37.5% from the AFMA Research Fund and 10% from Australian Government appropriations.

Unless specified and agreed by MACs, the industry funding for a research proposal that has a flow of benefit to multiple, or all Commonwealth fisheries, will normally be split between the fisheries based on the relative proportion of management levies for each fishery.

## **BUDGET CONSTRAINTS**

Each year AFMA will budget for part of its Australian Government funding to pay for the 75% share of broader marine research projects and resource assessment groups. Projects will only be funded up to the limit of budgeted Australian Government funds. If Australian Government funding is insufficient to pay for all nominated projects, the projects will be prioritised and those projects that do not qualify may be brought forward in future years or can



be funded as fisheries management research, subject to total budgetary constraints (see below). The 25% industry share of approved broader marine research projects will be allocated across fisheries according to the relative benefits received. These costs will be attributed to the relevant fishery levy bases as a direct cost.

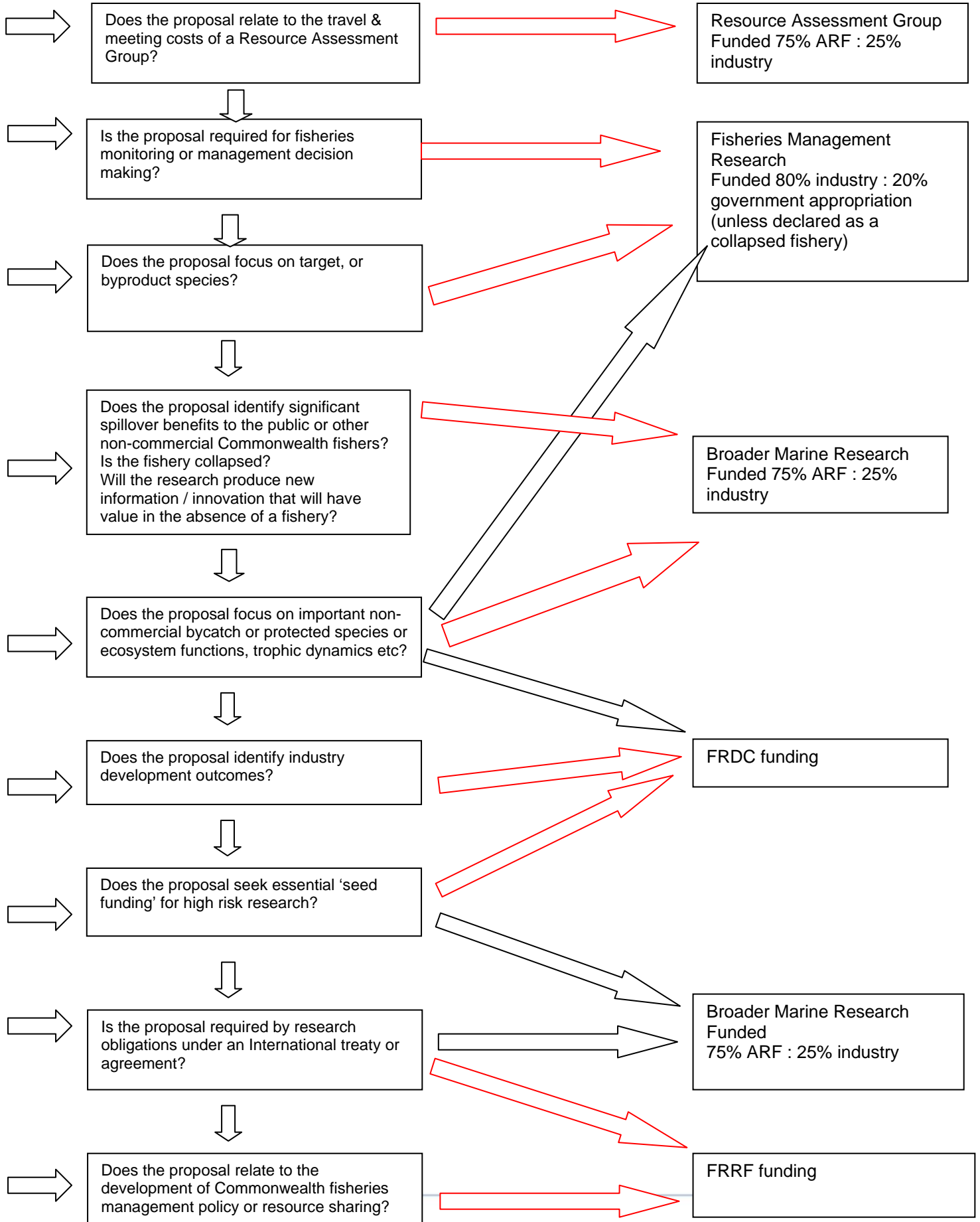
Each year AFMA will include the Australian Government's 20% share of fisheries management research in its overall budget. The Australian Government's 20% share must compete with other wholly or partly Australian Government funded activities for the total available Australian Government funding. If there is insufficient Australian Government funding, then a fisheries management research project may not be supported. If this is the case, the MAC will be asked to fully fund the project from industry levies.

## **OVERHEADS AND RESEARCH ADMINISTRATION**

The cost of external broader marine research and fisheries management research contracts that are managed by AFMA's research section will not attract any AFMA overheads. Resource assessment group costs that are funded 75% by Australian Government and 25% by industry will also not attract any AFMA overheads. Both the Australian Government and industry part of broader marine research, fisheries management research and resource assessment group costs will attract a share of research administration costs in proportion to the total cost of the research projects managed by the research section. Research administration costs will not attract any AFMA overheads.



**Research / RAG proposal funding assessment decision tree (November 2004)**



## POLICY ON INDUSTRY BASED SCIENTIFIC SURVEYS

### 1. PURPOSE

This paper seeks to clarify AFMA's policy for conducting scientific surveys using industry vessels. The policy is intended to provide for the application of a consistent approach to the procurement, administration and funding of such surveys.

### 2. BACKGROUND

Stock abundance surveys are an important input to management of several Commonwealth fisheries. Many of these surveys use commercial fishing vessels. The AFMA cost recovery policy, implemented in 2004, specifically identifies industry-based fishery surveys as a research and monitoring activity that attracts Australian Government funding of 20% of the costs.

This policy does not prevent fishery surveys using industry vessels from being classified as Broader Marine Research under the cost recovery policy where there are significant spillover benefits for the general public or where the research involves significant innovation. The same policy principles are also to be applied to surveys using industry vessel but categorised as Boarder Marine Research.

### 3. DEFINITIONS

For the purposes of this policy:


<b>ARC</b>	means the AFMA Research Committee, a committee of the AFMA Board with responsibility for scientific and research processes.
<b>Industry survey</b>	means a scientific survey which is conducted from the platform of a commercial fishing industry vessel and which would be expected to benefit fisheries management.
<b>MAC</b>	means any Management Advisory Committee established by AFMA under Section 56-57 of the Fisheries Administration Act 1991 to advise on management and operational issues in a fishery.
<b>RAG</b>	means any Resource Assessment Group or other scientific group constituted to make assessments on the state of a fishery and report these to AFMA.

### 4. PRINCIPLES

The following policy principles for the conduct of industry surveys will be applied to proposals for industry-based scientific surveys:

1. Surveys should address an identified and prioritised information requirement.
2. A formal project proposal must be prepared and forwarded to the relevant RAG. The proposal must provide the RAG with the relevant information upon which to assess the merits of the proposal, including but not solely
  - a clear iteration of the method to be followed (noting that the method must be scientifically robust and have the support of a reputable scientist or scientific body);
  - an outline of how and when results will be reported (through a final report and milestone reports where appropriate) to the relevant RAG; and



 a specific undertaking to provide all data obtained during the survey to AFMA. AFMA will provide to the relevant RAG.

3. Proposals which are supported by the relevant RAG and MAC will be evaluated by AFMA Management. Funding approval will be from the AFMA Board on advice from the ARC.
4. Vessel operating costs (the marginal costs of undertaking the survey) are considered to be research costs for the purposes of a research project and application of the AFMA cost recovery policy (the *Guidelines for categorising research costs in accordance with the Cost Recovery Impact Statement* (November 2004) will be applied).
5. Vessel costs must be cost-effective and be auditable.
6. AFMA will not accept industry in-kind cost for the application of cost recovery splits. The *Cost Recovery Impact Statement* (CRIS) only applies to amounts paid by AFMA. The industry proportion will be recovered through the appropriate industry levy base.
7. In accordance with the CRIS, research administration costs will be recovered in proportion to the total value of research expenditure for a fishery – including any industry based survey projects that are paid for by AFMA.
8. In fisheries managed through tradeable catch or effort concessions, provision for research catch or effort should be made within the management arrangements. Research catch / effort should not be decremented from individually allocated concessions.
9. AFMA must be satisfied that the catch of fish under a research survey is an appropriate use of the public resource and will not jeopardise sustainability of the stocks.

## 5. GUIDELINES

Surveys would usually be initiated to estimate the abundance of species of concern to the individual fishery. Examples include pre- and post-season abundance or monitoring surveys and acoustic resource surveys for target species.

Surveys of this type may be commissioned in one of two ways (see decision tree at the end of this section):

- (i) Normally, surveys will be a research project subject to the government procurement guidelines and practices. Under this option, AFMA pays a recognised provider for services. Where possible, the procurement should conform to competitive market testing. Costs may include the full costs of doing the survey, including vessel charter or the marginal vessel operating costs for an industry vessel/s. The price should be net of any proceeds for fish sold. Cost recovery policy will apply and normally such surveys will be regarded as management related research, hence 80% of the costs will be payable by industry. AFMA will include this proportion in the relevant fishery levy base.
- (ii) Sometimes, AFMA may agree to allow industry to conduct the field component of a survey using industry vessels with the cost of the survey funded by the sale of any catch. In these situations, industry must underwrite the risk that proceeds of fish sale do not cover costs, but industry may retain any surplus proceeds. This option will still be subject to ARC and Board approval and require the normal reporting and project management. The CRIS will not apply in this case.



