



Australian Government
Australian Fisheries Management Authority



Annual Report

2017-18

or posted at <http://www.ag.gov.au/cca>

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Front cover photos:

Main photo: Fishing trawler northern Australia, photo courtesy AFMA

From left to right: Bigeye trevally, photo courtesy Alamy stock photos; Recreational fishing gear, photo courtesy AFMA; AFMA fisheries officers, photo courtesy AFMA; Barbecue prawn salad, photo courtesy AFMA

Letter of transmittal



Australian Government

Australian Fisheries Management Authority

18 September 2018

Senator the Hon Richard Colbeck
Assistant Minister for Agriculture and Water Resources
Parliament House
CANBERRA ACT 2600

Dear Assistant Minister

We have much pleasure in presenting to you the annual report of the Australian Fisheries Management Authority (AFMA) for the financial year ended 30 June 2018. This report also includes AFMA's Annual Performance Statement for 2017–18.

During 2017–18, AFMA provided the Australian community with well-managed Commonwealth commercial fisheries. Not only did these fisheries contribute some \$380 million in gross value of production, but for the fifth consecutive year, no fish stocks managed solely by AFMA were subject to overfishing – this result is world leading. Compliance activities by AFMA officers ensured that these valuable and sustainable fish resources were not undermined by illegal fishing. In addition, recognising the high expectations of all stakeholders, AFMA continues to reduce the risk of commercial, recreational and Indigenous fishing impacting on the health of the marine environment. Telling this story to raise community understanding and trust in AFMA to deliver positive outcomes for ecologically sustainable development remains one of our major challenges.

This report has been prepared in accordance with section 87 of the *Fisheries Administration Act 1991* and in accordance with the *Public Governance, Performance and Accountability Amendment (Non-corporate Commonwealth Entity*

Annual Reporting) Rule 2014, approved by the Minister for Finance under the *Public Governance, Performance and Accountability Act 2013*.

In addition, and as required under section 10 of the *Public Governance, Performance and Accountability Rule 2014*, we certify that we are satisfied that AFMA has:

- prepared fraud risk assessments and fraud control plans
- in place appropriate fraud prevention, detection, investigation, recording or reporting mechanisms that meet the specific needs of the agency
- taken all reasonable measures to appropriately deal with fraud relating to the agency.

We give the report to you for presentation to Parliament as required under section 46 of the *Public Governance, Performance and Accountability Act 2013*.

Yours sincerely



Helen Kroger
Chairman



Dr James Findlay
Chief Executive Officer

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*Tiger flathead Danish seining
Photo courtesy: David Schubert, AFMA*



User guide

This report provides details of the operations and performance of the Australian Fisheries Management Authority (AFMA) for the financial year ending 30 June 2018, as forecast in the Agriculture and Water Resources Portfolio Budget Statements 2017–18 and the AFMA Corporate Plan 2017–20.

It has been prepared in accordance with Australian Government and legislative requirements, including the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The Annual Report is primarily a mechanism of accountability to the Australian Government. It also provides a valuable resource for AFMA's clients, government at all levels, industry and the general community.

Part 1 – Overview

Provides the Chairman's and Chief Executive Officer's review, looking at AFMA's key achievements in 2017–18, an outlook for 2018–19 as well as explains our functions, services and stakeholders.

Part 2 – Performance

Details AFMA's Annual Performance Statement 2017–18 explaining our major objectives, performance results and an analysis of those results.

Part 3 – Fishery Reports

Describes each fishery's contribution to the performance results for the year, any significant changes to management arrangements and highlights the opportunities and challenges faced in meeting our objectives as described in the Annual Performance Statement.

Part 4 – Management and accountability

Covers AFMA's governance arrangements and practices, including financial management, human resource management activities, risk management practices and monitoring and review mechanisms.

Part 5 – Financial statements

Consists of AFMA's financial statement for the 2017–18 financial year, as independently audited by the Australian National Audit Office. These statements include financial performance, financial position and cash flows during 2017–18.

Part 6 – Appendices

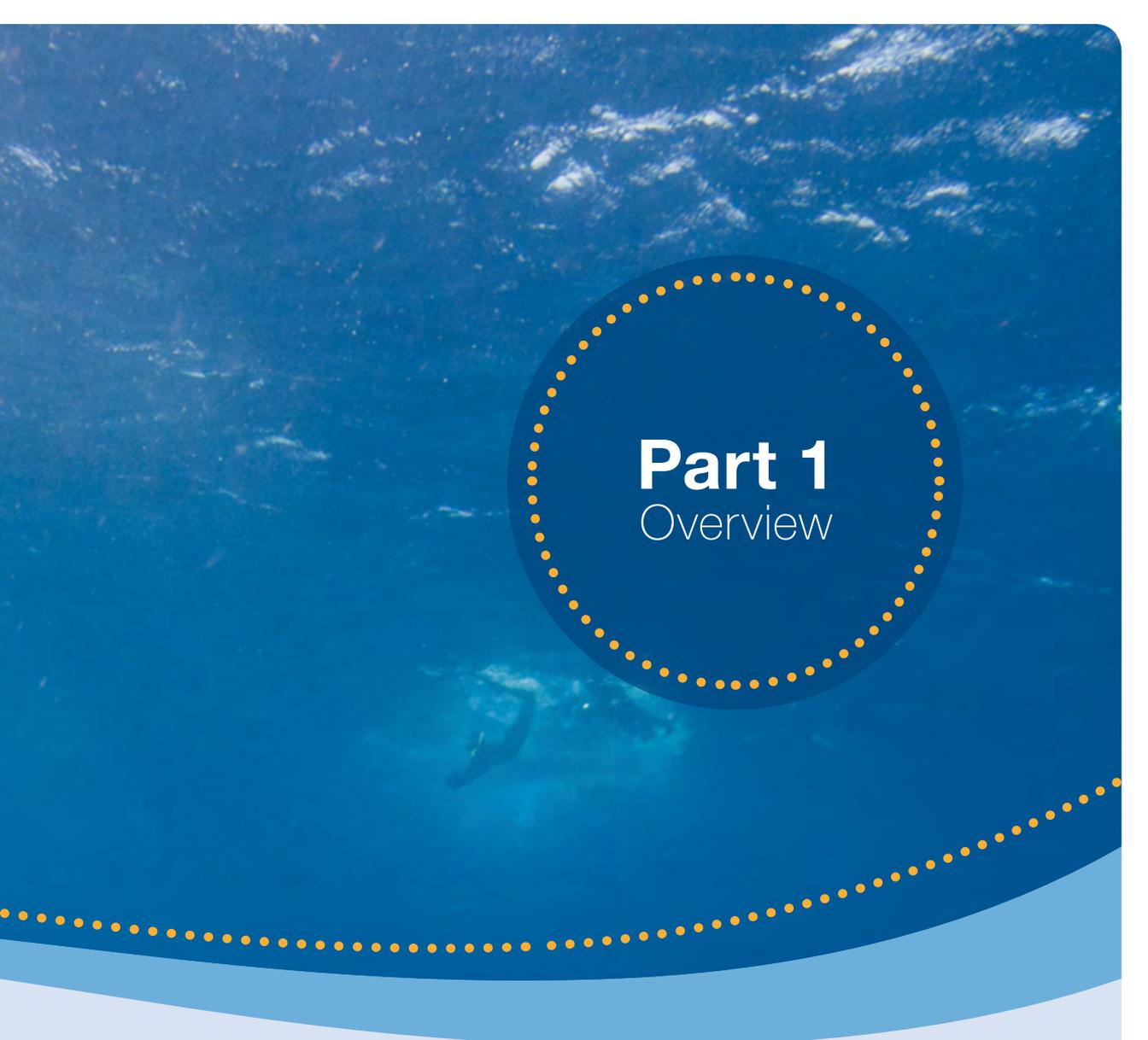
The appendices include reporting requirements such as details of AFMA's Commission, executive and committees, civil litigation outcomes, management advisory committee meetings and membership, freedom of information, ecologically sustainable development and environmental performance, consultancy services, work health and safety, disability reporting, agency resources and payments and a statement of expenses by outcomes.

Part 7 – Glossary and indexes

Provides a list of requirements as set out in the *Public Governance, Performance and Accountability Amendment (Non-corporate Commonwealth Entity Annual Reporting) Rule 2014* and the Resource Management Guide no 135 'Annual reports for non-corporate Commonwealth entities'. The annual reporting requirements of the *Fisheries Administration Act 1991* are also shown. A glossary and index are included in this section.



Australian sardines
Photo courtesy: AFMA



Part 1

Overview

PART 1

Chairman's and CEO's review

Our Agency

PART 1

2017-18 Snapshot

Sustainable Fisheries Management

NO STOCKS SUBJECT TO OVERFISHING
in AFMA solely managed fisheries for

5 consecutive YEARS.



Fisheries Management Plans

IN 2017-18

100% of

PERFORMANCE CRITERIA
for Commonwealth fisheries managed under statutory Fishery Management Plans

WERE MET



REDUCING BYCATCH

remained a KEY FOCUS in 2017-18

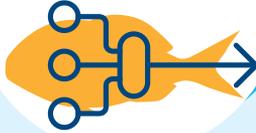
AFMA BYCATCH PROGRAM consulted extensively with industry

FURTHER INDUSTRY TRIALS of bycatch reduction devices (BRDs)

Results showing **IMPROVED REDUCTION** in bycatch

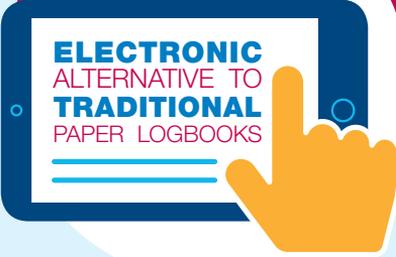


Introduction of **FISHERIES MANAGEMENT STRATEGY**



E-LOGS

ELECTRONIC ALTERNATIVE TO TRADITIONAL PAPER LOGBOOKS



Chairman and Chief Executive Officer's review

With the Gross Value of Production for Commonwealth fisheries forecast steady at around \$380 million and no fish stocks managed solely by AFMA assessed as subject to overfishing (for the fifth year running), 2017–18 has seen AFMA deliver solidly against its objectives. At the same time, the release of the Commonwealth Fisheries Policy Statement in September 2017, the passage of the Fisheries Legislation (Amendment) Bill 2017 in November 2017, and the imminent release of the Commonwealth's Harvest Strategy and Bycatch Policies and Guidelines (expected early in 2018–19) have raised challenges for AFMA managing Commonwealth commercial fisheries and the growing expectations of the community.

In this Annual Report AFMA assesses its fisheries management impacts and presents an Annual Performance Statement in accordance with the requirements of the *Public Governance, Performance and Accountability Act 2013*. This statement (Part 2 of the Annual Report), together with consideration of fishery by fishery outcomes (Part 3 of the Annual Report) provide a clear picture that AFMA is delivering on the intent of the Government's Fisheries Policy Statement for our fisheries to remain sustainable and profitable into the future. Highlights of AFMA's activities and impacts under each of its objectives include:

Ecological sustainability

The Northern Prawn Fishery has been re-certified by the Marine Stewardship Council for a further five years, recognising the Northern Prawn Fishery as having global best-practice ecologically sustainable fisheries management. The Marine Stewardship Council certification is recognised internationally as the global gold standard fisheries certification system, and requires three core criteria to meet the Marine Stewardship Council standard: the status of the fish stock, the impact of the fishery on the marine ecosystem, and the management system overseeing the fishery. The Commonwealth prawn industry has been a champion for sustainable management including bycatch reduction over many years, with the introduction of turtle excluder devices in 2000 and more recently the Kon's Covered Fisheye, another innovative device to further reduce bycatch. With the re-certification of the Northern Prawn Fishery, a total of five AFMA fisheries are certified.

The inaugural meeting of the Ecological Risk Management Steering Group was held in June 2018. The Group was established to provide strategic advice and direction to the AFMA Commission on the development, coordination and implementation of the revised Ecological Risk Assessment framework and Fisheries Management Strategies as they relate to Ecological Risk Assessment / Ecological Risk Management. The Group considered issues such as the impending release of the Commonwealth Fisheries Harvest Strategy and Bycatch Policies and Guidelines and the results of the Ecological Risk Assessment trials. Applying the new Ecological Risk Assessment methodology allowed AFMA to determine whether “potentially high risk species” were actually at high risk, or really only at medium/low risk. Reductions were attributed to improved species information and data collection, in particular, increased observer coverage and the introduction of electronic monitoring. While the new Commonwealth Bycatch Policy does not cover habitat and community issues AFMA is developing its habitats and communities strategy to better manage the impacts of fishing on marine habitats and communities for completion in 2018–19.

AFMA, in collaboration with international and domestic organisations, is involved with a number of ongoing and future climate change projects which address climate change impacts and the adaptation to these impacts on fisheries management. The project Adaptation of Commonwealth Fisheries Management to Climate Change has recently commenced and engaged a broad range of stakeholders.

Maximise the net economic returns

The inaugural meeting of the Economic Working Group was held in April 2018. The Economic Working Group provides expert advice on major fishery and cross fishery economic issues affecting Commonwealth fisheries management to support AFMA's capacity to pursue its objectives, particularly the maximising of net economic returns to the Australian community. The Economic Working Group will create opportunities to discuss and obtain expert input/advice on strategic fisheries economic issues from its members. Experienced industry participants will be invited to future Economic Working Group meetings to provide operational perspectives.

In May 2018, the AFMA Commission agreed to the release of a new draft Exploratory Fishing Policy for stakeholder and public consultation. An efficient Exploratory Fishing Policy will enable fishers to explore and develop new fishing resources. The new draft simplifies the process of exploring new resources based on balancing risk and cost while using AFMA's Ecological Risk Management framework. It is expected to encourage fisher-led exploration and development of Commonwealth resources through increased transparency and management of ongoing rights.

Also at the May meeting, the Commission endorsed the draft Transshipping Policy and Guidelines for release for consultation with Management Advisory Committees, government agencies and the public. The Transshipping Policy and Transshipping Guidelines will support maximising net economic returns and efficient and cost effective fisheries management. These documents will also ensure that AFMA's management arrangements meet Commonwealth fishery needs, improve consistency in decision making and provide transparency to industry and other fishery stakeholders. In early 2018–19, comments will be considered and a final version of the policy and guidelines provided to the Commission for decision before the end of 2018.

The Department of Agriculture and Water Resources, with AFMA's support, is developing a Commonwealth Fisheries Resource Sharing Policy. The policy will outline the principles and preferred approach of the Australian Government for sharing between sectors, for example commercial and recreational fishers; and between jurisdictions (Commonwealth commercial and state commercial fishers). AFMA proposed that jurisdictions work through two case studies. These proposals were discussed at the Australian Fisheries Managers Forum with striped marlin and blue eye trevalla supported as case studies for catch and resource sharing between jurisdictions and sectors. Finalisation of the policy and commencement of the case studies is anticipated during 2018–19.

Australian fisheries management is amongst the most effective in the world, and AFMA is looking to make it stronger through more comprehensive engagement with recreational and Indigenous fishers. Changes to the *Fisheries Administration Act 1991* now provide for greater input from recreational and Indigenous fishers so they can share their expertise and views on fisheries management. Part of this change is to increase the size of Management Advisory Committees to allow for broader input into these important consultative committees. During 2017–18, AFMA commenced consulting with Indigenous, recreational and commercial fishers, and other key stakeholders to identify how to better collaborate on fisheries matters. With a renewed focus on accounting for interests of recreational and Indigenous fishers, fisheries will benefit from the wider range of expertise.

Effective, cost efficient and transparent management and regulator arrangements

During 2017–18, a total of 14 illegal foreign fishing vessels were apprehended across Australia's northern waters. This number consisted of nine fishing vessels from Indonesia, and five fishing vessels from Papua New Guinea, which has decreased from a total of 15 apprehensions in the 2016–17 financial year and 20 in 2015–16. In total, 85 foreign fishers were detained for illegal fishing in Australian waters in 2017–18, with 27 Indonesian nationals the subject of criminal prosecution in Australia, while an additional 23 Papua New Guinea nationals were repatriated for processing, where applicable, by the Papua New Guinea National Fisheries Authority.

AFMA has completed a joint public information campaign with the Vietnamese Ministry for Agriculture and Rural Development and the Vietnamese Directorate of Fisheries in Vietnam, as part of efforts to combat illegal foreign fishing in our oceans. Over 200 Vietnamese fishers and government officials attended the workshops covering issues relating to international maritime boundaries, and the consequences of illegal fishing in Australian waters and the Pacific. The joint approach from Australia and Vietnam demonstrated a united front to deliver the message that those who do the wrong thing face financial penalties, potential jail and the destruction of their fishing boats. No Vietnamese fishing vessels were apprehended in the Australian Fishing Zone during 2017–18.

The transition of the New South Wales (NSW) Southern Fish Trawl Fishery into the Commonwealth trawl sector of the Southern and Eastern Scalefish and Shark Fishery commenced in March 2018 with transition scheduled for completion later in 2018. Fishers transitioning to Commonwealth management will benefit from the removal of red tape. The transition will mean that fish stocks in the two fisheries will be managed by one jurisdiction, removing unnecessary duplication and administrative burden for fishing operators. Both NSW and Commonwealth fishing concession holders will see benefits from the transition including the streamlining of management arrangements and increased certainty of access to fish.

AFMA continues work on the One Fishery approach which seeks to reduce regulatory impediments to industry adaptation through reducing critical divides between fisheries. The approach aims to simplify the regulatory system and provide a more cost-effective commercial fisheries management system. It will be based on providing greater freedom to fishing concession owners to choose the fishing method best suited to harvest their individual transferable quota, use their individual transferable effort or fishing permit. To the extent possible, a standard set of conditions will be applied to each fishing method. AFMA Management is preparing a One Fishery draft project plan for Commission consideration in 2018–19.

To maintain the monitoring of fisheries in supporting sustainability of Australia's fish stocks AFMA has continued to develop its world leading Electronic Monitoring program. With cameras monitoring 25 per cent of the Commonwealth's fleet, electronic monitoring allows AFMA to provide greater flexibility to fishers on how and where they fish whilst ensuring they are following rules.

AFMA is progressing new co-management arrangements including with the South East Trawl Fishing Industry Association through the establishment of a trawl advisory group. Also, the Northern Prawn Fishery Industry has taken up managing access to and monitoring of the provision of broodstock for the aquaculture industry as a new co-management activity. AFMA Management is also undertaking a review on the state of readiness for all key Commonwealth fisheries to take up co-management. Applying experiences already gained in co-management trials and reviewing existing arrangements will be key criteria applied to other fisheries to identify readiness and gaps to adopting co-management arrangements.

The services that AFMA provides from the levies it collects ensures Commonwealth fisheries meet relevant Commonwealth legislation and policies requirements. With about 40 per cent of AFMA's annual budget cost-recovered from industry, we understand the importance of delivering effective, cost efficient and transparent management arrangements.

In 2010 AFMA made a commitment to industry that it would keep cost recovery levels at or below the rate applied in 2005–06 once corrected for Consumer Price Index increases. Since making this undertaking in 2010, AFMA has out-performed the cumulative Consumer Price Index by some \$41.3 million (as at 2017–18) and will aim to continue to meet this commitment while ensuring legislative objectives are pursued.

AFMA continues to actively progress a number of previously identified actions to expand stakeholder engagement. Increasing consumer expectations, meeting market demands and expanding legislative responsibilities for industry, recreational and Indigenous fisher engagements, have required AFMA to become more transparent. AFMA is working towards extensive cloud-based data that are broadly accessible and meet privacy requirements; improved stakeholder services such as GoFish that are efficient and interactive, encouraging feedback to and from users; and a website that is interactive and informative with the potential to engage users to follow up on identified interests and subjects.

Such additions to AFMA's capabilities to engage with stakeholders will enable AFMA and stakeholders to share in and understand changes in the future operating environment for Commonwealth fisheries. These activities will also assist AFMA to demystify fisheries management and encourage broader stakeholder engagement.

AFMA will also expand its operations in Lakes Entrance, Victoria, from one to eight staff, to better meet its business and operational needs in one of Australia's largest Commonwealth commercial fishing ports. The expansion will enable the regulator and industry to work more collaboratively. The Lakes Entrance office is expected to be fully operational by August 2018, staffed with fisheries and bycatch managers in addition to compliance officers.

Internal Review

AFMA continually strives to improve its performance in order to serve stakeholders and the Australian community better. Since AFMA's establishment, our performance has been subject to various direct and indirect government reviews, including the Borthwick and the Productivity Commission reviews. Additionally, we have conducted internally driven reviews of various parts of our business from time to time. However it had been a while since we have undertaken a consolidated, internal review of our service delivery against current stakeholder expectations and our legislated objectives.

During 2017–18 AFMA commissioned a review to elicit stakeholder views on AFMA's performance to assist the agency to position itself for the future. The review was conducted by independent consultants, namely Douglas Smith and Lynette Glendinning of Tempo Strategies and Peter Neville of P.J.Neville and Associates. The review is intended to provide AFMA with independent, expert advice on future directions for the organisation to achieve best practice and improved performance given AFMA's current and likely future operating environment. This advice will also highlight opportunities and options for future AFMA management of Commonwealth fisheries in the context of factors such as cost-efficiency, AFMA's current and future funding arrangements and the fisheries policy environment. The report is scheduled to be finalised by September 2018.

Recognition

Australia's Governor-General has recognised one of Australia's longest serving fisheries observers, Martin Tucker, for his work in the Southern Ocean and the seas near Antarctica. The Australian Antarctic Medal was awarded to Mr Tucker for his scientific work with AFMA. Mr Tucker has been on 31 voyages as an AFMA Observer aboard commercial fishing vessels that harvest Patagonian and Antarctic toothfish and mackerel icefish spending a total of 2790 days at sea in the Southern Ocean.

Outlook

AFMA's Corporate Plan 2018–21 was approved by the Assistant Minister for Agriculture and Water Resources in May 2018.

Over the next four years AFMA will look to implement fisheries management in pursuit of:

- sustainable and profitable fisheries
- simplify regulations to reduce operational and cost burdens for industry
- manage ecological and compliance risks
- deter illegal, unreported and unregulated fishing
- improve engagement with stakeholders in the responsible management of fisheries.

Further information is available from our website afma.gov.au.

AFMA's legislation requires that fishery management decisions are made in a manner consistent with the principles of ecologically sustainable development. To better reflect our emphasis on ecologically sustainable development and consideration of the social aspects, AFMA has increased the number of corporate goals under our Corporate Plan from the previous three to four. This provides for closer alignment of AFMA's future work with all elements of ecologically sustainable development, as opposed to our past focus on the ecological component reflecting the need to prevent overfishing consistent with the Ministerial Direction of 2005. As a result we will be increasing our consideration of the economic interests for recreational and Indigenous stakeholders, as well as commercial fishers.

Compliance with Commonwealth fisheries laws and policies and relevant international fishing obligations and standards will require cooperation with a range of domestic and foreign agencies to maintain effective monitoring, control and surveillance of fisheries activities in the Australian Fishing Zone and waters of shared international interest. Domestic legislation is also due to be introduced to Parliament in late 2018 to modernise fisheries offence and penalty provision to bring in a civil penalties regime.

AFMA's commitment to cost-effectiveness and stakeholder engagement/accountability remains, reflecting the importance of getting value for money and making evidence-based decisions. We will deliver value for money through improved valuation, pricing and incentive mechanisms to ensure accountability to commercial, recreational and Indigenous fishers and the Australian community.

Our Agency

Authority

AFMA was established under the *Fisheries Administration Act 1991* in February 1992 to manage Australia's Commonwealth fisheries and apply the provisions of the *Fisheries Management Act 1991*. Together, these two Acts created a statutory authority model for the day-to-day management of Commonwealth commercial fisheries.

AFMA's portfolio department, the Department of Agriculture and Water Resources, retains responsibility for strategic fisheries policy advice and leading international negotiations.

The AFMA Commission is responsible for domestic fisheries management, and the Chief Executive Officer (who is also a Commissioner) is responsible for foreign compliance and assisting the Commission to implement its decisions. AFMA is governed by the *Public Governance, Performance and Accountability Act 2013* and the *Public Service Act 1999*.

During the reporting period AFMA's Minister was the Minister for Agriculture and Water Resources – the Hon Barnaby Joyce MP from 1 July 2017 to 27 October 2017; the Hon Malcolm Turnbull MP from 27 October 2017 to 20 December 2017; and, the Hon David Littleproud MP from 20 December 2017 to 30 June 2018. Senator the Hon Anne Ruston was the Assistant Minister for Agriculture and Water Resources with responsibility for fisheries for the duration of the reporting period.

Role and functions

AFMA is the Australian Government agency responsible for the provision of regulatory and other services to ensure efficient and sustainable management of Commonwealth fisheries on behalf of the Australian community. The challenge in delivering these services is to find the right balance between competitive and profitable seafood production and keeping the impacts of fishing on Australia's marine ecosystems within sustainable and acceptable risk levels.

Our fisheries management practices aim to maintain the ecological sustainability of Commonwealth commercial fisheries for Australians both now and into the future. These practices have regard to the impact of fishing on non-target species and the long-term health of the broader marine environment.

AFMA generally manages commercial fisheries from three nautical miles offshore to the boundary of the Australian Fishing Zone (200 nautical miles offshore), as well as Australian boats fishing on the high seas. State and territory governments generally manage fisheries within their borders and inside three nautical miles from shore, except where Offshore Constitutional Settlement agreements exist for the management of fish species between the Commonwealth and state governments.

The Commonwealth is also responsible for international fisheries matters, including preventing illegal foreign fishing in the Australian Fishing Zone. Since ratifying the United Nations Fish Stocks Agreement in 1999, Australia has been actively involved in negotiating regional arrangements to manage a range of highly migratory, straddling stocks and international stocks that are often targeted by Australian operators. AFMA participates in management, monitoring, control and surveillance activities as well as developing capacity building activities, providing advice and training to countries in our region.

AFMA as a regulator pursues efficient and cost effective fisheries management in a way that accounts for the effects of fishing and ensures ecologically sustainable development. AFMA also regulates the use of fisheries resources with the aim of maximising net economic returns to the Australian community. In doing so AFMA is accountable to the community and the fishing industry.

Australia's Commonwealth commercial fisheries are managed in accordance with the government's cost recovery policy. The commercial fishing industry pays for costs directly attributed to, and recoverable from, the fishing industry, while the government pays for activities that benefit the broader Australian community. During 2017–18 about 40 per cent of total revenue was from cost-recovered activities.

Stakeholders

AFMA's stakeholders include the commercial fishing industry, researchers, environment and conservation organisations, recreational fishers, Indigenous communities and other government agencies. We continue to encourage and promote a partnership approach with stakeholders, involving them in developing policies and actions and to share responsibility for fisheries management (and the associated risks) where appropriate.

AFMA also provides fisheries management services to Joint Authorities of the Commonwealth and state governments, including the Torres Strait Protected Zone Joint Authority under the *Torres Strait Fisheries Act 1984*. The status of these fisheries and AFMA's activities in managing them are reported separately through the Protected Zone Joint Authority annual report and relevant Joint Authority reports between the States/Northern Territory and the Commonwealth.

Our Values

We individually and collectively underpin our service, partnerships and accountability to stakeholders by adhering to the principles of public sector governance.

We are:

- **Impartial** – we are apolitical and provide the government with advice that is frank, honest, timely and based on the best available evidence
- **Committed to service** – we are professional, objective, innovative and efficient, and we work collaboratively to achieve the best results for the Australian community and the government
- **Accountable** – we are open and accountable to the Australian community under the law and within the framework of Ministerial responsibility
- **Respectful** – we respect all people, including their rights and their heritage
- **Ethical** – we demonstrate leadership, are trustworthy, and act with integrity, in all that we do.

AFMA's Client Service Charter also expresses our ongoing commitment to providing stakeholders with quality service. The Client Service Charter is available at our website at afma.gov.au

Organisational structure

Our organisational structure as at 30 June 2018 is presented below.

Minister for Agriculture and Water Resources		Assistant Minister for Agriculture and Water Resources
AFMA Commission		
AFMA Chief Executive Officer Dr James Findlay		
Fisheries Management Branch Executive Manager Dr Nick Rayns	Fisheries Operations Branch General Manager Mr Peter Venslovas	Corporate Services Branch General Manager Mr John Andersen
Northern Fisheries & Co-management Senior Manager Mr Steve Bolton	National Compliance Strategy Senior Manager Mr Tod Spencer	Executive Secretariat Senior Manager Mr Andrew Pearson
Torres Strait Fisheries Manager Ms Selina Stoute		
Demersal and Midwater Fisheries Senior Manager Mr George Day	Compliance Operations (Darwin) Senior Manager Mr John Davis	Business Chief Finance Officer Mr Robert Gehrig
Tuna and International Fisheries Senior Manager Mr Trent Timmiss	Foreign Compliance Policy Senior Manager Ms Kerry Smith	Workplace – Human Resources Senior Manager Ms Libby Jenkins
Policy, Environment, Economics and Research Senior Manager Ms Beth Gibson		Workplace – Property and Security Senior Manager Mr Scott Connors
Fisheries Services Senior Manager Mr Ryan Murphy		Technology and Digital Services Chief Information Officer Mr Michael Roses
AFMA Liaison Officer South East Trawl Fishing Industry Association (SETFIA) Liaison Officer Ms Danait Ghebrezgabhier		Communications Communications Manager (A/g) Ms Sarah Schofield

Where AFMA operates

AFMA has offices at three locations: Canberra, Darwin and Thursday Island. Details of our office locations are provided below.

AFMA office locations

Canberra office

Street address	Postal address	Enquiries
Level 6 73 Northbourne Avenue CANBERRA ACT 2600	PO BOX 7051 Canberra Business Centre CANBERRA ACT 2610	Ph: (02) 6225 5555 Fax: (02) 6225 5500 AFMA Direct: 1300 723 621

Darwin office

Street address	Postal address	Enquiries
Level 6, Jacana House 39-41 Woods Street DARWIN NT 0800	GPO Box 131 DARWIN NT 0801	Ph: (08) 8943 0333 Fax: (08) 8942 2897

Thursday Island office

Street address	Postal address	Enquiries
Level 2, Pearls Building 38 Victoria Parade THURSDAY ISLAND QLD 4875	PO Box 376 THURSDAY ISLAND QLD 4875	Ph: (07) 4069 1990 Fax: (07) 4069 1277



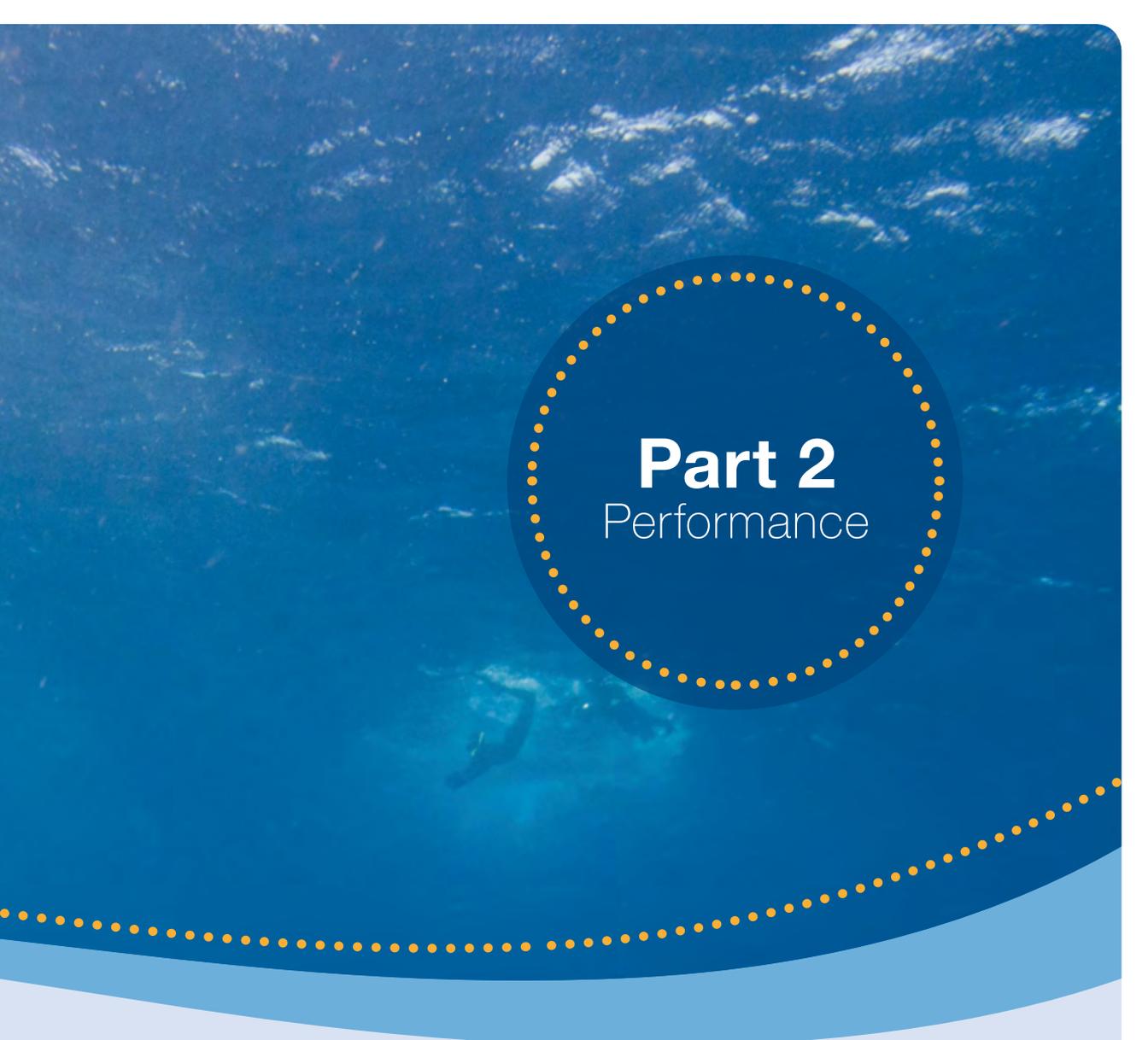
In addition AFMA will expand to Lakes Entrance, Victoria and the office is expected to be fully operational by August 2018, staffed with fisheries and bycatch managers in addition to compliance officers. A number of observers are in various locations around Australia.

*Cullen Bay Darwin
Photo courtesy: Nikos Manikas, AFMA*





*Boarding tuna fishing vessel in the Pacific
Photo courtesy: Damien White, AFMA*



Part 2

Performance

PART 2

Certification by the Chief Executive Officer

AFMA's Performance Framework

1. Ensure the ecological sustainability of Commonwealth fisheries for the benefit of present and future generations of Australians
2. Maximise the net economic returns from Commonwealth fisheries to the Australian community
3. Deliver effective, cost efficient and transparent management and regulatory arrangements.

PART 2

Performance

AFMA COMPLIANCE OFFICERS UNDERTOOK

78 PORT VISITS

AND **14 SEA PATROLS** TO CONDUCT

206 BOAT INSPECTIONS



AND

102 FISH RECEIVER INSPECTIONS



>99%

of AFMA's client service charter obligations

WERE MET.



Client Service Charter

Continuing high levels of compliance were observed

with **91%** of inspections requiring

NO FURTHER ACTION.

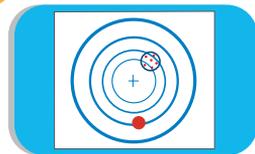


3

New or updated ecological **RISK ASSESSMENTS CARRIED OUT**

with **9 COMMENCED** AND FURTHER **8 SCHEDULED**

Vessel monitoring system



96.5%

COMPLIANCE RATES IN 2017-18

Annual Performance Statement

I, as the accountable authority of the Australian Fisheries Management Authority (AFMA), present the 2017–18 annual performance statements of AFMA, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and under paragraph 87 of the *Fisheries Administration Act 1991*. In my opinion, these annual performance statements are based on properly maintained records, accurately reflect the performance of the entity, and comply with subsection 39(2) of the PGPA Act.

A handwritten signature in black ink, appearing to read 'James Findlay', written over a faint circular stamp or watermark.

Dr James Findlay GAICD
Chief Executive Officer & Accountable Authority of AFMA

About AFMA's Performance Framework

The Australian Fisheries Management Authority (AFMA) operates within the Australian Government's outcome and performance framework. The outcome for each agency articulates the government's objectives for the agency and provides a basis for budgeting and reporting the use of funds appropriated by government. This Annual Performance Statement analyses the factors that supported AFMA's achievements in 2017–18.

Outcome and program

AFMA's outcome is:

'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.'

Pursuit of this outcome is identified in the Portfolio Budget Statements for 2017–18 through AFMA's responsibility for a single government program: Program 1.1 Australian Fisheries Management Authority. As outlined in our 2017–20 Corporate Plan, AFMA's three goals in pursuing sustainable management of Commonwealth fisheries for the Australian community were to:

1. Ensure the ecological sustainability of Commonwealth fisheries for the benefit of present and future generations of Australians
2. Maximise the net economic returns from Commonwealth fisheries to the Australian community
3. Deliver effective, cost efficient and transparent management and regulatory arrangements.

Performance summary

For Commonwealth fisheries during 2017–18, AFMA continued to deliver sustainable and efficient management and provided a net economic return to Australia, including through effective deterrence of illegal fishing. All AFMA's performance targets were either fully or partly met (see performance summary and detailed analysis below):

Results snapshot

	Target met	Target partly met	Target not met
1. Ecological sustainability			
1.1. For Commonwealth fisheries' stocks managed solely by AFMA:	✓		
a) Number of fish stocks subject to overfishing. ¹			
1.2. The number of species assessed as remaining at potentially high risk even after mitigation ²		✓	
1.3. The number of stocks that are assessed as overfished and will require effective management to return the stock to sustainability	✓		
2. Economic returns			
2.1. For economically significant stocks ³ :	✓		
a) Maximise the number of key commercial stocks with harvest strategy targets based on maximum economic yield or the best available proxy			
b) Improve the number of stocks in (a) assessed as being on target	✓		
c) For those stocks in (a) that are assessed as not on target, improve the numbers that are heading towards their target reference point	✓		
3. Compliance and Management			
3.1 Percentage of treatment targets met for all priority domestic compliance risks		✓	
3.2 Percentage disposal rate of apprehended foreign illegal unreported and unregulated vessels and suspected irregular entry vessels disposed of	✓		
3.3 Red tape reductions		✓	
3.4 Cost recovery charges	✓		

1 In AFMA managed fisheries, not including jointly and internationally managed fisheries.

2 Ecological Risk Assessments for Commonwealth managed fisheries and sub-fisheries have been completed. Species considered to be potentially at high risk are the subject of mitigation measures and further assessment. This may mean that projections of numbers of high risk species may vary from year to year. In addition, AFMA has recently reviewed its environmental risk assessment methodology which may lead to changes in reported values in the future.

3 Not all Commonwealth fish stocks can be managed by MEY, for example, those managed under international regional bodies.

1. Ensure the ecological sustainability of Commonwealth fisheries for the benefit of present and future generations of Australians

Purpose

The Commonwealth Fisheries Harvest Strategy Policy and Guidelines provide an essential management framework for AFMA's Commonwealth fisheries. Commonwealth fishery harvest strategies for key commercial stocks guide the setting of total allowable catches and other catch limits. By pursuing targets of maximum economic yield (or proxy), where available, fishing should be more sustainable in the long term (as it requires higher fish stock levels than maximum sustainable yield) and there should be greater returns to the harvesting sector and the Australian community.

At the same time, AFMA pursues the Commonwealth Policy on Fisheries Bycatch to minimise fishing-related impacts on bycatch species in a manner consistent with the principles of ecologically sustainable development and with regard to the structure, productivity, function and biological diversity of the ecosystem.

AFMA has worked with other agencies during 2017–18 on updating these Policies and Guidelines. Revised versions are expected to be released early in 2018–19, although where appropriate, AFMA has already looked to incorporate proposed requirements into its management system.

Performance results

Performance criteria	2017-18 Target ⁴	2017-18 Actual ⁵
Criterion source: The performance indicators below are recorded in AFMA's chapter in the Agriculture and Water Resources 2017-18 Portfolio Budget Statements p. 216 and in AFMA's Corporate Plan for 2017-20 p. 10.		
For Commonwealth fisheries' stocks managed solely by AFMA:		
a) Number of fish stocks subject to overfishing. ⁶	0	0
The number of species assessed as remaining at potentially high risk even after mitigation. ⁷	50	83
Performance measure measurement method: based on ecological risk assessments		
The number of stocks that are assessed as overfished and will require effective management to return the stock to sustainability.	6	7

Source: Patterson, H, Larcombe, J, Nicol, S and Curtotti, R 2018. *Fishery status reports 2018*, Australian Bureau of Agricultural and Resource Economics and Sciences, Canberra

Assessment of performance against the purpose

AFMA has adopted a precautionary approach when assessing the risks posed by fishing. It should be noted that AFMA assesses risk in relation to over 2000 recorded species in Commonwealth waters. The majority (85 per cent) of the species on its "potential high risk species" are there due to a lack of information about the biology of those species or catch information.

The application of new biological reference points for sharks and rays significantly contributed to an initial increase in the number of "potentially high risk species."

Subsequently however, new ecological risk assessment methodology is now being applied that is expected to largely put the "potentially high risk species" group into actual high risk or medium/low risk. AFMA completed the first phase in its revitalisation of the Ecological Risk Assessment /Ecological Risk Management framework with the release of a "Guide to AFMA's Ecological Risk Management" in June 2017. In March 2018 AFMA established the Ecological Risk Management Steering Group to oversee the ongoing implementation, monitoring and continuous improvement of the Ecological Risk Management framework.

4 The forecast of indicators for 2017-18 targets are based on fishery managers' expertise and available stock assessment information. Stocks may be above or below these targets.

5 The actual performance indicators for 2017-18 are calculated based on the methodology recommended by Australian Bureau of Agricultural and Resource Economics and Sciences in its 2015 review of AFMA's economic performance indicators.

6 In AFMA managed fisheries, not including jointly and internationally managed fisheries.

7 Species considered to be potentially at high risk are the subject of mitigation measures and further assessment. This may mean that projections of numbers of high risk species may vary from year to year.

Based on this new Ecological Risk Assessment methodology, during 2017–18 three fisheries were reassessed by Commonwealth Scientific and Industrial Research Organisation in conjunction with AFMA. These reassessments resulted in a significant reduction in the number of “potential high risk species” identified, that is, in the Eastern Tuna and Billfish Fishery from seven to one species and Small Pelagic Fisheries (Mid Water Trawl) Fishery from eight to zero species. The Heard Island and McDonald Islands Fishery continues to have no identified “high risk species”. These reductions are attributed to improved species information and data collection, as a result of, increased observer coverage and the introduction of electronic monitoring.

An additional nine Ecological Risk Assessments are currently underway, a further eight are scheduled for 2018–19, with all remaining Commonwealth fisheries to be reassessed during 2019–20.

Analysis of performance against the purpose

Since fisheries were previously assessed, AFMA has significantly improved catch information through the implementation of electronic monitoring and increased observer coverage. It is expected that the number of “potential high risk species” will reduce as fisheries are reassessed with this new information, and AFMA continues to maintain and improve existing actions and programs to mitigate ecological risks.

2. Maximise the net economic returns from Commonwealth fisheries to the Australian community

Purpose

Commonwealth fishery harvest strategies for key commercial stocks guide the setting of total allowable catches and other catch limits. Targets of maximum economic yield (or proxy), where available, should provide greater returns to the harvesting sector and the Australian community.

AFMA is also looking to increase understanding of the impacts of our management policies to improve the net economic returns from Commonwealth fisheries to the Australian community. In 2017–18, AFMA:

- continued to collect economic information including trading prices of quota and gear statutory fishing rights
- completed an assessment of the feasibility and cost effectiveness of individual accounting for discards of quota species from individuals' quota holdings
- completed the review of overcatch and undercatch provisions in the Quota Administration Policy
- completed the review of the management of catch of quota species in overlapping and adjacent fisheries.

Performance results

There are currently 16 stocks managed to maximum economic yield targets. The remaining 14 stocks⁸ cannot be managed to maximum economic yield, largely reflecting that most of these stocks are subject to international harvest strategies or treaties, which may have adopted other targets to manage those fisheries.

⁸ AFMA's top 30 stocks by value calculated using the 3 year average of 2014–15, 2015–16 and 2016–17 Gross Value of Production data

Performance criteria	2017–18	2017–18
	Target	Actual
Criterion source: The performance indicators below are recorded in AFMA's chapter in the Agriculture and Water Resources Portfolio Budget Statements 2017–18 p. 216 and in AFMA's Corporate Plan for 2017–20 p. 12.		
For economically significant stocks ⁹ :		
a) Maximise the number of key commercial stocks with harvest strategy targets based on maximum economic yield (MEY) or the best available proxy. ^{10, 11}	14	16
b) Improve the number of stocks in (a) assessed as being on target. ¹²	5	6
c) For those stocks in (a) that are assessed as not on target, improve the numbers that are heading towards their target reference point. ¹²	4	6

Assessment of performance against the purpose

The number of economically significant stocks with harvest strategy targets based on maximum economic yield or the best available proxy (16) was higher than the target of 14. This, in a large part, reflected variability of catch rates with the stocks making up 'economically significant stocks', that is, AFMA's top 30 stocks by value can change. Furthermore, some stocks that were assessed as over utilised are now heading towards the target.

Analysis of performance against the purpose

AFMA has been increasing its capacity to analyse quota market economics through continuing to collect economic information including trading prices of quota and gear statutory fishing rights. Quota and gear statutory fishing rights prices, in combination with other pricing and fishery information, assist us to assess the economic impacts on fishing operators of AFMA's management decisions; to better understand the cost structure differences of quota owner fishers compared to quota leasing fishers; and to consider the economic factors that drive fisher behaviour. As a result, AFMA is better placed to support operators in maximising their returns, as well as the economic returns to the Australian community.

9 Please note that not all Commonwealth fish stocks can be managed by MEY, for example, those managed under international regional bodies.

10 Where higher and lower value species are caught together, different targets for the lower value species may maximise net economic returns over all.

11 Assessment methodologies are being reviewed. This may mean projections may vary.

12 The method for estimating these KPIs was recommended by ABARES in its 2015 review of AFMA's economic KPIs. One year forecasts are based on fishery manager expertise and stock assessments.

In 2017–18 AFMA completed its review of undercatch and overcatch provisions under our Quota Administration Policy. These provisions allow quota holders to carry-over a proportion of unused quota entitlement (undercatch) or above-quota catch (overcatch) from one season to the next. The review concluded that undercatch and overcatch provisions have a range of economic benefits. These are primarily by softening the hard fishing season dates that can interfere with the efficiency of the quota market and providing flexibility to fishing operators when balancing their catch with quota between seasons. These arrangements can also reduce the need for monitoring and compliance for lower levels of overcatching and, should overcatching escalate, compliance action can be proportional to the risk it presents. Such fishery and management efficiencies also deliver economic benefits to the Australian community.

Our Quota Administration Policy also recognises that fishers incidentally catch quota species managed under separate plans of management in overlapping fisheries. AFMA reviewed these arrangements with the intention that all catches of quota stocks in overlapping fisheries should be covered by quota. The review found that the catches in overlapping fisheries are not currently a significant issue and the cost of amending fishery management plans for this purpose outweighs the benefits. However, management arrangements to account for quota in overlapping fisheries should be introduced when other changes are being made to management plans, to reduce cost, and help to provide flexibility and consistency across fisheries.

AFMA completed a cost benefit analysis of the cost-effectiveness of individuals to account for discards of quota species from their individual quota holdings. The analysis found that:

- it is not considered appropriate to implement individual accountability for discards of quota species in any AFMA managed fisheries at this time
- where in the future the cost of electronic monitoring becomes cheaper it may become beneficial to implement individual accountability in fisheries where there is already electronic monitoring.

Transshipping

AFMA is undertaking consultation with Management Advisory Committees, government agencies and the public on draft Transshipping Policy and Transshipping Guidelines. The Policy and Guidelines are expected to benefit commercial fishers by enabling them to maintain product quality (and therefore price) when operating long distances from port; when catching product that needs processing quickly; or where there is a lack of adequate onshore processing facilities. It may allow fishers to reduce their operating costs through more efficient use of fishing vessels. New fisheries related business and employment opportunities in the supply chain may also be developed. AFMA's strict management arrangements will mitigate against risks associated with transshipping activity that is known to occur in some other regions.

Exploratory fishing

The net economic and other returns to the Australian community from the management of Australian fisheries may be increased where new or existing fisheries are further explored and developed.

The 2017 Productivity Commission inquiry into Fisheries and Aquaculture identified that there may be opportunities to develop unexploited (or lightly exploited) stocks. The current revised draft Fisheries Management Paper number 5 (FMP5) is consistent with this report's finding.

The current version of FMP5 was introduced in 2005. It is red-tape heavy and expensive to administer for both AFMA and fishers. Essentially, it requires a fishery management plan to be developed before exploring potential resources. Since 2005, additional fishery access has been provided through the introduction of new fishery management plans (e.g. Eastern Tuna and Billfish Fishery, Small Pelagic Fishery).

AFMA continues to receive requests to undertake new fishing activities. Where appropriate, AFMA has managed new fishing activities through incorporating them into existing fisheries or through scientific permit applications under *Fisheries Management Paper number 11 – Scientific Permits* (FMP11).

The revised draft FMP5:

- allows exploratory fishing to occur on species that have commercial potential (as defined by the draft Commonwealth Fisheries Harvest Strategy), in new areas, or within existing fisheries, using new or, in some circumstances, existing fishing methods
- provides a flexible and cost-effective approach to gathering the information needed to determine if a long term fishery should be established.

3. Deliver effective, cost efficient and transparent management and regulator arrangements

Purpose

Non-compliance with AFMA's management rules and regulations undermines the value of fishing concessions which ultimately affects the value and viability of Australia's fishing industry. Non-compliance can also ultimately lead to the closure of areas and/or fisheries as a result of significant environmental impacts such as depletion of fish stocks.

Reducing cost pressures on fishing operators through efficient and effective fisheries management and providing greater insights and accountability for stakeholders into AFMA decisions are key aspects of delivering on this objective.

Performance results

Performance criteria	2017-18 Target	2017-18 Actual
<p>Criterion source: The performance indicators below are recorded in AFMA's chapter in the Agriculture and Water Resources Portfolio Budget Statements 2017-18 p. 216 and in AFMA's Corporate Plan for 2017-20 p. 15.</p> <p>% of apprehended foreign illegal, unregulated and unreported vessels and suspected illegal entry vessels disposed of</p> <p>Performance measure measurement method: Data is based on actions documented in compliance and enforcement activities.</p>	100%	100%
<p>% of treatment targets for all priority domestic compliance risks met</p> <p>Performance measure measurement method: Data is based on actions documented in compliance and enforcement activities.</p>	90%	79%
<p>Red tape reduction initiatives completed</p> <p>Performance measure measurement method: The red tape reduction register as at 30 June 2018 records estimated completion dates. Note: Since the program's inception 34 red tape initiatives have been completed, one initiative has been closed. A further 21 initiatives are currently in progress. The Minister may endorse further initiatives in future.</p>	10	3
<p>Cost recovery charges do not exceed the levels derived by increasing the 2005-06 recoveries adjusted for CPI</p> <p>Performance measure measurement method: Calculated using 2005-06 total cost recoveries and adding CPI adjustment based on 2.5%.</p>	<\$18.6m	\$41.3m

Assessment of performance against the purpose

In 2017–18, AFMA's performance targets for its domestic and foreign compliance operations were generally met. All apprehended foreign illegal fishing vessels were successfully disposed of. For domestic compliance, by maintaining focused actions and high visibility amongst operators, AFMA continued to encourage voluntary compliance rather than having to always take enforcement action against conscious non-compliance. The National Compliance and Enforcement Program 2017–18 sets out 29 performance targets. Twenty-three of these targets were achieved.

While not all red tape initiatives were completed to intended timelines during 2017–18, they continue to be substantively progressed in support of reduced regulatory burden and operator profitability.

AFMA delivered effective and cost efficient management and regulator arrangements by introducing innovations, removing inefficient practices and ensuring operational costs were within budget. These activities enabled AFMA to continue to meet its cost recovery commitment to operators with AFMA out-performing the cumulative Consumer Price Index by some \$41.3 million (as at 2017–18).

Analysis of performance against the purpose

National (domestic) compliance

AFMA's National Compliance Operations and Enforcement Policy aims to effectively deter illegal fishing in Commonwealth fisheries and the Australian Fishing Zone. The 2017–18 National Compliance and Enforcement Program consisted of four major components:

1. Communication and Education Program
2. General Deterrence Program
3. Targeted Risk Program
4. Maintenance Program.

As detailed below, each of the four component programs involved specific aims and outcomes.

1. Communication and Education Program:

AFMA fisheries officers conducted infield education sessions and pre-season briefings in a variety of ports to educate fishers on the principles of the compliance and enforcement program and potential consequences of being caught and/or committing offences. Monthly compliance articles were also posted on AFMA's website and Facebook pages with messages being sent to fishers on a regular basis. Subject matter included reminders on the need to accurately complete logbooks, keeping Vessel Monitoring System units switched on, obligations on the handling of bycatch and notifications on increases to penalties and the release of educational material. All eight of the Communication and Education performance targets were met in 2017–18.

2. General Deterrence Program:

AFMA fisheries officers undertook 78 port visits and 14 sea patrols to conduct 206 boat inspections and 102 fish receiver inspections. Although slightly down on the 328 inspections conducted last year, continuing high levels of compliance were observed with 91 per cent of inspections requiring no further action. This was within the program 'target threshold' for voluntary compliance of 90–95 per cent.

Six of the nine performance targets for the general deterrence program were met and of the three performance targets that were not met in 2017–18, adjustments to resources and the need to address new and emerging risks resulted in AFMA having to fine-tune priorities in line with the overall program approach. For example, the target of inspecting all 20 high risk boats was not achieved as resources were redirected to other, higher priority, emerging compliance and operational risks.

3. Targeted Risk Programs:

During 2017–18 our targeted risk program focused on quota evasion, failing to report interactions and retention of protected and prohibited species.

Quota Evasion

Quota evasion is the deliberate misreporting, or non-reporting, of the volume and species of catch caught in Commonwealth waters. All Commonwealth fishers are required to accurately report their catch to AFMA through the Catch Disposal Records. In 2017–18 the National Investigations Taskforce continued to focus on quota evasion and investigating serious and/or systematic cases of possible quota evasion. In addition the National Intelligence Unit, the Taskforce and the General Duties team focussed on developing and implementing a covert surveillance program to measure the level of quota evasion. These activities will inform future

compliance actions and target resources to areas of no non-compliance. Two of the three quota evasion performance targets were met in 2017–18 and one target relating to a review of the tools to detect quota evasion was deferred until next year.

Failure to report interaction/retention of protected or prohibited species

During 2017–18 the Bycatch team conducted a number of workshops providing protected species identification guides and guidance on mitigation devices and strategies to minimise future interactions. While the two performance targets to minimise the take or retention of prohibited or conservation dependent species were met, the non-reporting of interactions with Threatened, Endangered and Protected species was off-target with 35 matters being detected. We investigated these and they were dealt with by way of fines, warnings and education sessions. Given the importance AFMA places on such matters, AFMA will re-assess its strategies to improve reporting rates.

Bycatch mishandling

To assist in ensuring long term sustainable fisheries, AFMA undertook a comprehensive education and communication program with industry and non-government organisations to outline the risk of bycatch mishandling. AFMA Bycatch and Compliance teams conducted three education workshops on bycatch handling in accordance with the principles in the Bycatch Handling Guide and also released an AFMA Best Practice Bycatch Handling education video. While the two performance targets concerning education activities were achieved there were still 29 identified incidents of bycatch mishandling in 2017–18 which equates to an average of 2.4 incidences per month. These were dealt with by way of the suspension of fishing concessions, warnings and education sessions. While this represents a 33 per cent decrease in the average incidence rate since the introduction of AFMA's targeted compliance program in October 2016, further work to reduce incidence levels is required and this will remain a focal area for AFMA in the future.

4. Maintenance Programs

Previously 'treated' risks remained the focus of the maintenance programs. These included compliance with AFMA's satellite based Vessel Monitoring System or e-monitoring system, quota reconciliation and minimising the incidence level of fishing in closed areas.

Vessel Monitoring System compliance rates remained high with an average of 96.5 per cent of all Commonwealth boats reporting to AFMA via their Vessel Monitoring System at any one time. Quota reconciliation non-compliance rates fluctuated during 2017–18 resulting in a total of 29 operators not reconciling

overcatches by the due date which is on par with the previous two years. AFMA worked with those operators and almost all incidents were resolved promptly without need for further action. There was one incident of a vessel suspected of breaching a fishing closure. This is the first case in over two years and is subject to investigation.

Three of the four maintenance program performance targets were met or within target thresholds in 2017–18. The performance target of no e-monitoring tampering incidents (<2 threshold target) in the year, was only just exceeded, with the two incidents resolved without enforcement action being required.

AFMA domestic prosecutions for 2017–18

During 2017–18, we finalised three prosecution matters resulting in a total of \$23 500 in fines handed down for three convictions. Offences involved fishing in an area without the requisite quota, not carrying an AFMA observer when required to do so and receiving fish without an appropriate licence.

Foreign compliance

AFMA's foreign compliance activities ensure that Australia's fish stocks and the marine environment, particularly to our north, are not adversely affected by illegal foreign fishing.

Our approach to illegal, unreported and unregulated fishing is multifaceted comprising on-the-water surveillance and enforcement, regional cooperation, diplomatic representations, in-country education and capacity building and international cooperation through Regional Fisheries Management Organisations and other international agreements and arrangements.

AFMA works closely with other Australian Government agencies in detecting and responding to incidents of illegal foreign fishing within Australian waters and in engaging with other countries in developing regional strategies for combatting illegal, unreported and unregulated fishing. Our engagement with Regional Fisheries Management Organisations and other international fora ensures that Australia's fisheries management is consistent with actions taken regionally and internationally, particularly in relation to straddling or migratory stocks and in areas adjacent to the Australian Fishing Zone.

AFMA's participation in the work of these regional fishing bodies includes collaborating with other members to develop regional compliance and management measures and providing annual reports on the implementation of those measures. We also chair working groups, share information on fisheries management and compliance approaches, develop proposals and take action to deter illegal, unreported and unregulated fishing.

Northern waters

AFMA supports the Maritime Border Command through the provision of specialist fisheries officers both in the Australian Maritime Border Operations Centre in Canberra and on-board Australian Border Force and Royal Australian Navy patrol boats. Our efforts focus on high risk areas for incursions by illegal fishers and deterred fishers operating in close proximity to the Australian Fishing Zone from conducting illegal fishing operations.

During 2017–18, a total of 14 illegal foreign fishing vessels were apprehended across Australia's northern waters. This number consisted of nine fishing vessels from Indonesia, and five fishing vessels from Papua New Guinea. This has decreased from a total of 15 apprehensions in 2016–17 and 20 in 2015–16.

In total, 85 foreign fishers were detained for illegal fishing in Australian waters, with 27 Indonesian nationals the subject of criminal prosecution in Australia, while an additional 23 Papua New Guinea nationals were repatriated to Papua New Guinea for processing, where applicable, by the National Fisheries Authority. Those prosecuted by AFMA received penalties ranging from good behaviour bonds to fines up to \$12 000. All boats were confiscated. One was released under a bonding arrangement pending the outcome of prosecution action, eight were destroyed by AFMA, one was lost at sea while being towed to port and four remain at AFMA's office on Thursday Island pending disposal action.

FEATURE STORY

Australia and Vietnam Collaboration to Stamp out IUU Fishing



Australia implements a multifaceted compliance strategy to combat illegal, unreported and unregulated fishing. This comprises taking strong on the water enforcement action to identify and intercept illegal fishing vessels, working closely with regional partners to share information, making diplomatic representations and conducting “in country” education programs to educate illegal fishers.

Since 2016, pressure on local fish stocks and regional instability saw Vietnamese fishing operators travelling further afield in order to target high value stocks such as beche de mer, sharkfin and giant clam. Increased numbers of Vietnamese fishing vessels were caught illegally fishing in Australian waters as well those waters of neighbouring countries to our north and in the Pacific. Such activities not only threaten the sustainability of fish stocks and adversely impact the marine environment, but also require significant effort and resources to detect, apprehend and prosecute offenders, along with disposal of their boats and repatriation of the crews. In recognition of the fact that a collaborative solution to the problem was needed, Australia and Vietnam signed a Memorandum of Understanding (MOU) aimed at strengthening bilateral relations and combating illegal fishing in the Asia Pacific region.

Under this MOU, in December 2017, Australia delivered a joint Public Information Campaign (PIC) with the Vietnamese Ministry for Agriculture and Rural Development (MARD). The PIC aimed to emphasise to fishing communities in Vietnam that those who do the wrong thing face financial penalties, potential jail time and the potential destruction of their fishing boats.

Over 200 fishers and officials attended the information sessions. Nearly all of those who attended were from the coastal villages and home ports where the illegal fishers were based. Joint presentations with the Vietnamese authorities promoted a united stand against illegal fishing. The workshops also gained a lot of attention from local and national media.

In the two years leading up the workshops 14 Vietnamese fishing vessels were apprehended in the Australian Fishing Zone, with a total of 180 fishers convicted. Since December 2017 there have been no further apprehensions or sightings of Vietnamese vessels operating illegally in Australian waters or in the Pacific.

This program was funded by the Department of Foreign Affairs and Trade.

*Public Information Campaign presentation Vietnam
Photo courtesy: AFMA*

Capacity building

AFMA's regional cooperation and capacity building initiatives aim to build collaborative relationships and assist our regional partners in strengthening their fisheries compliance and management frameworks.

AFMA's International Compliance Operations team operating under a capacity building program funded by the Department of Foreign Affairs and Trade assisted several Pacific Island countries through developing and delivering Monitoring Control and Surveillance training to officers attached to both Fisheries Departments and Police Maritime Units. This training also included participating in Enforcement Patrols as sea-riders whilst on board their respective Pacific Class Patrol Boats.

AFMA continues to play a leading role in presenting and assessing course curriculum at the Monitoring Control and Surveillance Officers' Foundation Course through the University of the South Pacific as well as developing and delivering course material to students enrolled in the Pacific Patrol Boat Program at the Australian Maritime College in Launceston, Tasmania.

AFMA has also played a major part in assisting Pacific Island countries develop their own Standard Operating Procedures in respect of the Niue Treaty Subsidiary Agreement. During the course of the year both the Republic of the Marshall Islands and the Federated States of Micronesia agreed to and completed their Standard Operating Procedures.

Multilateral patrols/operations

During 2017–18, AFMA officers participated in two co-ordinated patrols with the Indonesian Ministry of Marine Affairs and Fisheries and Indonesian BAKAMLA. These patrols focussed on patrolling the maritime boundary between Australia and Indonesia. At the completion of the last patrol in May 2018, 30 Marine Affairs and Fisheries Officers attended the AFMA office in Darwin for a joint training day. The very good relationship that exists between AFMA and Indonesian Marine Affairs and Fisheries continues to strengthen.

AFMA continues its close working relationship with the United States Coast Guard not only on the high seas but also as part of United States support for Pacific Island countries patrolling their exclusive economic zone. AFMA officers continue to embark on United States Coast Guard patrols of the Federated States of Micronesia exclusive economic zone and AFMA looks forward to continuing its relationship with the United States Coast Guard.

AFMA officers participated in all four of Pacific Islands Forum Fisheries Agency's Fisheries Operations and assisted Patrol Boat personnel based in Cook Islands, Tuvalu, Solomon Islands, Federated States of Micronesia, Papua New Guinea, Republic of the Marshall Islands and Tonga. The patrols have seen several investigations ensue, including an out of court settlement for US\$800 000 pertaining to non-compliance with licence conditions.

AFMA also participated in *Operation Nasse*, which is a dedicated fisheries enforcement patrol of the high seas. The operation involves all QUAD members (Australia, France, New Zealand and the United States). This particular operation saw AFMA officers embarked on both Australian and French patrol vessels for the duration of the Operation.

AFMA also continues to work closely with Papua New Guinea, particularly in the Torres Strait where we share management arrangements for key species under the Torres Strait Treaty. The Papua New Guinea National Fisheries Authority and the Royal Papua New Guinea Constabulary facilitated four "at sea" transfers of custody involving 23 Papua New Guinea nationals apprehended for suspected illegal fishing in areas of Australian jurisdiction within the Torres Strait Protected Zone. In all matters AFMA provided evidence packs to the Papua New Guinea authorities to assist them in prosecuting offenders under Papua New Guinea law.

Two apprehensions by Papua New Guinea authorities in waters adjacent to the Torres Strait Protected Zone were also conducted as the boats had left Australia's jurisdiction returning to Papua New Guinea waters.

Southern ocean

AFMA continues to monitor suspected incidents or allegations of illegal, unreported and unregulated fishing in our areas of interest in the Southern Ocean. Nearly all known illegal, unreported and unregulated vessels remain out of action as a result of effective international cooperation involving relevant port States, flag States and States with nationals that control and benefit from the activities of these vessels. We continue to cooperate with our partners including deploying on French warships and considering approaches to strengthen frameworks that aim to disrupt and eliminate illegal, unreported and unregulated fishing.

AFMA also played a part in the international investigation of the illegal fishing vessel *STS-50*, jointly issuing the INTERPOL notice with New Zealand in 2016 and providing vessel position information to the Indonesian authorities in April 2018. The Indonesian Navy subsequently apprehended the stateless illegal, unreported and unregulated toothfish fishing vessel, the *STS-50*, which had evaded capture over the past two years.

Red tape reduction initiatives

AFMA continues pushing to streamline and improve our management of Australia's fisheries. We are committed to reducing the amount and complexity of regulation with our red tape reduction agenda, while maintaining effective fisheries management. We work with industry, scientists and state and territory regulators to streamline processes. To date we have more than 50 initiatives that have been, or are being, implemented. While we have removed a range of duplication and unnecessary regulation there is still further room for improvement.

2017–18 saw a range of new initiatives commenced to enhance the security and value of fishing concessions, including:

- preventing concession transfers where a third party interest has been registered
- automatic granting of fishing permits
- providing clarity on the revocation of plans of management and the use of statutory fishing right options provisions
- providing clarity on the cancellation of fishing concession provisions.

Another popular change was issuing five year permits in the Southern Bluefin Tuna and High Seas fisheries. This enhanced security of access adds value to permits. Fishing concession owners' feedback has been positive with AFMA looking to issue other fisheries concessions for up to five years where appropriate.

Other initiatives are underway but are awaiting legislative change or other processes to finalise, including:

- transitioning Quota Holding Permits to Statutory Fishing Rights
- reforming the Catch Disposal Records system
- transferring NSW Southern Fish Trawl to Commonwealth management
- streamlining processes to support exploratory fishing
- simplified fishing access arrangements for Torres Strait Fisheries.

Co-management arrangements

Co-management arrangements to encourage greater industry responsibility for minimising the effects of fishing are another approach by AFMA that can also increase the cost effectiveness of fisheries management. Such arrangements often reflect a maturing industry that has a strong industry body and the capacity to take on responsibilities previously undertaken by government. The Northern Prawn Fishery, which is the Commonwealth's most valuable fishery, continues to work with AFMA to build its capacity and engagement in fisheries management through co-management.

During 2017–18, the Northern Prawn Fishery Industry group partnered with AFMA to undertake scientific trials of new bycatch reduction devices that will be rolled out over the next two years and deliver up to a 40 per cent reduction in fish bycatch. The Northern Prawn Fishery Industry group also managed the supply of wild-caught black tiger prawns used for broodstock by Australian prawn farmers and continued to provide other services, such as data collection, crew-member observing for protected species and the tendering process for providing a vessel on which to conduct the annual scientific monitoring program. Northern Prawn Fishery Industry also undertook pre-season, in-port briefing of skippers and crews about the fishery regulations that must be complied with. Other Commonwealth fisheries, including the Southern and Eastern Scalefish and Shark Fishery, the Great Australian Bight Trawl Fishery and the Bass Strait Central Zone Scallop Fishery are also working more closely with AFMA to identify opportunities to engage in co-management. The South East Trawl Fishing Industry Association and AFMA will complete a new co-management arrangement in 2018–19, and discussions with the scallop industry are also in progress.

AFMA will complete its assessment of all key Commonwealth fisheries to engage in co-management during 2018–19. This will provide an evidence base to determine where to expand existing arrangements and/or create new ones in future where it is mutually beneficial for industry and AFMA, noting that some regulatory roles will always be the purview of government.

Electronic monitoring (e-monitoring)

AFMA has been running a full time e-monitoring program in four fisheries: the Eastern Tuna and Billfish Fishery, the Western Tuna and Billfish Fishery, the Small Pelagic Fishery (midwater trawl sector) and the Gillnet Hook and Trap sector of the Southern and Eastern Scalefish and Shark Fishery for a number of years. This program complements AFMA's observer program and with the use of feedback reports, assist fishers in improving the data AFMA receives from logbooks. The e-monitoring program has also provided an effective and cost efficient means to ensure fishing regulations are being adhered to.

AFMA's use of e-monitoring as a tool has increased over the past seven years. It is now a fundamental monitoring tool underpinning the Dolphin and Australian Sea Lion Management Strategies in the Gillnet Hook and Trap Fishery, interactions with protected species in the Small Pelagic Fishery and the Seabird Threat Abatement Plan in the longline sector of the Gillnet Hook and Trap Fishery and the Eastern Tuna and Billfish Fishery. The most noticeable impact electronic monitoring has had is in the improved logbook reporting, which is being validated through monthly comparison reports.

E-monitoring will continue to be adopted where it is proven to be cost effective and efficient to do so. In most cases this is where a higher (greater than 5–10 per cent) level of monitoring is required and where biological data collection by crew/observers can complement cameras. The data collection tool allows AFMA to implement a variety of new management approaches including individual bycatch accountability, fish and bycatch handling requirements and in the future, image recognition.

FEATURE STORY

Management of Mako Sharks in the Eastern Tuna and Billfish Fishery



Mako Sharks are listed as a migratory species under Australia's environmental legislation the *Environment Protection and Biodiversity Conservation Act 1999*. This means that commercial fishers must take all reasonable measures to avoid injuring or harming Mako sharks.

The Eastern Tuna and Billfish Fishery is a pelagic longline fishery that primarily targets bigeye tuna, yellowfin tuna and swordfish, but takes Mako sharks as a bycatch. There are strong management measures in place to prevent targeting of sharks in this fishery, with a 20 shark trip limit for each boat. Fishers are also banned from using wire trace to connect the hook to the mainline to minimise the shark catch.

Even though catch of Mako sharks is relatively small, they are still a valuable part of the catch for commercial fishers. AFMA has developed a unique rule for Mako sharks to ensure that harm to any live shark is minimised, dead sharks are not wasted and can be sold to Australian markets. The rule requires all Mako sharks that are brought to the boat alive to be released with minimal harm. During 2017–18, 2005 Mako sharks were caught with 1304 of these being released.

The introduction of e-monitoring into the Eastern Tuna and Billfish Fishery has enabled AFMA to cost effectively monitor and enforce these rules. E-monitoring is a system of four cameras and a range of sensors that are used to monitor all fishing activities.

*Top: Electronic monitoring equipment
Below: Shark being released in ETBF
Photos courtesy: Observer, AFMA*



Legislation update

AFMA is focused on the long-term ecologically sustainable development of Australia's fisheries resources for all users – commercial, recreational and Indigenous.

Changes to the *Fisheries Management Act 1991* in November 2017 clarified the expectations on use and access to Commonwealth resources. AFMA is now working to better reflect these legislative changes in management policies and arrangements and operational practices.

Another area of legislative focus during 2017–18 has been our review in light of the pending expiry of three legislative instruments relating to the management of Commonwealth fisheries, namely the *Fisheries Management Regulations 1992*, the *Fisheries (Administration) Regulations 1992* and the *Fisheries Management (Southern Bluefin Tuna Fishery) Regulations 1995*. These existing regulations, amongst other things, outline the geographic areas for fisheries, obligations for Commonwealth concession holders, fees payable and the framework that supports the issuing of infringement notices. Proposed changes aim to streamline AFMA's current ability to enforce obligations, thereby improving management effectiveness and reducing the regulatory burden on industry. Public consultation has largely supported AFMA's proposals and finalisation of the amendments is now underway.

In addition, a second tranche of legislation to modernise the penalty provisions in the *Fisheries Management Act 1991* by adopting the *Regulatory Powers (Standard Powers) Act 2014* and provide additional compliance tools for AFMA is underway. However, there have been delays in the Bill to progress these measures and it is now scheduled to be considered by Parliament during its Spring session (from August) 2018.

Stakeholder engagement

AFMA communicates with a diverse range of stakeholder groups for a variety of purposes including exchanging information, consultation and seeking advice.

During 2017–18, AFMA continued to engage with a wide variety of stakeholders including scientists, commercial fishers and fishing associations, researchers, environment and conservation organisations, other agencies, recreational and Indigenous fishers about our management of Commonwealth fisheries and compliance activities.

Management Advisory Committees and Resource Assessment Groups are a key source of advice to AFMA and the Commission, reflecting the experience and expertise of stakeholders with interests in the fishery or fisheries. Regular meetings of these bodies were held during 2017–18, with around 80 per cent of the Management Advisory Committee recommendations being accepted by the Commission.

We also undertook public consultation on policy and fisheries management changes, and included feedback in the advice and recommendations made to the Commission.

Our online systems such as GoFish and Vessel Monitoring System, electronic messaging, port visits, and public and issue-specific meetings, both in Australia and overseas, have also provided avenues for engagement with stakeholders and individual fishing operators.

AFMA also broadened its availability of fisheries and compliance information through the websites it manages, www.afma.gov.au and www.pzja.gov.au, via Facebook and through publication of data on data.gov.au.

The Protected Zone Joint Authority website was migrated to a new content management system and the look and feel of the site was updated to make it more accessible, bringing it in line with Australian Government guidelines.

Raw, aggregated fishing gear and effort data was published on data.gov.au, to make more AFMA data publicly available, to help and encourage researchers, scientists, businesses and students to optimise and re-use the data in projects.

AFMA's Facebook page has seen improved reach and interactions over the past 12 months, as illustrated in Figure 1 below, and the Communications team has upskilled to optimise content through videos and infographics.

Figure 1: Facebook reach and likes July 2017–July 2018



Client service charter

Our Client Service Charter sets out the services and standards that all clients or stakeholders can expect from AFMA. It applies to all of our fisheries administration and corporate services functions, including our licensing function. Our service charter is available on our website afma.gov.au.

We use our licensing system, GoFish, to record the timeliness of responses for licensing transactions. During 2017-18 more than 99 per cent of licensing correspondence and transactions submitted by concession holders were dealt with in accordance with our Client Service Charter.

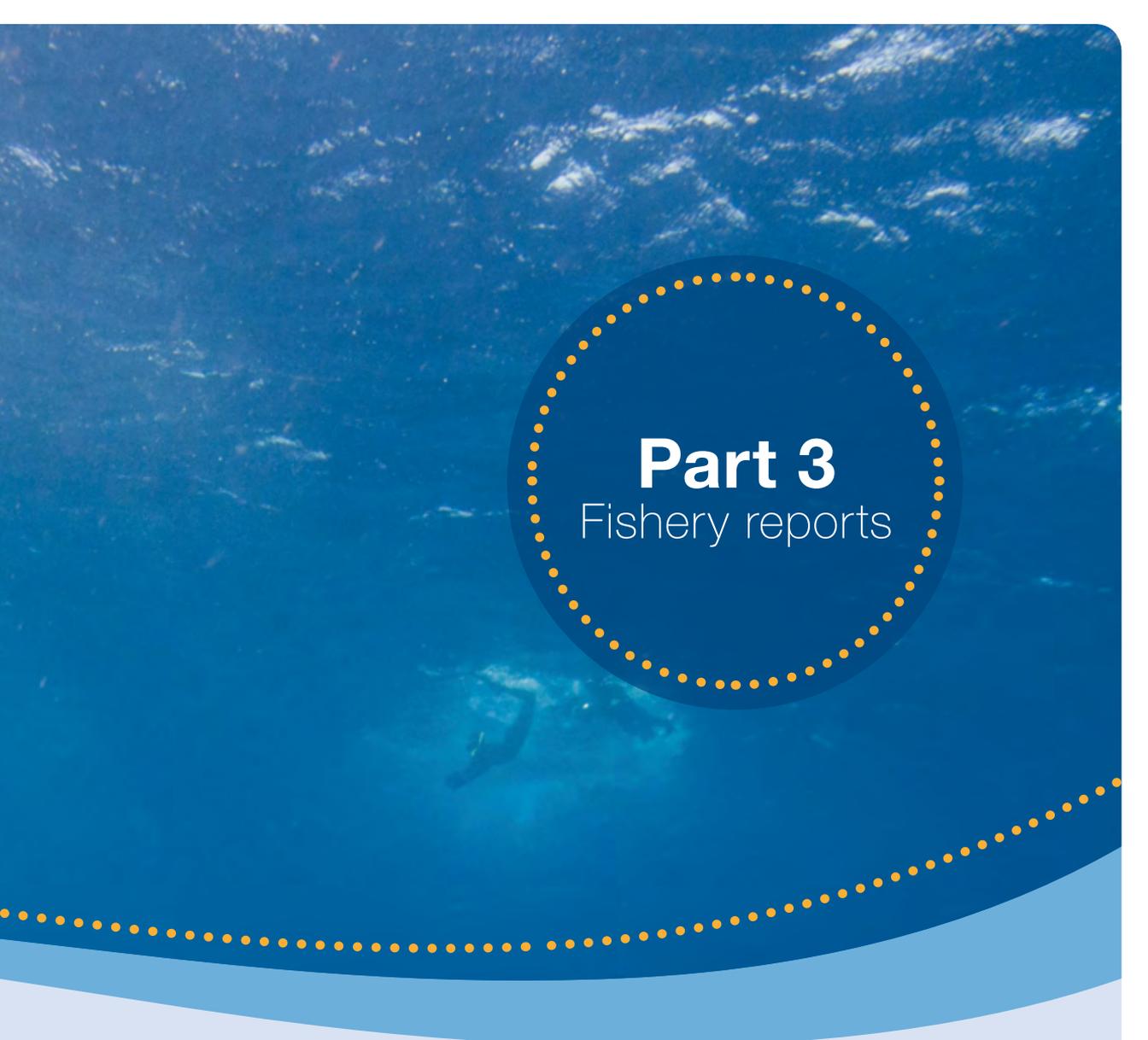
No formal complaints were received by AFMA during the reporting period.

Recreational fishing gear
Photo courtesy: AFMA





Danish Seine net
Photo courtesy: Ryan Keightley, AFMA

An aerial photograph of the ocean with white-capped waves. A dark blue circular graphic with a dotted orange border is centered in the upper half of the image. Inside the circle, the text 'Part 3' is written in a large, bold, white sans-serif font, and 'Fishery reports' is written below it in a smaller, white sans-serif font. A curved dotted orange line runs across the bottom of the dark blue circle and extends across the width of the page.

Part 3

Fishery reports

PART 3

Introduction

AFMA managed fisheries

Jointly managed fisheries

High seas permits

Non-operational fisheries

PART 3

Summary

Sustainable Fisheries Management

NO STOCKS SUBJECT TO OVERFISHING
in AFMA solely managed fisheries for

5 consecutive YEARS.



Fisheries Management Plans

IN 2017-18

100%

 of

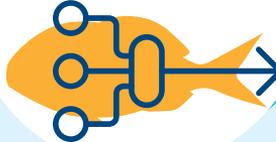
PERFORMANCE CRITERIA

for Commonwealth fisheries managed under statutory Fishery Management Plans

WERE MET

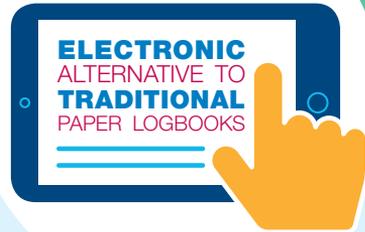


Introduction of FISHERIES MANAGEMENT STRATEGY



E-LOGS

ELECTRONIC ALTERNATIVE TO TRADITIONAL PAPER LOGBOOKS



REDUCING BYCATCH

remained a KEY FOCUS in 2017-18



AFMA BYCATCH PROGRAM consulted extensively with industry

FURTHER INDUSTRY TRIALS of bycatch reduction devices (BRDs)

Results showing **IMPROVED REDUCTION** in bycatch

Introduction

In 2017–18 Commonwealth fisheries continued to be sustainably harvested, providing profits for commercial fishers and fresh seafood for Australians and the world.

For the last five years no stocks managed solely by AFMA have been classified as subject to overfishing (see Australian Bureau of Agricultural and Resource Economics and Sciences Fishery Status Reports 2018). Despite this very good outcome, we need to regularly assess Commonwealth fish stocks to maintain sustainable catches of key commercial species by adjusting total allowable catches. A small number of stocks still remain classified as overfished (generally reflecting past unsustainable fishing practices). Setting the right management arrangements will enable stock rebuilding to levels where they can be commercially fished once more.

AFMA has been working on two initiatives that seek to better understand why the total allowable catches for some species are not being caught and what the future may hold for Australian fish stocks under future climate scenarios. A workshop with key fishery stakeholders in April 2018 considered causes for undercaught total allowable catches and identified the following as most likely having the greatest impact on declining indicators:

- undercaught total allowable catches: economic targets cannot be met for every stock in a multispecies fishery, fishers avoiding less profitable stocks and a fully caught total allowable catch for one fish stock preventing the total allowable catches of associated species from being caught, some assessments might be too optimistic
- declining catch rates: fishing less profitable stocks, increasing areas closed to commercial fishing and climate change
- lack of recovery: climate change and not having enough data to accurately assess the species to identify recovery.

A second workshop is due to take place in 2018–19.

In response to scientific predictions that climate change is likely to significantly alter the distribution and abundance of fish, AFMA has begun undertaking scenario planning to test our regulatory system against future climate scenarios.

Reflecting our efforts to deliver ecologically sustainable fisheries, protected species interactions remain a focus for AFMA. Work is continuing on mitigation measures for dolphins in the Gillnet, Hook and Trap and Small Pelagic Fishery. Dolphin strategies

in both fisheries are currently being reviewed after the first year of operation. AFMA is supporting a project that is investigating the diet of one of Australia's endemic seabirds, the shy albatross, so we can take the necessary steps to ensure our fishery management does not negatively impact the population. The results of this work will be known in 2019.

The reviews of the Commonwealth Fisheries Harvest Strategy Policy and Bycatch Policy are likely to be finalised by the end of 2018. In the meantime, AFMA is already working with its research and development partners to progress several key components including multispecies harvest strategies, cumulative impacts and reducing unwanted bycatch. These projects are expected to commence in 2018–19.

AFMA's new Ecological Risk Assessment and Ecological Risk Management framework for Commonwealth fisheries is now being implemented with new assessments for the Small Pelagic Fishery, Heard Island and McDonald Islands Fishery and the Eastern Tuna and Billfish Fishery all completed during 2017–18. A further five assessments are underway. These new assessments are generally showing improvements with fewer species at high risk, mainly due to the new framework enabling the resolution of previously "potential high risk species" to either medium/low risk or actual high risk. The identification of this latter group enables AFMA to better direct its limited resources to where they are going to have the greatest beneficial effect. To support the continued refinement of the Ecological Risk Assessment and Ecological Risk Management framework a Steering Committee has been formed under the chair of an AFMA Commissioner.

Following the passing of the *Fisheries Legislation Amendment (Representation) Act 2017* in November 2017, AFMA is explicitly required to have regard to accounting for the interests of commercial, recreational and Indigenous fishing sectors in managing Australian fisheries. As a first step in implementing this new requirement, AFMA has reviewed its Management Advisory Committee and Resource Assessment Group policies in preparation for potentially increasing the number of recreational and Indigenous members on relevant bodies.

AFMA has also formalised its Economic Working Group with an AFMA Commissioner chairing. This body is currently examining economic indicators for Commonwealth fisheries and these are expected to be finalised in 2018–19. Alongside this, AFMA has developed a statement regarding how it takes into consideration the social aspects of ecologically sustainable development principles. This initiative is currently subject to public consultation.

AFMA is continuing to pursue co-management opportunities with the Commonwealth fishing industry with the Gillnet, Hook and Trap, South East Trawl and Bass Strait Scallop industries being the focus of attention in 2017–18. Gillnet, Hook and Trap co-management data collection project is expected to start in October 2018 and co-management arrangements between AFMA and South East Trawl and Bass Strait Scallop fisheries anticipated to be agreed in 2018–19. Successful co-management may reduce regulatory burden on fishers, build industry capacity and contribute to efficient and cost-effective management for the fishery.

AFMA began work on a Transshipping Policy and Guidelines to support consistent decision making and create greater certainty for the fishing industry regarding transshipping. Transshipping can improve the economic efficiency and profitability of a fishery in a number of ways including decreasing the time between fish being caught and processed (thereby maintaining product quality) and reducing fuel and travel costs. AFMA commenced a public consultation process on the draft policy and guidelines in June 2018 and will look to finalise the policy and guidelines during 2018–19.

Gross Value of Production

The gross value of production is an indication of the economic value of fisheries. The estimated gross value of production for all Commonwealth fisheries is approximately \$380 million for 2017–18.

Performance results discussed in fishery reports

Estimated catch totals for 2017–18

Estimated catch totals are taken from data compiled by AFMA from catch and effort logs and Catch Disposal Records sourced from fishers in Commonwealth managed or jointly managed fisheries for the financial year July 2017 to June 2018.

Performance results

The sources of information presented in the fishery performance results shown are:

- Economic yield data presented in the reports are based on Australian Bureau of Agricultural and Resource Economics and Sciences' gross value of production data for Commonwealth fisheries and AFMA stock assessments.
- Data on fishing mortality and biomass are taken from Fishery Status Reports 2018 prepared by the Australian Bureau of Agricultural and Resource Economics and Sciences.

List of Fishery Reports

AFMA managed fisheries:

Bass Strait Central Zone Scallop Fishery

Coral Sea Fishery

Northern Prawn Fishery

North West Slope Trawl and Western Deepwater Trawl Fisheries

Small Pelagic Fishery

Southern and Eastern Scalefish and Shark Fishery

Southern Squid Jig Fishery

Joint managed fisheries:

Eastern Tuna and Billfish Fishery

Southern Bluefin Tuna Fishery

Western Tuna and Billfish Fishery

Heard Island and

McDonald Islands Fishery

Macquarie Island Toothfish Fishery

High seas permits

Non-operational fisheries:

Norfolk Island Fishery

Skipjack Tuna Fishery

South Tasman Rise Fishery

Bass Strait Central Zone Scallop Fishery



Estimated Catch
2964 tonnes



Performance results

Performance criteria (AFMA Corporate Plan 2017–20)	2017–18 Target	2017–18 Actual
Number of fish stocks subject to overfishing (The number of stocks where the level of catches by fishery operators is likely to result in stock becoming overfished)	0	0
The number of stocks that are assessed as overfished and require effective management to return the stock to sustainability	n/a	0

Stock status of target species

Common name (<i>scientific name</i>)	Latest available status assessment			
	2016		2017	
	Fishing mortality	Biomass	Fishing mortality	Biomass
Commercial Scallop (<i>Pecten fumatus</i>)				

Source: Patterson, H, Larcombe, J, Nicol, S and Curtotti, R 2018. *Fishery status reports 2018*, Australian Bureau of Agricultural and Resource Economics and Sciences, Canberra

Fishing Mortality Not subject to overfishing
Biomass Not overfished

Uncertain

Fishing Mortality Subject to overfishing
Biomass Overfished

Management Plans/Arrangements

The Bass Strait Central Zone Scallop Fishery continues to be managed in accordance with the *Bass Strait Central Zone Scallop Fishery Management Plan 2002*. The Bass Strait Central Zone Scallop Fishery is managed through open and closed seasons, area closures, catch limits and size limits. Fishers must hold statutory fishing rights to fish in this fishery.

The performance criteria detailed in the fishery management plan were all met in 2017–18.

In 2017–18 AFMA started exploring the potential for co-management arrangements to be developed with the Bass Strait Scallop industry. Under such arrangements, various responsibilities such as season start and end dates could be delegated to an industry body enabling greater flexibility of arrangements and improved government regulation. Consideration of co-management arrangements in the fishery will be pursued during 2018–19.

Analysis of performance

Status of fish stocks

As recruitment and availability of scallops are naturally variable and surveys do not aim to estimate the total biomass of scallops across the whole fishery, commercial scallops are not managed to a specific biomass target. Instead, the operational objectives of the harvest strategy are to:

- keep stocks at ecologically sustainable levels and, within that context, maximise returns to the Australian community
- pursue efficient and cost-effective management.

Following a pre-season survey in 2017, a total allowable catch of 3000 tonnes, with the option to increase to a maximum of 4880 tonnes if triggers were met, was set for the season. The catch for the 2017 season was 2964 tonnes (98.8 per cent of the total allowable catch). The 2018 pre-season survey indicates that biomass and bed density are similar to that of the 2017 survey. Good catches are expected to continue.

Economic returns

The Bass Strait Central Zone Scallop Fishery Harvest Strategy focuses on ensuring the sustainability of the stock by protecting areas of spawning biomass each season. This approach allows industry the flexibility to catch scallops from open beds, thereby improving economic returns while ensuring continued ecological sustainability.

Positive trends in the economic outlook for the scallop fishery continued through 2017–18 with good catches and increasing beach prices. The number of vessels operating has remained stable.

Scallop dredge Devonport
Photo courtesy: Clayton McCloud, AFMA



Coral Sea Fishery




Estimated Catch
70 tonnes

Performance results

Performance criteria (AFMA Corporate Plan 2017-20)	2017-18 Target	2017-18 Actual
Number of fish stocks subject to overfishing (The number of stocks where the level of catches by fishery operators is likely to result in stock becoming overfished)	0	0
The number of stocks that are assessed as overfished and require effective management to return the stock to sustainability	n/a	0

Stock status of target species

Common name (<i>scientific name</i>)	Latest available status assessment			
	2016		2017	
	Fishing mortality	Biomass	Fishing mortality	Biomass
Sea cucumber sector: Black teatfish (<i>Holothuria whitmael</i>) Prickly redfish (<i>Thelenota ananas</i>) Surf redfish (<i>Actinopyga mauritiana</i>) Aquarium sector: Multiple species Lobster and Trochus sector: Tropical rock lobster (<i>Panulirus ornatus</i>) possibly other species	Green	Green	Green	Green
Sea cucumber sector: Other sea cucumber species (11 spp.) Trawl and trap sector: Numerous fish, shark and crustacean species	Green	Orange	Green	Orange
Sea cucumber sector: White teatfish (<i>Holothuria fuscogilva</i>) Line and Trap sector: Mixed reef fish and sharks	Green	Orange	Orange	Orange

Source: Patterson, H, Larcombe, J, Nicol, S and Curtotti, R 2018. *Fishery status reports 2018*, Australian Bureau of Agricultural and Resource Economics and Sciences, Canberra

Management Plans/Arrangements

There is no statutory management plan for the Coral Sea Fishery. The fishery has five sectors:

- Sea cucumber
- Aquarium
- Lobster and trochus
- Line and trap
- Trawl and trap.

These are managed through input and output controls including limited entry, catch limits, spatial closures, move-on provisions, size limits and catch and effort triggers that are used to initiate further analysis and assessment. Fishers must hold permits to fish in this fishery. The use of multiple gear types while operating under a line and trap permit was introduced for 2017–18. There were no other changes to management arrangements.

Analysis of performance

As the season runs over a financial year, the most recent Australian Bureau of Agricultural and Resource Economics and Sciences status report analyses catch from the 2016–17 fishing season. Catch of white teatfish remains well below the historical peak of 19.7 tonnes in 1999–2000. However, biomass estimates for white teatfish remain uncertain. Because of this, an increase in the catch of white teatfish from 0 tonnes in 2015–16 to 2.4 tonnes in 2016–17 resulted in an ‘uncertain’ status with regards to fishing mortality in the Australian Bureau of Agricultural and Resource Economics and Sciences Fishery Status Reports 2018.

Total catch in the line and trap sector was within Australian Bureau of Agricultural and Resource Economics and Sciences estimates for combined species maximum sustainable yield. However because of uncertainty around species-specific maximum sustainable yield estimates and the proportionate increase in catch for some species, namely flame snapper, fishing mortality in the line and trap sector during the 2016–17 fishing season was classified as uncertain in the Australian Bureau of Agricultural and Resource Economics and Sciences Fishery Status Report 2018.

To ensure the ecological sustainability of the fishery, AFMA continues to monitor catches against triggers in the Coral Sea Fishery. Trigger limits in the Line, Trap and Trawl sector as well as the Aquarium sector are currently being reviewed in consultation with industry, scientific experts and the Department of Environment and Energy. AFMA expects to implement a revised set of triggers through updated harvest strategies in 2018–19. Until then, catches will continue to be monitored and reported against existing triggers.

Northern Prawn Fishery


 Estimated catch
6537 tonnes



Performance results

Performance criteria (AFMA Corporate Plan 2017–20)	2017–18 Target	2017–18 Actual
For economically significant stocks managed solely by AFMA:		
a. Number of key commercial stocks with harvest strategy targets based on maximum economic yield or the best available proxy ¹³	3	3
b. improve the number of stocks in (a) assessed as being on target	1	1
c. for those stocks in (a) that are assessed as not on target, improve the number that are heading towards their target reference point.	0	1
Number of fish stocks subject to overfishing ¹⁴ (The number of stocks where the level of catches by fishery operators is likely to result in stock becoming overfished)	0	0
The number of stocks that are assessed as overfished and require effective management to return the stock to sustainability	0	0

Stock status of target species

Common name (<i>scientific name</i>)	Latest available status assessment			
	2016		2017	
	Fishing mortality	Biomass	Fishing mortality	Biomass
White banana prawn (<i>Fenneropenaeus merguensis</i>)	Green	Green	Green	Green
Brown tiger prawn (<i>Penaeus esculentus</i>)	Green	Green	Green	Green
Grooved tiger prawn (<i>Penaeus semisulcatus</i>)	Green	Green	Green	Green
Blue endeavour prawn (<i>Metapenaeus endeavouri</i>)	Green	Green	Green	Green
Red endeavour prawn (<i>Metapenaeus ensis</i>)	Orange	Orange	Orange	Orange
Red-legged banana prawn (<i>Fenneropenaeus indicus</i>)	Green	Orange	Orange	Green

Source: Patterson, H, Larcombe, J, Nicol, S and Curtotti, R 2018. *Fishery status reports 2018*, Australian Bureau of Agricultural and Resource Economics and Sciences, Canberra

13 Where higher and lower value species are caught together, different targets for the lower value species may maximise net economic returns over all.

14 In AFMA managed fisheries, not including jointly and internationally managed fisheries.

Management Plans/Arrangements

The principal legal framework for the management of the fishery is specified in the *Northern Prawn Fishery Management Plan 1995*. The Northern Prawn Fishery is a multi-species fishery managed through input controls including limited entry, season length and individual transferable effort units – based on fishing gear size. The fishery relies on: a size and sex-based stock assessment model for brown and grooved tiger prawns; a biomass dynamic assessment model for blue endeavour prawns; and a quarterly age based biological stock assessment model for red-legged banana prawns. There is currently no formal stock assessment for the white banana prawn fishery as the species is short lived and its abundance is driven by environmental factors, principally rainfall. The operational objective of the white banana prawn harvest strategy is to allow sufficient escape to ensure an adequate spawning biomass of banana prawns (based on historical data), and to achieve the maximum economic yield from the fishery.

Analysis of performance

Performance – status of fish stocks

Tropical prawn species are very short-lived animals and their stocks are prone to fluctuating widely in size with strong dependence on prevailing environmental conditions. For this reason, the assessment of prawn stock health is based on a five-year moving average of spawning stock abundance relative to a spawning stock abundance that produces maximum sustainable yield, which should not fall below the limit reference point of 50 per cent. The 2017 assessment indicates the five-year average for both grooved and brown tiger prawn spawning stocks are at 135 per cent and 131 per cent respectively. The management objective of maximising economic yield is also assessed against an annual target reference point, which is a spawning stock size equal to that which is estimated to produce maximum economic yield. Both grooved and brown tiger prawn stocks were assessed as being below target in 2017 at 63 per cent and 75 per cent, respectively. This is consistent with the last two of five years of recruitment measured through annual independent surveys being low compared to the previous three years. Catch in 2017 was around 50 per cent of catch in 2016. Catch rate triggers monitored throughout the season resulted in the fishery being closed 10 days before the scheduled season closing date. All 52 boat statutory fishing rights were utilised during the 2017 tiger prawn season.

As with the tiger prawn fishery, all 52 boat statutory fishing rights were utilised during the 2018 banana prawn season (1 April to 15 June 2018). Total catch in the 2018 banana fishery was lower than 2017, decreasing by around 300 tonnes

to 4400 tonnes. This level of catch is consistent with previous 10-year averages. Changes in environmental conditions, such as rainfall, normally causes fluctuations in year to year stock size (and therefore catch) of banana prawns.

During 2017, fishing catch and effort in the red-legged banana prawn fishery was considerably higher than the previous two years with a reported total catch of 365 tonnes across a total of 548 boat days. Effort in 2017 was similar to the 2014 effort level although the catch per unit effort was substantially less at only 44 per cent of the 2014 catch per unit effort. The latest catch per unit effort data suggests a decline in the spawning biomass. The most plausible reason for this was the combined impact of fishing pressure and the major environmental anomalies, related to El Niño events and below average rainfall, observed over the last few years. The harvest strategy is being reviewed to explore options that allow catch and effort levels to be progressively adjusted to levels that achieve maximum economic yield.

Performance – status of bycatch

The reduction of bycatch in the Northern Prawn Fishery has remained the focus for industry and AFMA during 2017–18 with significant progress being made toward achieving the objectives of the Northern Prawn Fishery Bycatch Strategy 2015–18. Further industry trials of bycatch reduction devices were conducted in 2018 with results showing improved reduction in bycatch over the previously trialed Kon's Covered Fisheye bycatch reduction devices. One new fisheye device will be added to the list of approved bycatch reduction devices for use in the 2018 tiger prawn season. Industry will continue to trial refinements of the devices throughout 2018 to achieve at least the 30 per cent bycatch reduction target in 2019.

Performance – economic returns

In the 2017 calendar year the Northern Prawn Fishery remained the highest valued Commonwealth managed fishery. The gross value of production for the Northern Prawn Fishery is estimated to be \$118.1 million. The fishery is broadly (across the two key species groups – banana and tiger prawns) managed to pursue maximum economic yield. Overall fishing effort limits (fishing gear and season lengths) are set on the result of outputs from the bio-economic model for tiger and endeavour prawns. Additionally, season length is further controlled through catch-rate triggers in the banana and tiger prawn sub-fisheries to account for annual variability in these stocks and assist in maximising overall economic performance. Recent assessments of economic performance by the Australian Bureau of Agricultural and Resource Economics and Sciences indicates that net economic returns have improved from around \$5 million in 2012–13 to over \$30 million in 2016–17.

Innovations

The Northern Prawn Fishery industry works closely with AFMA and cooperates through co-management arrangements to assist us with a range of key management functions. For example, the industry manages the collection and provision of catch and effort information, the quality control of the information and its dissemination to all users.

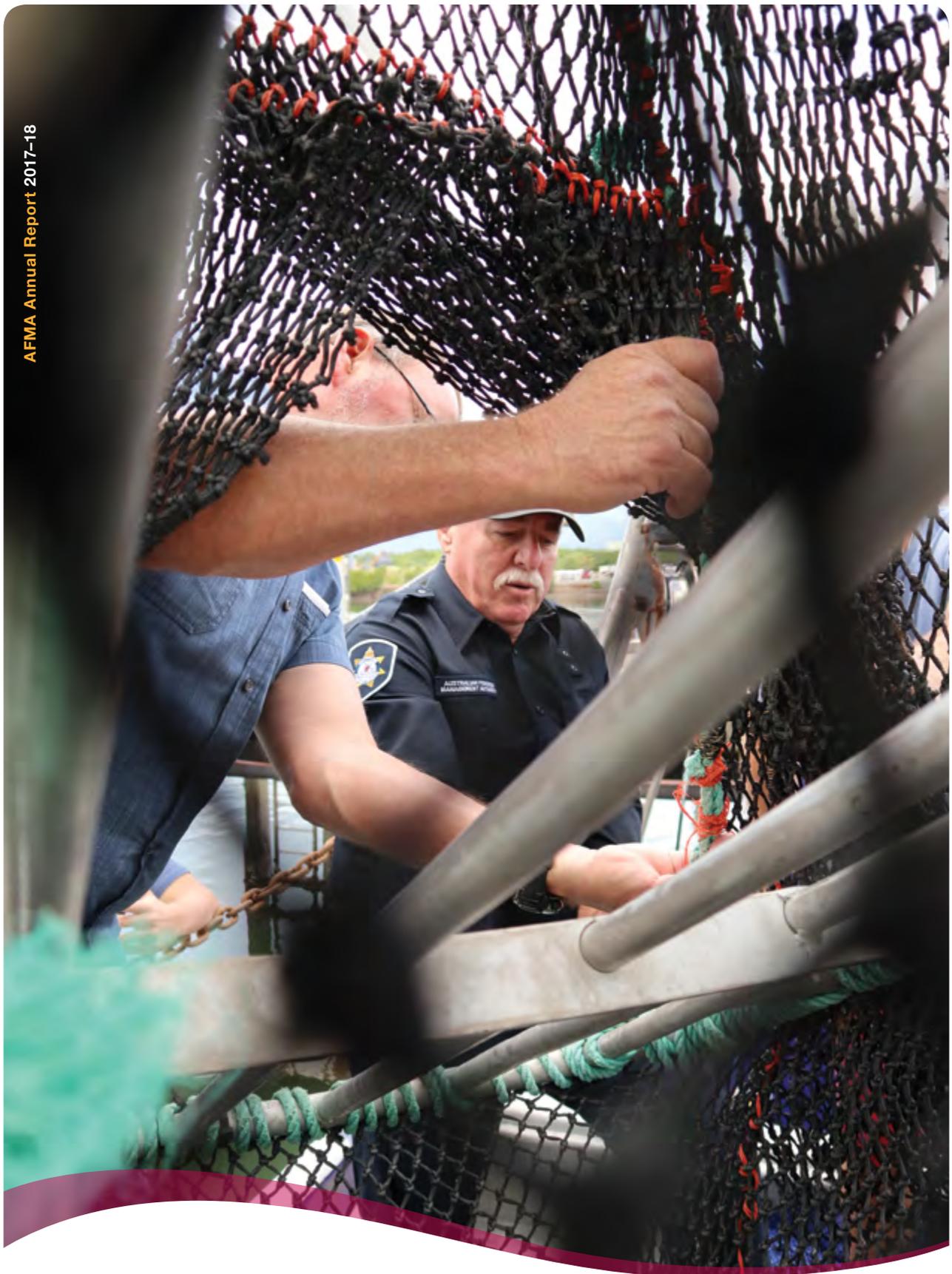
As part of these co-management arrangements, the industry undertakes additional crew-based observations of interactions with protected species and provides these records directly to the Commonwealth Scientific and Industrial Research Organisation for analysis as part of a Fisheries Research and Development Corporation project 'monitoring interactions with bycatch species using crew-member observer data collected in the Northern Prawn Fishery: 2017–19'. The industry also assists in facilitating the supply of a trawl vessel and crew for Commonwealth Scientific and Industrial Research Organisation scientists to undertake the annual, independent scientific monitoring program. The data collected in this program is an integral part of the Northern Prawn Fishery stock assessment.

These co-management measures add value to the management of the fishery and are cost effective for industry and AFMA. They increase stewardship outcomes in the fishery and provide valuable information which will enhance future management decisions.

There has also been some progress by the Northern Prawn Fishery Industry in the development of indicators that can be used to monitor trends in fishing capacity in the Northern Prawn Fishery relative to the economic and biological performance of the fishery. This is to ensure that steps can be taken in good time to keep the fishery profitable through autonomous adjustments in fleet structure by industry.

External reviews

The Northern Prawn Fishery remains accredited under Part 13 and is approved as a wildlife trade operation under Part 13A of the *Environment Protection and Biodiversity Conservation Act 1999*. The fishery is also certified as a sustainable fishery by the Marine Stewardship Council, which is an independent global certifier of sustainable fisheries. In January 2018, the fishery was granted recertification after an independent assessment, reaffirming the industry's commitment to the world's best standard on sustainability and management.



*Pre-season inspection Northern Prawn Fishery
Photo courtesy: Alan Specketer, AFMA*

North West Slope Trawl and Western Deepwater Trawl Fisheries



Estimated catch
Confidential

Performance results

Performance criteria (AFMA Corporate Plan 2017–20)	2016–17 Target	2016–17 Actual
Number of fish stocks subject to overfishing (The number of stocks where the level of catches by fishery operators is likely to result in stock becoming overfished)	0	0
The number of stocks that are assessed as overfished and require effective management to return the stock to sustainability	0	0

Stock status of target species

Common name (<i>scientific name</i>)	Latest available status assessment			
	2016		2017	
	Fishing mortality	Biomass	Fishing mortality	Biomass
North West Slope Trawl Fishery				
Scampi (<i>Metanephrops australiensis</i> , <i>M. boschmai</i> , <i>M. velutinus</i>)	Green	Green	Green	Green
Western Deepwater Trawl Fishery				
Bugs (<i>Ibacus spp.</i>)	Green	Orange	Green	Orange
Ruby snapper (<i>Etelis carbunculus</i>)	Green	Orange	Green	Orange

Source: Patterson, H, Larcombe, J, Nicol, S and Curtotti, R 2018. *Fishery status reports 2018*, Australian Bureau of Agricultural and Resource Economics and Sciences, Canberra

Fishing Mortality Not subject to overfishing
Biomass Not overfished

Uncertain

Fishing Mortality Subject to overfishing
Biomass Overfished

Management Plans/Arrangements

There is no formal management plan for the North West Slope Trawl or the Western Deepwater Trawl Fisheries. The fisheries are managed by granting a limited number of fishing permits consistent with the provisions provided by the *Fisheries Management Act 1991* and the *Fisheries Management Regulations 1992*.

There are 11 permits allowed in the Western Deepwater Trawl Fishery and seven in the North West Slope Trawl Fishery, all of which are valid for a maximum of five years. Fishers must adhere to a number of permit conditions aimed at protecting stocks and ecosystems. The permit conditions include specific gear limitations to reduce bycatch and move on provisions if fishing gear interacts with sponges or corals.

Analysis of performance

During the past five years, North West Slope Trawl and Western Deepwater Trawl Fisheries have experienced low and stable levels of fishing effort. This trend continued in the 2017–18 season. The limited levels of effort are due in part to permit holders accessing more lucrative fisheries that are adjacent to the North West Slope Trawl or Western Deepwater Trawl Fishery areas.

In December 2017 the North West Slope Trawl and the Western Deepwater Trawl Fisheries were declared as approved Wildlife Trade Operations for three years until December 2020. Planned updates to the harvest strategies for North West Slope Trawl and Western Deepwater Trawl Fisheries were not carried out over the course of 2017–18. These updates are planned to take place during 2019–20, when the revised Commonwealth Fisheries Harvest Strategy Policy and Guidelines are finalised and following a review of the Ecological Risk Assessment and Ecological Risk Management framework for the fisheries. Under the existing harvest strategy, analysis of catch and effort data is conducted annually to assist in the management of the fisheries.

Small Pelagic Fishery



Estimated Catch

8150 tonnes



Performance results

Performance criteria (AFMA Corporate Plan 2017–20)	2017–18 Target	2017–18 Actual
Number of fish stocks subject to overfishing ¹⁵ (The number of stocks where the level of catches by fishery operators is likely to result in stock becoming overfished)	0	0
The number of stocks that are assessed as overfished and require effective management to return the stock to sustainability	n/a	0

Stock status of target species

Common name (<i>scientific name</i>)	Latest available status assessment			
	2016		2017	
	Fishing mortality	Biomass	Fishing mortality	Biomass
Australian sardine (<i>Sardinops sagax</i>)	Green	Green	Green	Green
Blue mackerel, east/west (<i>Scomber australasicus</i>)	Green	Green	Green	Green
Jack mackerel, east/west (<i>Trachurus declivis</i>)	Green	Green	Green	Green
Redbait, east/west (<i>Emmelichthys nitidus</i>)	Green	Green	Green	Green

Source: Patterson, H, Larcombe, J, Nicol, S and Curtotti, R 2018. *Fishery status reports 2018*, Australian Bureau of Agricultural and Resource Economics and Sciences, Canberra

¹⁵ In AFMA managed fisheries, not including jointly and internationally managed fisheries.

Fishing Mortality Not subject to overfishing
Biomass Not overfished

Uncertain

Fishing Mortality Subject to overfishing
Biomass Overfished

Management Plans/Arrangements

Management Plan

The Small Pelagic Fishery is managed in accordance with the *Small Pelagic Fishery Management Plan 2009*. The management arrangements include the allocation of statutory fishing rights, area based catch limits and rules governing gear that may be used. There were no changes to the *Small Pelagic Fishery Management Plan 2009* in 2017–18. The performance criteria detailed in the fishery management plan were all met in 2017–18.

Analysis of performance

Harvest Strategy

The Small Pelagic Fishery Harvest Strategy was updated in 2017. As a result, all aspects of the harvest strategy have now been quantitatively tested and the reference points and harvest rates have been found to meet the biological, ecological and economic requirements of the fishery.

The harvest strategy uses Daily Egg Production Method surveys to provide an estimated biomass for each of the four Small Pelagic Fishery stocks. These surveys along with an annual review of catch and effort data are used to inform the catch limits set for commercially caught species in the fishery.

Performance – sustainability and economic returns

The results of the 2016–17 survey of jack mackerel west were considered by the Small Pelagic Fishery Scientific Panel and South East Management Advisory Committee during 2017–18. As a result, this stock moved into the highest tier of the harvest strategy with an updated biomass estimate providing an increased total allowable catch for the 2018–19 season.

A survey was undertaken for the redbait west stock in 2017–18 with the results expected to become available in 2018–19. The survey for redbait west means that all stocks have now had at least one survey completed, increasing our understanding of the fishery.

In 2017–18, AFMA undertook a review of the spatial management arrangements in the Small Pelagic Fishery. The review considered fishery data, advice from the Small Pelagic Fishery Scientific Panel, Small Pelagic Fishery Stakeholder Forum and South East Management Advisory Committee, concluding that the risk of

localised depletion in the Small Pelagic Fishery remains low and is best managed through the conservative catch limits set under the harvest strategy. Although the risk of localised depletion is low, based on the best available science, spatial management has been maintained which may further reduce the risk by restricting catches in localised areas of the fishery over time. As such, vessels have a catch limit of 2000 tonnes from each localised area over a 30 day period, which if reached, requires them to move outside that area to keep fishing.

During 2017–18 AFMA approved the use of jigging and minor line (rod and reel) fishing methods in the fishery. The new methods are conditional on fishers meeting protected species management rules, monitoring and reporting requirements. Within this framework, approving these methods provides fishers with the flexibility to decide how best to fish their quota.

Despite such management efforts by AFMA, the total allowable catches for 2017–18 for the seven target stocks were undercaught due to limited fishing capacity and effort.

Performance – status of bycatch

During 2017–18 AFMA started a review of the Small Pelagic Fishery Dolphin Mitigation Strategy. The strategy aims to minimise dolphin interactions in the trawl sector of the fishery by creating incentives for fishers to innovate and adopt best practice to minimise interactions. The results of the review are expected to be available in late 2018.

The Ecological Risk Assessment for the mid-water trawl sector of the Small Pelagic Fishery was updated during 2017–18 and is expected to be published in 2018. The report by the Commonwealth Scientific and Industrial Research Organisation applied the newly revised methodology for conducting ecological risk assessments for Commonwealth fisheries. The results of this assessment will be used to inform the management of bycatch in this fishery.

External reviews

On 13 September 2016 the Senate agreed to re-adopt the Senate Standing Committee on Environment and Communication's inquiry into: the Environmental, social and economic impacts of large-capacity fishing vessels commonly known as 'super trawlers' operating in Australia's Marine Jurisdiction. The Committee released its findings and final recommendations in November 2016, following which the Government tabled a response to the Inquiry on 6 December 2017. AFMA will take guidance from the outcomes of these considerations in the management of all Commonwealth fisheries, including the Small Pelagic Fishery.

Consultation

During 2017–18 AFMA undertook a review of the Scientific Panel and Stakeholder Forum model which was trialled in place of a Small Pelagic Fishery Resource Assessment Group, as a way of obtaining scientific and economic advice in relation to this fishery. As a part of the review, AFMA consulted with the Small Pelagic Fishery Scientific Panel, South East Management Advisory Committee and the general public. The Commission considered the experience of the trial and feedback received through the consultation process and concluded that there was a need to:

- maintain the focus of Resource Assessment Groups on the scientific, economic and other expert advice AFMA requires
- retain the benefits from a broader forum to engage interested stakeholders.

The Commission also considered that these outcomes were relevant to all AFMA Resource Assessment Groups and consequently, AFMA will be consulting stakeholders during 2018–19 on proposed amendments to relevant policies regarding these outcomes.

AFMA will transition the Small Pelagic Fishery to a Resource Assessment Group structure with a Stakeholder Forum by June 2019 with the current Scientific Panel and Stakeholder Forum model in place until that time.

Southern and Eastern Scalefish and Shark Fishery



Estimated catch
15 929 tonnes

SESSF Sectors:

- South East Trawl Sector
- East Coast Deepwater Trawl Sector
- Scalefish Hook Sector*
- Shark Hook Sector*
- Shark Gillnet Sector*
- Trap Sector*
- Great Australian Bight Trawl Sector

*collectively called the Gillnet Hook and Trap sector.

Performance results

Performance criteria (AFMA Corporate Plan 2017–20)	2017–18 Target	2017–18 Actual
For economically significant stocks managed solely by AFMA:		
a. Number of key commercial stocks with harvest strategy targets based on maximum economic yield or the best available proxy ¹⁶	10	11
b. improve the number of stocks in (a) assessed as being on target	3	3
c. for those stocks in (a) that are assessed as not on target, improve the number that are heading towards their target reference point.	4	5
Number of fish stocks subject to overfishing ¹⁷ (The number of stocks where the level of catches by fishery operators is likely to result in stock becoming overfished)	0	0
The number of stocks that are assessed as overfished and require effective management to return the stock to sustainability	6	6

¹⁶ Where higher and lower value species are caught together, different targets for the lower value species may maximise net economic returns over all.

¹⁷ In AFMA managed fisheries, not including jointly and internationally managed fisheries.

Stock status of target species

Common name (<i>scientific name</i>)	Latest available status assessment			
	2016		2017	
	Fishing mortality	Biomass	Fishing mortality	Biomass
<i>Commonwealth Trawl and Scalefish Hook sectors</i>				
Blue grenadier (<i>Macruronus novaezelandiae</i>)				
Eastern school whiting (<i>Sillago flindersi</i>)				
Gemfish, western zone (<i>Rexea solandri</i>)				
Jackass morwong (<i>Nemadactylus macropterus</i>)				
Pink ling (<i>Genypterus blacodes</i>)				
Ribaldo (<i>Mora moro</i>)				
<i>Commonwealth Trawl Sector</i>				
Flathead (<i>Neoplatycephalus richardsoni</i> and 4 other spp.)				
John dory (<i>Zeus faber</i>)				
Mirror dory (<i>Zenopsis nebulosa</i>)				
Ocean jacket, eastern zone (<i>Nelusetta ayraud</i>)				
Orange roughy, Cascade Plateau (<i>Hoplostethus atlanticus</i>)				
Orange roughy, eastern zone (<i>Hoplostethus atlanticus</i>)				
Oreodory – smooth: (<i>Pseudocyttus maculatus</i>) Cascade Plateau and non-Cascade Plateau				
Royal red prawn (<i>Haliporoides sibogae</i>)				
Silver trevally (<i>Pseudocaranx georgianus</i>)				
Silver warehou (<i>Seriolella punctata</i>)				
<i>East Coast Deepwater Trawl Sector</i>				
Alfonsino (<i>Beryx splendens</i>)				
<i>Great Australian Bight Trawl Sector</i>				
Bight redfish (<i>Centroberyx gerrardi</i>)				
Deepwater flathead (<i>Neoplatycephalus conatus</i>)				
Ocean jacket, west (<i>Nelusetta ayraud</i>)				



Fishing Mortality Not subject to overfishing
Biomass Not overfished



Uncertain



Fishing Mortality Subject to overfishing
Biomass Overfished

Common name (<i>scientific name</i>)	Latest available status assessment			
	2016		2017	
	Fishing mortality	Biomass	Fishing mortality	Biomass
<i>Shark Gillnet and Shark Hook sectors</i>				
Gummy shark (<i>Mustelus antarcticus</i>)	Green	Green	Green	Green
Sawshark (<i>Pristiophorus cirratus</i> , <i>P. nudipinnis</i>)	Green	Green	Green	Green
Elephantfish (<i>Callorhinchus milii</i>)	Green	Green	Green	Green
<i>Commonwealth Trawl and Scalefish Hook sectors</i>				
Blue-eye trevalla (<i>Hyperoglyphe antarctica</i>)	Green	Green	Green	Green
Ocean perch (<i>Helicolenus barathri</i> , <i>H. percoides</i>)	Orange	Green	Orange	Green
<i>Commonwealth Trawl Sector</i>				
Orange roughy, southern & western zones (<i>Hoplostethus atlanticus</i>)	Green	Red	Green	Red
Redfish, eastern (<i>Centroberyx affinis</i>)	Orange	Red	Orange	Red
<i>Commonwealth Trawl and Scalefish Hook sectors</i>				
Gemfish, eastern zone (<i>Rexea solandri</i>)	Orange	Red	Orange	Red
Blue warehou (<i>Seriolella brama</i>)	Orange	Red	Orange	Red
Gulper sharks (<i>Centrophorus harrissoni</i> , <i>C. moluccensis</i> , <i>C. zeehaani</i>)	Orange	Red	Orange	Red
<i>Shark Gillnet and Shark Hook sectors</i>				
School shark (<i>Galeorhinus galeus</i>)	Orange	Red	Orange	Red
<i>Commonwealth Trawl Sector</i>				
Deepwater sharks, eastern & western zones (18 spp.)	Green	Orange	Green	Orange
<i>Great Australian Bight Trawl Sector</i>				
Orange roughy (<i>Hoplostethus atlanticus</i>)	Green	Orange	Green	Orange
<i>Commonwealth Trawl Sector</i>				
Oreodory – other: 3 spp. (<i>Neocyttus rhomboidalis</i> , <i>Allocyttus niger</i> , <i>A. verrucosus</i>)	Green	Green	Orange	Green

Source: Patterson, H, Larcombe, J, Nicol, S and Curtotti, R 2018. *Fishery status reports 2018*, Australian Bureau of Agricultural and Resource Economics and Sciences, Canberra

Management Plans/Arrangements

The principal legal framework for the management of the fishery is specified in the *Fisheries Management Act 1991* and the *Fisheries Management Regulations 1992*. The Southern and Eastern Scalefish and Shark Fishery has seven sectors that are managed through input and output controls including limited entry, catch limits, spatial closures, size limits and catch-and-effort triggers that are used to initiate further analysis and assessment. Fishers must hold a valid fishing concession to fish in this fishery.

The fishery continues to be managed in accordance with the *Southern and Eastern Scalefish and Shark Fishery Management Plan 2003*. The management arrangements include the allocation of statutory fishing rights, catch limits and rules governing gear that may be used.

The performance criteria in the *Southern and Eastern Scalefish and Shark Fishery Management Plan 2003* were met noting that, where reference points have been determined for fish stocks relevant to the Southern and Eastern Scalefish and Shark Fishery, all stocks are either above the target reference point or have management arrangements in place to return stocks to target levels.

Offshore Constitutional Settlement with New South Wales

AFMA and NSW Department of Primary Industries are working together to transition the NSW Southern Fish Trawl Fishery into the Southern and Eastern Scalefish and Shark Fishery. The two fisheries have many fish stocks in common and their consolidation will mean that these fish stocks will only be managed by one jurisdiction (AFMA), removing duplication and red tape for operators. Improved sustainability outcomes are also expected given many fish stocks straddle both jurisdictions.

If an Offshore Constitutional Settlement arrangement is agreed between the NSW and Commonwealth fisheries ministers, it is anticipated that fishers will begin operating in the Southern and Eastern Scalefish and Shark Fishery on 1 May 2019.

Analysis of performance

Performance – status of fish stocks

All quota species in the Southern and Eastern Scalefish and Shark Fishery are managed to a biological target reference point, or a proxy thereof, based on either maximum economic yield or maximum sustainable yield.

During 2017–18, the previously overfished stock of orange roughy east was assessed. The stock assessment, which incorporates an acoustic survey of spawning aggregations, showed continued rebuilding providing for a higher total allowable catch in the 2018–19 season.

Performance – economic returns

For the purposes of reporting economic key performance indicators, AFMA considers its key commercial stocks as the top 30 by value. In 2017–18, 12 of the top 30 species were Southern and Eastern Scalefish and Shark Fishery quota species, all of which have biological targets based on either maximum economic yield or maximum sustainable yield. The economic performance of those species is measured based on the five year average stock biomass relevant to the maximum economic yield target. Three of those species, deepwater flathead, eastern school whiting and tiger flathead are assessed as being ‘on target’ or within 20 per cent of their target biomass on average over the past five years. Three stocks, while above their target biomass, are considered underutilised – bight redfish, blue grenadier and pink ling west. Three stocks – blue-eye trevalla, orange roughy east and pink ling east – while between the limit reference point and target reference point, are considered over utilised. However they are assessed as ‘heading towards the target’ at a rate that is consistent with the Commonwealth Harvest Strategy Policy 2007. School shark is on a recovery program. A new assessment using the close kin mark-recapture method as an indicator of abundance is due to be completed by late 2018.

Furthermore, several total allowable catches for species in the Southern and Eastern Scalefish and Shark Fishery remain significantly undercaught. During 2017–18, a research project investigated reasons for declining indicators and undercaught total allowable catches in the Southern and Eastern Scalefish and Shark Fishery. A stakeholder workshop was held in April 2018 to analyse indicators and prioritise further action. Possible next steps include integrating additional information into stock assessments such as climate, fishing power and economic information; assessing ‘dollar per unit of effort’; and considering an alternative harvest strategy. A follow up workshop is scheduled for late 2018. The project report is expected to be published during 2018.

AFMA anticipates that the outcomes of this project along with others looking at monitoring and assessment options will result in revisions to the fishery harvest strategy.

Performance – reliability of information

Vessel specific discard reporting performance of Southern and Eastern Scalefish and Shark Fishery vessels continued to be monitored in 2017–18 through comparison of logbook reported discards against electronic monitoring reviews or estimated discards from the Southern and Eastern Scalefish and Shark Fishery Integrated Scientific Monitoring Program. While reporting by fishers is improving across the board, it is better for quota species than bycatch species. Improving discard reporting continues to be a priority for AFMA.

Performance – status of bycatch

The Gillnet Dolphin Mitigation Strategy had its first full year of operation in 2017–18 to minimise dolphin interactions with gillnets in the shark gillnet sector. The strategy adopts an individual responsibility approach to create incentives for fishers to innovate and adopt best practices. For each dolphin interaction there is an associated management response that escalates to the point where an individual fisher cannot continue fishing with gillnets in the fishery. Following dolphin interactions, a number of boats were required to return to port for AFMA inspection. However, while several boats exceeded the performance criteria in one of the review periods, no fishers were excluded from fishing using gillnets in the fishery because they did not exceed the criteria over consecutive periods.

External reviews

There were 21 recommendation across four monitoring and assessment processes made by the Southern and Eastern Scalefish and Shark Fishery Strategic Monitoring and Assessment Review Project: data collection and monitoring; data documentation, handling and reporting; assessments; data analysis and reporting; outsourcing and marketing. Some of the work required to implement these recommendations is underway, with further research proposed to investigate a revised harvest strategy and a workshop scheduled for February 2019 to consider data needs for the Southern and Eastern Scalefish and Shark Fishery and the most cost-effective means of collecting it.



*Southern and Eastern Scalefish and Shark Fishery
trawl vessel baffle – learning and development
Photo courtesy: Dylan Maskey, AFMA*

FEATURE STORY

Electronic logbooks (E-logs) introduced to improve data quality and cost effectiveness

In October 2017, AFMA approved the transition to mandatory e-logs for Commonwealth fishers using trawl, gillnet and line fishing methods who fish for 50 days per fishing season or more, or have an electronic monitoring system installed.

This requirement will apply to all Commonwealth fisheries, excluding Antarctic fisheries where alternate electronic reporting arrangements are already in place. A staged approach to the e-log roll-out has been undertaken, with all Commonwealth fisheries to come on board by 1 January 2019.

Most Commonwealth fishers are currently using paper logbooks. E-logs are an electronic alternative to submitting these traditional paper logbooks that allow fishers to enter and submit their catch information on the boat in real time through a computer program.

Currently the South East Trawl and Great Australian Bight Trawl sectors have been transitioned to compulsory electronic reporting, with requirements in place from 1 May 2018 and 1 July 2018 respectively. The Northern Prawn fishery has been reporting via e-logs for many years, with only six operators currently remaining on paper.

E-logs provide numerous benefits over the use of paper for the collection of catch and effort data. One of the main benefits of e-logs is its ability to collect data in near-real time in a digital format providing more timely data to managers allowing for more responsive decision making. This capability will likely be fundamental to the cost effective operation of future traceability schemes that may present themselves to the fishing industry.

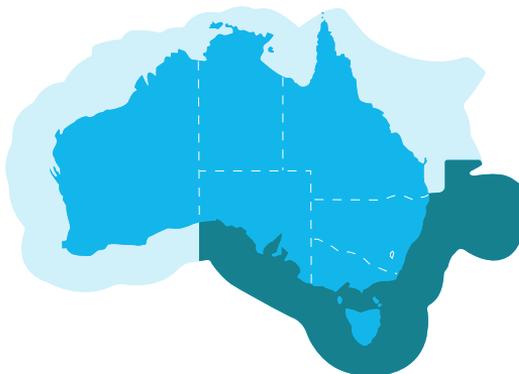
For full time boats, e-logs are more cost effective than their paper logbook equivalent. Paper logbooks require manual entry into AFMA's database which is charged back to operators on a fee for service basis. So using e-logs offers a direct saving to industry while removing the need to mail in logbooks.

As the e-logs software is on-board the vessel, the use of e-logs provides future scope for integration with other on-board systems such as Vessel Monitoring Systems and electronic monitoring, as well as fleet management capabilities for operators.

Southern Squid Jig Fishery



Estimated catch
817 tonnes



Performance results

Performance criteria (AFMA Corporate Plan 2017–20)	2017–18 Target	2017–18 Actual
Number of fish stocks subject to overfishing (The number of stocks where the level of catches by fishery operators is likely to result in stock becoming overfished)	0	0
The number of stocks that are assessed as overfished and require effective management to return the stock to sustainability	n/a	0

Stock status of target species

Common name (<i>scientific name</i>)	Latest available status assessment			
	2016		2017	
	Fishing mortality	Biomass	Fishing mortality	Biomass
Gould's squid (<i>Nototodarus gouldi</i>)	■	■	■	■

Source: Patterson, H, Larcombe, J, Nicol, S and Curtotti, R 2018. *Fishery status reports 2018*, Australian Bureau of Agricultural and Resource Economics and Sciences, Canberra

■ **Fishing Mortality** Not subject to overfishing
■ **Biomass** Not overfished

■ Uncertain

■ **Fishing Mortality** Subject to overfishing
■ **Biomass** Overfished

Management Plans/Arrangements

The Southern Squid Jig Fishery is managed in accordance with the *Southern Squid Jig Fishery Management Plan 2005* and the Arrow Squid Fishery Harvest Strategy. The management arrangements include regulating the type and amount of fishing gear able to be used. There were no changes to the *Southern Squid Jig Fishery Management Plan 2005* in 2017–18.

Analysis of performance

Gould's squid (also known as arrow squid) is a highly productive and relatively short lived species. It is not managed to a target reference point; the harvest strategy is based on a series of catch and effort triggers which, if reached, will trigger further analyses and management responses.

Effort and catch in the Southern Squid Jig Fishery continues to vary between seasons and has been relatively low in recent years but increased to 817 tonnes during 2017–18. This catch level was still below the initial 3000 trigger in the harvest strategy and has not resulted in further analyses and management responses being triggered.

In 2016–17, a research project on 'Improving the location and targeting of economically viable aggregations of squid available to the squid jigging method and the fleet's ability to catch squid' was undertaken. The results of this project are expected to be available in late 2018, and it is hoped that it will result in more profitable fishing, more consistent supply (to both domestic and overseas markets) and new fishers entering the underexploited squid fishery.

Eastern Tuna and Billfish Fishery



Estimated Catch
5105 tonnes



Performance results

Performance criteria (AFMA Corporate Plan 2017–20)	2017–18 Target	2017–18 Actual
For economically significant stocks managed solely by AFMA:		
a. number of key commercial stocks with harvest strategy targets based on maximum economic yield or the best available proxy ¹⁸	2	2
b. improve the number of stocks in (a) assessed as being on target	1	1
c. for those stocks in (a) that are assessed as not on target, improve the number that are heading towards their target reference point	1	1
Number of fish stocks subject to overfishing (The number of stocks where the level of catches by fishery operators is likely to result in stock becoming overfished)	0	0
The number of stocks that are assessed as overfished and require effective management to return the stock to sustainability	0	0

Stock status of target species

Common name (<i>scientific name</i>)	Latest available status assessment			
	2016		2017	
	Fishing mortality	Biomass	Fishing mortality	Biomass
Striped marlin (<i>Kajikia audax</i>)	Green	Green	Green	Green
Albacore (<i>Thunnus alalunga</i>)	Green	Green	Green	Green
Yellowfin tuna (<i>Thunnus albacares</i>)	Green	Green	Green	Green
Bigeye tuna (<i>Thunnus obesus</i>)	Red	Red	Green	Green
Swordfish (<i>Xiphias gladius</i>)	Orange	Green	Green	Green

Source: Patterson, H, Larcombe, J, Nicol, S and Curtotti, R 2018. *Fishery status reports 2018*, Australian Bureau of Agricultural and Resource Economics and Sciences, Canberra

¹⁸ Where higher and lower value species are caught together, different targets for the lower value species may maximise net economic returns over all.

Management Plans/Arrangements

The fishery continues to be managed in accordance with the *Eastern Tuna and Billfish Fishery Management Plan 2010*, and conservation and management measures mandated by the Western and Central Pacific Fisheries Commission of which Australia is a member.

The performance criteria detailed in the fishery management plan were all met in 2017–18.

Analysis of performance

Status of stocks

Overall, Eastern Tuna and Billfish Fishery catches of key commercial species were similar in the 2017–18 season relative to the previous season, with reduced catches of bigeye tuna and albacore tuna offset by larger catches of swordfish and yellowfin tuna. A high proportion of the total allowable commercial catches were caught for yellowfin tuna, swordfish and striped marlin but less than half the total allowable commercial catches set for albacore tuna and bigeye tuna were caught. The availability of these species to the fishery varies between years.

There are currently two major research projects underway in the fishery. The first aims to use genetic information to assess connectivity between target species in the Eastern Tuna and Billfish Fishery and the broader Pacific Ocean. The second project aims to investigate oceanographic impacts on the fishery to better understand inter-annual variations in catches, interactions between fishery sectors, connectivity and longer term potential climate change impacts.

Domestically, the total allowable commercial catches of all the key commercial species are currently considered to be appropriate and of no concern to the status of these regional stocks. A recent downturn in broadbill swordfish catch rates resulted in a reduction in the total allowable commercial catch for the 2017–18 season and the current season.

The Eastern Tuna and Billfish Fishery Harvest Strategy for swordfish has undergone a comprehensive review over the past 18 months. AFMA will be implementing recommendations from the review and developing a new harvest strategy in the coming 12–18 months. An interim total allowable commercial catch advice process is being developed to inform the 2019 season total allowable commercial catch decisions.

The Eastern Tuna and Billfish Fishery is part of the broader Western and Central Pacific tuna fishery managed under the Western and Central Pacific Fisheries Commission. The most recent Western and Central Pacific Fisheries Commission assessments for each of the five target stocks indicate that none of these stocks are overfished or subject to overfishing.

Fishery management arrangements

Since July 2015 all boats fishing more than 30 days a year in the Eastern Tuna and Billfish Fishery have been required to have a system of cameras and sensors installed to monitor all fishing operations. Footage is recorded when fishing operations are occurring to verify the logbook records. All fishing operations on full time boats are now monitored, with 10 per cent of all longline shots (minimum of one shot per boat, per month) reviewed and compared to the logbook reports. Regular feedback reports are provided back to Eastern Tuna and Billfish Fishery operators to inform them of their reporting performance. Since the implementation of e-monitoring, analyses conducted by the Australian Bureau of Agricultural and Resource Economics and Sciences has indicated an improvement in logbook reporting. The improved logbook reporting has enabled AFMA to make better risk assessments and better focus resources to minimise the impact of fishing on the marine environment.

Between May and November each year, AFMA also implements a southern bluefin tuna zone in the fishery to help ensure that any southern bluefin tuna caught is covered by quota and minimise discarding. To enter the zone, Eastern Tuna and Billfish Fishery operators are required to hold a minimum amount of southern bluefin tuna quota and maintain an operational electronic monitoring system on board. The southern bluefin tuna zone location is reviewed weekly using sea surface temperature maps and industry catch information.

In 2017–18 AFMA completed its review of the Eastern Tuna and Billfish Fishery Harvest Strategy, completed an ecological risk assessment for the Eastern Tuna and Billfish Fishery longline fishery and is progressing the development of an integrated Fisheries Management Strategy that will combine existing fishery strategies and action plans into a single strategy to operationalise the *Eastern Tuna and Billfish Fishery Management Plan 2010*.

In relation to protected species, an increase in seabird interactions in the Eastern Tuna and Billfish Fishery was reported in the 2017–18 summer season. AFMA is currently responding to that increase as required under the *Seabird Threat Abatement Plan 2014*. AFMA is also reviewing turtle interaction data and interactions with marine mammals, although these are uncommon.

During 2017 the AFMA Commission agreed to transition the Eastern Tuna and Billfish Fishery fishing season to the calendar year (from 1 January 2019), following advice from AFMA Management and the Tropical Tuna Management Advisory Committee.

External reviews

Compliance by the Eastern Tuna and Billfish Fishery with Conservation and Management Measures of the Western and Central Pacific Fisheries Commission is reviewed on an annual basis under the Western and Central Pacific Fisheries Commission Compliance Monitoring Scheme. In 2017–18, as in previous years, Eastern Tuna and Billfish Fishery management arrangements were consistent with Western and Central Pacific Fisheries Commission measures.

FEATURE STORY

Fishery Management Strategies

In 2017–18, AFMA took a major step towards further strengthening the way in which it plans, implements and reports on its fisheries management processes. The development of AFMA's first "Fisheries Management Strategy" commenced in both the Eastern Tuna and Billfish Fishery and the Small Pelagic Fishery, and AFMA intends that all Commonwealth fisheries will adopt Fisheries Management Strategies in the coming years.

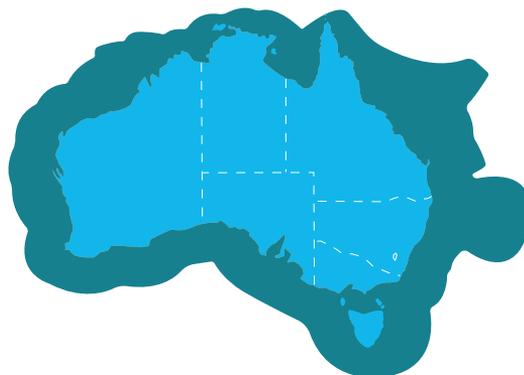
Closely linked to each fishery Fisheries Management Plan, Fisheries Management Strategies are intended to:

- Transparently outline how AFMA is, at a detailed operational level, pursuing the objectives of the *Fisheries Management Act 1991* and associated government policies.
- Bring together in one location for each fishery, the many, previously separate, management strategies for commercial, general bycatch and protected species.
- Align planning, implementation, reporting and evaluation processes more closely with the international "gold standard" for quality management systems (ISO 9001) and in doing so, further enhance transparency, accountability and continual improvement over time.

Associated with the development of Fisheries Management Strategies will be Annual Fisheries Management Strategy Performance Reports which will outline progress made in each fishery towards meeting its management objectives. This system of planning and reporting will enhance stakeholder understanding of AFMA's management systems and increase public confidence in the sustainable management of our fisheries resources.

The development of Fisheries Management Strategies in AFMA fisheries is also anticipated to have strong benefits for the fishing industry which is increasingly looking towards independent certification schemes (eg. Marine Stewardship Council) to increase industry market access in domestic and international markets and gain premium prices for its quality products. These schemes require that increasingly strong and auditable fisheries management practices are being implemented, and Fisheries Management Strategies will play a key role in demonstrating such practices into the future.

Southern Bluefin Tuna Fishery




Estimated Catch
5869 tonnes

Performance results

Performance criteria (AFMA Corporate Plan 2017–20)	2017–18 Target	2017–18 Actual
Number of fish stocks subject to overfishing (The number of stocks where the level of catches by fishery operators is likely to result in stock becoming overfished)	0	0
The number of stocks that are assessed as overfished and require effective management to return the stock to sustainability	1	1

Stock status of target species

Common name (<i>scientific name</i>)	Latest available status assessment			
	2015		2016	
	Fishing mortality	Biomass	Fishing mortality	Biomass
Southern Bluefin tuna (<i>Thunnus maccoyii</i>)				

Source: Patterson, H, Larcombe, J, Nicol, S and Curtotti, R 2018. *Fishery status reports 2018*, Australian Bureau of Agricultural and Resource Economics and Sciences, Canberra

Management Plans/Arrangements

The fishery continues to be managed in accordance with the *Southern Bluefin Tuna Fishery Management Plan 1995*. It is managed through a system of output controls in the form of individually transferable quotas which are allocated as statutory fishing rights under the management plan. The performance criteria detailed in the management plan were all met in 2017–18

The Commission for the Conservation of Southern Bluefin Tuna sets an annual global total allowable catch. From the global total allowable catch national allocations are provided to all member nations. Prior to the commencement of the fishing season (1 December to 30 November), AFMA determines a total allowable catch of southern bluefin tuna for the domestic fishery based upon Australia's national allocation.

Analysis of performance

Performance – quota setting

The domestic total allowable catch for the 2016–17 Southern Bluefin Tuna fishing season was 5665 tonnes.

The total catch in the fishery, for the 2016–17 fishing season, was 5333 tonnes. Concession holders in the ranching sector of the fishery took approximately 88 per cent of the catch. The remaining catch was taken by longline.

The Commission for the Conservation of Southern Bluefin Tuna allows up to 20 per cent of any uncaught national allocation to be carried forward into the next fishing season. Australia advised that it would carry forward 362 tonnes of uncaught quota from the 2016–17 fishing season into the 2017–18 season.

The AFMA Commission set the 2017–18 total allowable catch as 6165 tonnes after accepting an undertaking from the Australian Southern Bluefin Tuna Industry Association to voluntarily set aside 250 tonnes of the quota to account for other sources of mortality.

Performance – status of fish stocks

The Commission for the Conservation of Southern Bluefin Tuna management procedure specifies that a full quantitative stock assessment should be undertaken every three years. The 2017 stock assessment suggested that the stock remains at a low state, estimated to be 13 per cent of the initial spawning stock biomass, and below the level to produce maximum sustainable yield (33 036 tonnes).

There has been improvement since previous stock assessments which indicated the stock was at 5.5 per cent of original biomass in 2011 and 9 per cent in 2014. The current fishing mortality rate is below the level associated with maximum sustainable yield.

Performance – economic returns

The majority of the southern bluefin tuna total allowable catch continues to be taken by the purse seine sector in South Australia, for subsequent grow out by the ranching sector. Historically the purse seine catch was taken in the Great Australian Bight south of Ceduna. However, in recent years the majority of the catch has been taken in areas to the east of Kangaroo Island. As these areas are closer to the aquaculture zone in Port Lincoln, the time the fish spend in the tow cage before transfer to farms has been reduced.

The amount of fish taken by longliners on the east coast depends primarily on access to available quota from the ranching sector and the seasonal availability of fish. In the 2016–17 fishing season 646 tonnes was caught compared to 731 tonnes in the previous season.

The Southern Bluefin Tuna Fishery is an approved wildlife trade operation for the purposes of Parts 13 and 13A of the *Environment Protection and Biodiversity Conservation Act 1999* until 13 December 2019.

Western Tuna and Billfish Fishery



Estimated Catch
293 tonnes



Performance results

Performance criteria (AFMA Corporate Plan 2017–20)	2017–18 Target	2017–18 Actual
Number of fish stocks subject to overfishing (The number of stocks where the level of catches by fishery operators is likely to result in stock becoming overfished)	2	2
The number of stocks that are assessed as overfished and require effective management to return the stock to sustainability	0	0

Stock status of target species

Common name (<i>scientific name</i>)	Latest available status assessment			
	2016		2017	
	Fishing mortality	Biomass	Fishing mortality	Biomass
Albacore (<i>Thunnus alalunga</i>)	Green	Green	Green	Green
Bigeye tuna (<i>Thunnus obesus</i>)	Green	Green	Green	Green
Swordfish (<i>Xiphias gladius</i>)	Green	Green	Green	Green
Yellowfin tuna (<i>Thunnus albacares</i>)	Red	Green	Red	Green
Striped marlin (<i>Kajikia audax</i>)	Red	Green	Red	Orange

Source: Patterson, H, Larcombe, J, Nicol, S and Curtotti, R 2018. *Fishery status reports 2018*, Australian Bureau of Agricultural and Resource Economics and Sciences, Canberra

Fishing Mortality Not subject to overfishing
Biomass Not overfished

Uncertain

Fishing Mortality Subject to overfishing
Biomass Overfished

Management Plans/Arrangements

The fishery continued to be managed in accordance with the *Western Tuna and Billfish Fishery Management Plan 2005* and resolutions mandated by the Indian Ocean Tuna Commission of which Australia is a member.

The performance criteria detailed in the fishery management plan were all met in 2017–18.

Analysis of performance

Status of fish stocks

The Western Tuna and Billfish Fishery has continued to operate at low levels of effort, largely due to economic conditions. In 2017–18, catch levels for the main target species were generally slightly lower than in 2016–17 but were largely consistent with average levels from recent years.

Domestically, the total allowable commercial catches for all the key commercial species are currently considered to be appropriate and of no concern to the regional stock status. However, as the Western Tuna and Billfish Fishery target species are managed internationally, there are concerns regarding the stock status of striped marlin and yellowfin tuna. Both are considered to be subject to overfishing within the wider Indian Ocean. Updated stock assessments for both striped marlin and yellowfin tuna are due to be completed in 2018.

Fishery management arrangements

Since July 2015 active boats in the Western Tuna and Billfish Fishery have been required to have electronic monitoring – a system of cameras and sensors installed to monitor all fishing operations. Footage is recorded when fishing operations are occurring to verify logbook records. All fishing operations on full time boats are now monitored, with 10 per cent of all longline shots (minimum of one shot per boat, per month) reviewed and compared to the logbook reports. Regular feedback reports are provided back to Western Tuna and Billfish Fishery operators to inform them of their reporting performance. Since the implementation of electronic monitoring, preliminary analysis has indicated an improvement in logbook reporting. The improved logbook reporting has enabled AFMA to make better risk assessments and better focus resources to minimise the impact of fishing on the marine environment.

AFMA continues to monitor protected species interactions in the fishery but these occur at a very low level, in part due to the low level of fishing effort.

Heard Island and McDonald Islands Fishery



Estimated catch

3480 tonnes
PATAGONIAN
TOOTHFISH

520 tonnes
MACKEREL ICEFISH

Performance results

Performance criteria (AFMA Corporate Plan 2017–20)	2017–18 Target	2017–18 Actual
Number of fish stocks subject to overfishing (The number of stocks where the level of catches by fishery operators is likely to result in stock becoming overfished)	0	0
The number of stocks that are assessed as overfished and require effective management to return the stock to sustainability	0	0

Stock status of target species

Common name (<i>scientific name</i>)	Latest available status assessment			
	2016		2017	
	Fishing mortality	Biomass	Fishing mortality	Biomass
Mackerel icefish (<i>Champscephalus gunnari</i>)	Green	Green	Green	Green
Patagonian toothfish (<i>Dissostichus eleginoides</i>)	Green	Green	Green	Green

Source: Patterson, H, Larcombe, J, Nicol, S and Curtotti, R 2018. *Fishery status reports 2018*, Australian Bureau of Agricultural and Resource Economics and Sciences, Canberra

Fishing Mortality Not subject to overfishing
Biomass Not overfished

Uncertain

Fishing Mortality Subject to overfishing
Biomass Overfished

Management Plans/Arrangements

The Heard Island and McDonald Islands Fishery is managed in accordance with the *Heard Island and McDonald Islands Fishery Management Plan 2002* and the conservation measures mandated by the Commission for the Conservation of Antarctic Marine Living Resources. All operations conducted in the fishery were in compliance with the performance criteria outlined in the management plan. Four vessels operated in the fishery during 2017–18. Three vessels were longliners and one vessel both trawled and longlined. There were no changes to the *Heard Island and McDonald Islands Fishery Management Plan 2002* during the 2017–18 period.

Analysis of performance

Performance – status of fish stocks

In November 2017, the AFMA Commission set the Heard Island and McDonald Islands Fishery total allowable catches at 3525 tonnes for Patagonian toothfish and 526 tonnes for mackerel icefish for the 2017–18 fishing year. Commissioners recognised that the total allowable catch level had also been agreed to by the Commission for the Conservation of Antarctic Marine Living Resources (to which Australia is a member), and that this catch limit is not expected to unreasonably impact on long term sustainability of Patagonian toothfish stocks.

The Sub-Antarctic Resource Assessment Group and Sub-Antarctic Management Advisory Committee supported the Heard Island and McDonald Islands Fishery total allowable catches for the 2017–18 fishing year.

Performance – status of bycatch

To allow vessels access to more fishing time, the 2017–18 Heard Island and McDonald Islands Fishery longline fishing season was extended under a trial arrangement. The core longline fishing season extends from 1 May to 14 September. Under the trial, longlining can occur from 1 April 2017 to 30 November 2017 for approved vessels. Strict rules are in place around interactions with seabirds during the autumn and spring extension periods, when seabird activity increases around Heard Island and McDonald Islands. If three or more seabirds are caught and killed by fishing gear during the trial extension periods, that vessel can no longer fish by longline in the extension periods. No boat triggered this provision in 2017–18.

External reviews

Management of the Heard Island and McDonald Islands Fishery is reviewed internationally by the Commission for the Conservation of Antarctic Marine Living Resources. The Heard Island and McDonald Islands Fishery lies within the area of the Convention on the Conservation of Antarctic Marine Living Resources. The Commission for the Conservation of Antarctic Marine Living Resources meets each year and, among other things, considers catch limits and bycatch management for the Heard Island and McDonald Islands Fishery.

The Heard Island and McDonald Islands Fishery stock assessment for Patagonian toothfish is considered and endorsed by Commission for the Conservation of Antarctic Marine Living Resources.

Macquarie Island Toothfish Fishery



Estimated Catch
436 tonnes

Performance results

Performance criteria (AFMA Corporate Plan 2017–20)	2017–18 Target	2017–18 Actual
Number of fish stocks subject to overfishing (The number of stocks where the level of catches by fishery operators is likely to result in stock becoming overfished)	0	0
The number of stocks that are assessed as overfished and require effective management to return the stock to sustainability	0	0

Stock status of target species

Common name (<i>scientific name</i>)	Latest available status assessment			
	2016		2017	
	Fishing mortality	Biomass	Fishing mortality	Biomass
Patagonian toothfish (<i>Dissostichus eleginoides</i>)				

Source: Patterson, H, Larcombe, J, Nicol, S and Curtotti, R 2018. *Fishery status reports 2018*, Australian Bureau of Agricultural and Resource Economics and Sciences, Canberra

Management Plans/Arrangements

The Macquarie Island Toothfish Fishery is managed in accordance with the *Macquarie Island Toothfish Fishery Management Plan 2006*. All operations conducted in the fishery were in compliance with the performance criteria outlined in the management plan. As at June 2018, one vessel had operated in the fishery during 2017–18 fishing season.

There were no changes to the *Macquarie Island Toothfish Fishery Management Plan 2006* during the 2017–18 period.

Analysis of performance

Performance status of fish stocks

In November 2017, the AFMA Commission set the Macquarie Island Toothfish Fishery total allowable catch for Patagonian toothfish at 450 tonnes. Catch limits for bycatch species were set at 50 tonnes for each other species, consistent with previous years.

The Macquarie Island Toothfish Fishery has been divided into three regions, noting that toothfish within these three regions are considered to be a single stock. Industry agreed to, as far as possible, adopt a fishing strategy endorsed by the Sub-Antarctic Fisheries Resource Assessment Group which spreads fishing effort across the three regions. The voluntary strategy allows more tags to be deployed in the Northern Macquarie Region where the Sub-Antarctic Fisheries Resource Assessment Group agreed tagging would be most useful in improving scientific knowledge and reducing uncertainty in the stock assessment.

External reviews

There has been no external review of the fishery in 2017–18.

High Seas Permits



Estimated catch 2016–17

119 tonnes

Major species:

- Orange roughy
- Blue-eye trevalla
- Jackass morwong
- Yellowtail kingfish
- Redthroat emperor
- Robinson's seabream
- Flame snapper

The South Tasman Rise orange roughy stock is the only high-seas stock that has been assigned a status classification by Australian Bureau of Agricultural Resource Economics and Sciences. Insufficient information is available to enable the fishery-wide determination of stock status for any of the high-seas demersal fish stocks in the South Pacific Regional Fisheries Management Organisation and the Southern Indian Ocean Fisheries Agreement areas of competence.

A number of stock assessments have recently been undertaken for orange roughy stocks in the South Pacific Regional Fisheries Management Organisation and the Southern Indian Ocean Fisheries Agreement area of competence. These assessments have been accepted by both regional fisheries management organisations but have not yet been implemented into conservation and management measures.

Management Plans/Arrangements

High Seas Permits allow Australian flagged vessels to fish for non-highly migratory species in the areas of water covered under South Pacific Regional Fisheries Management Organisation and the Southern Indian Ocean Fisheries Agreement.

High Seas Permits are granted by season which lasts from 1 January to 31 December. There are currently six High Seas Permits. Six vessels are licensed to fish in the South Pacific Regional Fisheries Management Organisation area and five vessels are licensed to fish in the Southern Indian Ocean Fisheries Agreement area. The main gears used by High Seas Permit holders are midwater trawl, demersal trawl and automatic longline (demersal longline).

Analysis of performance

High Seas Permits continue to be managed consistent with conservation and management measures applying under the South Pacific Regional Fisheries Management Organisation and the Southern Indian Ocean Fisheries Agreement.

In 2017–18 AFMA and the Department of Agriculture and Water Resources worked with the New Zealand Government on developing a new conservation and management measure for bottom fishing in the South Pacific Regional Fisheries Management Organisation Convention area. A spatial management approach is proposed that will permit bottom fishing within agreed catch limits for target species, (for example orange roughy) and prevent significant adverse impacts on vulnerable marine ecosystems. The measure will continue to be developed through 2018 with a view to implementation in 2019.

The Southern Indian Ocean Fisheries Agreement Meeting of Parties was held in late June 2018. Key priorities for Australia at this meeting were the advancement of the bottom fishing measure and the implementation of protected area closures, an enhanced encounter protocol for vulnerable marine ecosystems and consultation with the Commission for the Conservation of Antarctic Marine Living Resources. Australia also presented a proposal for a new conservation and management measure establishing a high seas boarding and inspection regime. The Meeting of Parties agreed to the closure of a number of vulnerable seafloor areas to trawl fishing, providing additional protection to an important part of marine diversity. A proposal led by Australia, in partnership with the European Union, introduced a Compliance Monitoring Scheme providing an important tool for monitoring countries' compliance with Southern Indian Ocean Fisheries Agreement's fisheries rules. The meeting resulted in the implementation of a number of positive outcomes that continue to contribute to the long-term conservation and sustainable use of fisheries resources in the southern Indian Ocean.

Non-operational fisheries

Commercial operators were not working in the following Commonwealth fisheries during 2017–18.

Norfolk Island Fishery

The Norfolk Island Inshore Fishery and the Norfolk Island Offshore Demersal Finfish Fishery have no formal management plan and there are currently no commercial fishing concessions in these fisheries. Through a Memorandum of Understanding with AFMA, the Norfolk Island Inshore Fishery is managed by the Norfolk Island Regional Council in accordance with the Norfolk Island Inshore Fishery Management Policy 2009.

In 2018, AFMA and the Norfolk Island Fishing Association, in collaboration with the Norfolk Island Regional Council commenced a review of the Policy with a view to agreeing new arrangements in late 2018.

No stock assessments or biomass estimates for species taken within the Norfolk Island fisheries have been made. No stock status classifications have been given to these fisheries as there are no defined stocks for management purposes.



Fish processing back deck

Photo courtesy: David Schubert, AFMA

Skipjack Tuna Fishery

Stock status of target species

Common name (<i>scientific name</i>)	Latest available status assessment			
	2016		2017	
	Fishing mortality	Biomass	Fishing mortality	Biomass
Indian Ocean skipjack tuna (<i>Katsuwonus pelamis</i>)	Green	Green	Green	Green
Western and Central Pacific Ocean skipjack tuna (<i>Katsuwonus pelamis</i>)	Green	Green	Green	Green

Source: Patterson, H, Larcombe, J, Nicol, S and Curtotti, R 2018. *Fishery status reports 2018*, Australian Bureau of Agricultural and Resource Economics and Sciences, Canberra

The fishery is managed in accordance with the Skipjack Tuna Harvest Strategy, the statement of fishery management arrangements and fishing concession conditions.

There has been little or no annual effort in the fishery since 2008 for economic reasons. There were no new management arrangements implemented in the fishery in 2017–18. There are 19 Eastern Skipjack Tuna Fishery permits and 14 Western Skipjack Tuna Fishery permits. However no Australian vessels are currently targeting skipjack tuna.

South Tasman Rise Fishery

Stock status of target species

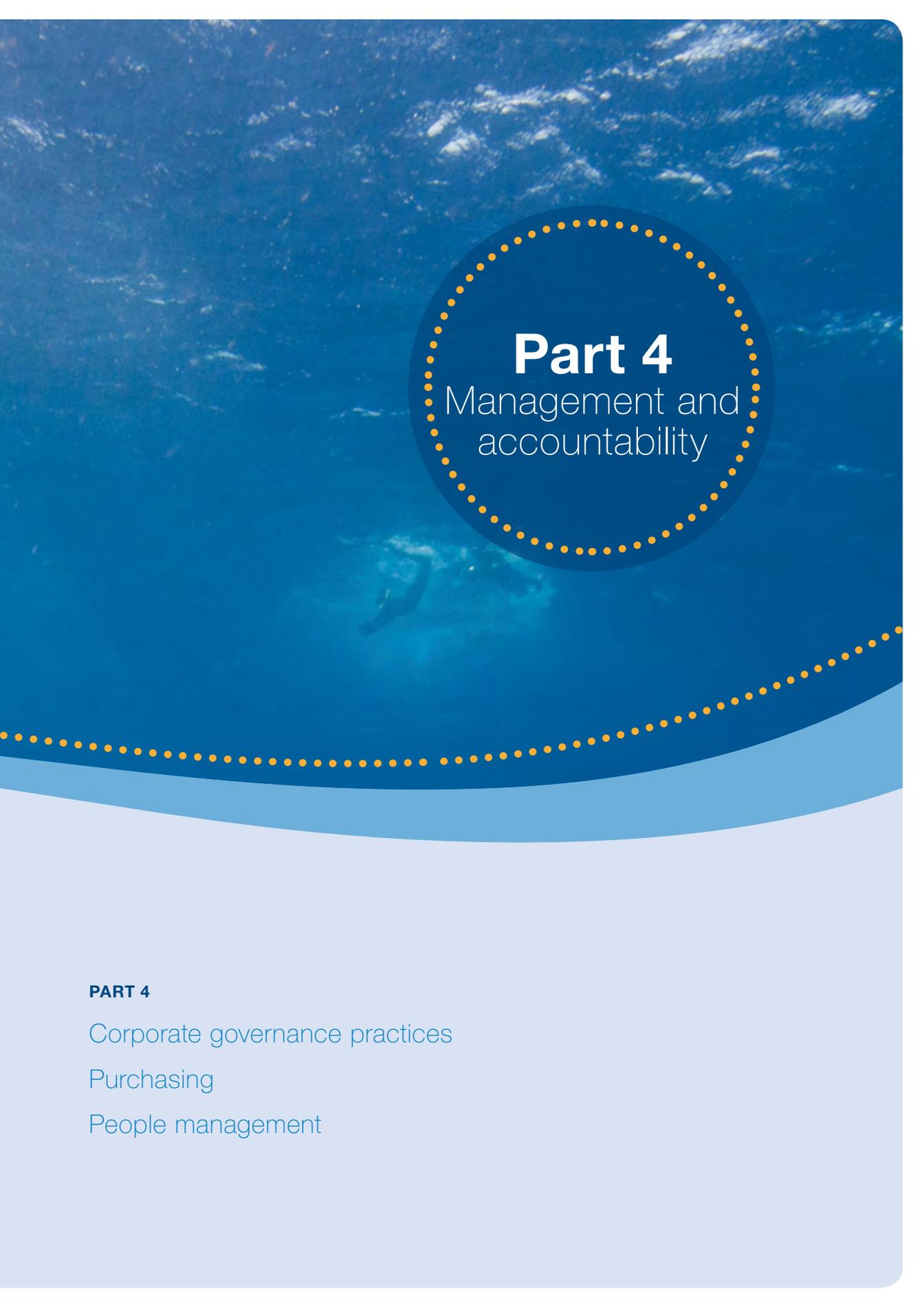
Common name (<i>scientific name</i>)	Latest available status assessment			
	2016		2017	
	Fishing mortality	Biomass	Fishing mortality	Biomass
Orange roughy (<i>Hoplostethus atlanticus</i>)	Green	Red	Green	Red

Source: Patterson, H, Larcombe, J, Nicol, S and Curtotti, R 2018. *Fishery status reports 2018*, Australian Bureau of Agricultural and Resource Economics and Sciences, Canberra

The South Tasman Rise Fishery forms part of Australia's fishing footprint under the South Pacific Regional Fisheries Management Organisation but has been closed to fishing since 2007. The area is also subject to a Memorandum of Understanding for cooperative management between Australia and New Zealand established in 1998. New Zealand has not fished the South Tasman Rise since the end of the 2000–01 fishing season.



Lakes Entrance Fisherman's CoOp – Gillnet vessel unloading
Photo courtesy: Dylan Maskey, AFMA

An aerial view of Earth from space, showing blue oceans and white clouds. A dark blue circular graphic with a dotted orange border is centered in the upper half of the image. Inside the circle, the text 'Part 4' is written in a large, bold, white font, and 'Management and accountability' is written below it in a smaller, white font. A curved dotted orange line runs across the bottom of the image, separating the dark blue upper section from the light blue lower section.

Part 4

Management and accountability

PART 4

Corporate governance practices

Purchasing

People management

PART 4

Management and accountability



Corporate governance practices

Governing body

AFMA as a non-corporate statutory body forms part of the Commonwealth government. It is governed by a Commission which is responsible for exercising functions and powers in relation to domestic fisheries management. The Chief Executive Officer is responsible for assisting the Commission in giving effect to its decisions. The Chief Executive Officer is separately responsible for exercising AFMA's foreign compliance functions and powers.

The Commission is subject to limited government policy direction as stated in section 91 of the *Fisheries Administration Act 1991*.

The Minister for Agriculture and Water Resources appoints the chairman, part time commissioners and the Chief Executive Officer. Following advice from the chairman, the minister appoints a part time commissioner as deputy-chairperson. The minister is also the approving authority for AFMA's Corporate Plan, Annual Operational Plan and all Fishery Management Plans determined by AFMA.

The Chief Executive Officer is the Accountable Authority under the *Public Governance, Performance and Accountability Act 2013* and is the Agency Head under the *Public Service Act 1999*. He is also appointed as an AFMA Commissioner.

The Chief Executive Officer is subject to Ministerial Direction with regard to the Authority's foreign compliance functions, and under the *Public Service Act 1999* is required to be responsive to government in implementing the government's policies and programs.

For more information about AFMA's Commissioners, see Appendix 1 to this report.

Disclosure of interests

Commissioners must disclose to the Minister for Agriculture and Water Resources any pecuniary or other interest that may relate to their AFMA functions, both prior to appointment and if such interests arise during their terms of office. Disclosures of interests are kept on a register of interests held by AFMA's Executive Secretary. Where a commissioner declares they have an interest in a matter under consideration by the Commission it will initiate procedures to safeguard the integrity of the Commission's decisions.

Performance review

The Commission conducts a review of its performance at each Commission meeting. These documented reviews address the effectiveness of the Commission in its decision making, corporate governance and maintenance of stakeholder relationships.

Internal scrutiny

AFMA strives to ensure that governance arrangements, together with the associated systems and processes used, are the best they can be. To this end we utilise internal audits as an essential tool to independently identify any deficiencies in these processes and control systems whilst at the same time providing opportunities to deliver better practices that will improve the efficiency, cost effectiveness and transparency of our management and regulatory arrangements.

In June 2017, the internal auditor in collaboration with AFMA Management and the AFMA Audit and Risk Committee established a Strategic Internal Audit Plan for 2017–2019. The Strategic Internal Audit Plan outlines the intended audits that will be conducted over the three year period. These proposed audits are intended to address high level risks that have been identified as part of our Risk Management Framework.

Drawing on this plan, the independent auditor completed four audits during 2017–18 on the following areas of AFMA's business operations:

- Fisheries Operations Quality Assurance policy and procedures compliance
 - The focus of the audit was to ensure key operations within the Domestic General Deterrence Program were supported by regularly reviewed and accessible policy, procedures and/or guidance.
- Business Continuity Plan performance
 - The focus of the audit was to review the AFMA Business Continuity Plan to ensure it was in line with Australian National Audit Office better practice guidelines, covered the critical business functions and areas, and incorporated the ICT disaster recovery needs.
- Workplace Health and Safety compliance
 - The focus of the audit was to ensure that AFMA is meeting the legislative requirements of the Workplace Health and Safety Act when conducting its business.
- Fisheries Officers allowance compliance audit
 - The focus of the audit was to test and report on the effectiveness of key controls operating over the administration of the payment of AFMA Field Staff allowances.

AFMA Management has endorsed and implemented the majority of the recommendations from these audits. Work on outstanding endorsed recommendations will be undertaken during 2018–19 and monitored by the AFMA Audit and Risk Committee.

We have also established a number of standing committees which provide oversight and governance over other key business operational activities. These committees include:

- **Strategic Delivery Committee** – oversees the delivery of relevant key project work
- **Data and Information Governance Committee** – provides a strategic approach to managing data, information and records to reduce business risk, increase accountability, and improve operational efficiencies
- **Security Governance Committee** – considers the current security governance arrangements and the security threats and vulnerabilities to AFMA
- **Risk Management Committee** – provides oversight of AFMA risk management activities.

The Chief Executive Officer, as required under the *Public Governance, Performance and Accountability Act 2013*, has maintained the Audit and Risk Committee to also provide independent internal scrutiny of AFMA business operations. Descriptions of these committees are provided in Appendix 1.

External Scrutiny

AFMA's financial statements are audited annually by the Australian National Audit Office (the Audit Office). The Audit Office examines the strength of our internal controls to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement. The results of their audit are presented in their report on the financial statements accessible in part 5 of this report.

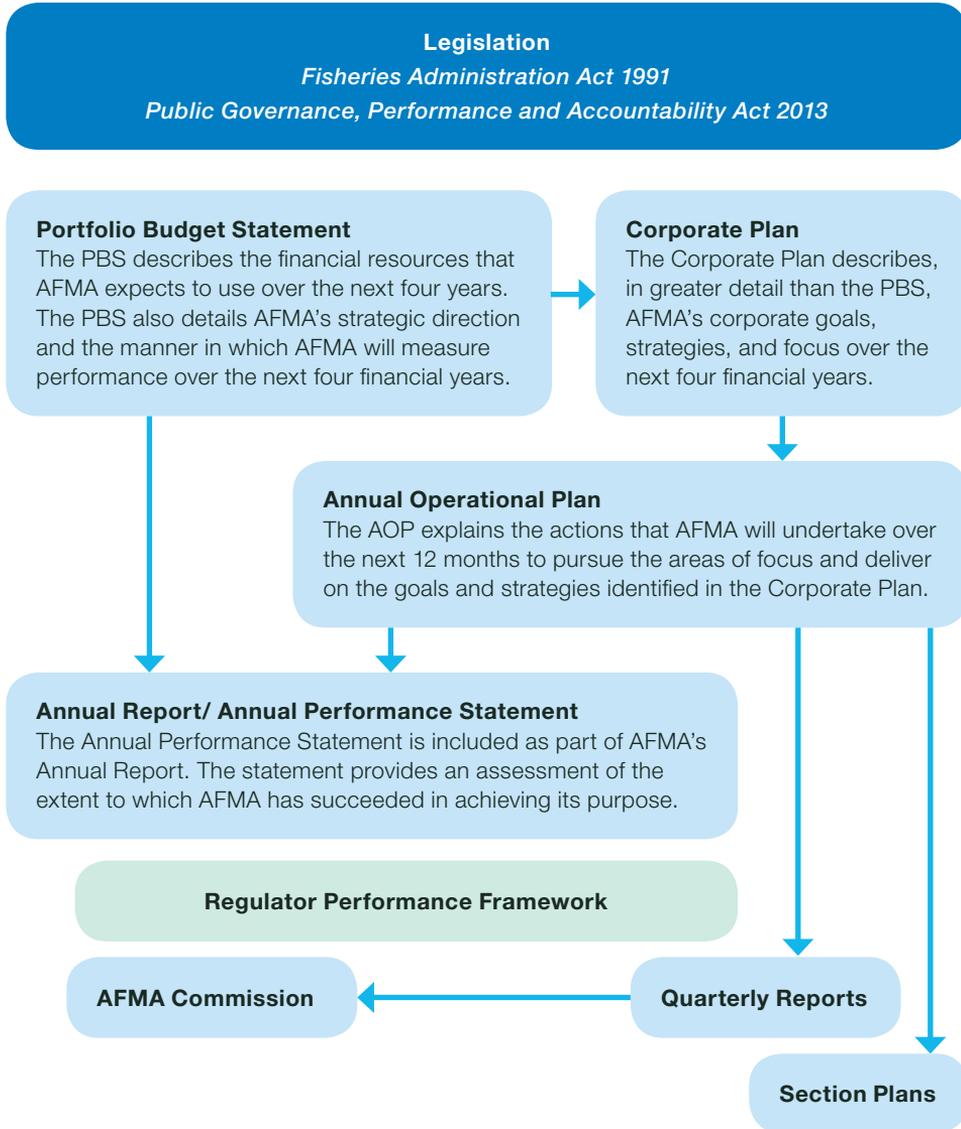
The Audit Office retains an understanding of AFMA's business, the environment in which we operate, our objectives and strategies and internal controls. This includes acquiring an understanding of the information systems and related business processes relevant to our financial reporting objectives (including the accounting system) and how we have responded to any related financial reporting risks. Relevant Audit Office performance audits or internal audit activity are considered as part of this process.

AFMA's performance is also subject to review through the Senate Estimates process. Parliament may also review and disallow legislative instruments proposed by AFMA as part of its delegated functions.

Outcomes of judicial and administrative tribunals are referenced at Appendix 2: 'Civil Litigation Outcomes'.

Corporate planning and reporting

AFMA's Planning and Reporting Framework is consistent with the obligations under the *Fisheries Administration Act 1991*, whole-of-government requirements under the *Public Governance, Performance and Accountability Act 2013* and *Public Governance, Performance and Accountability Rule 2014*. These obligations together with our own internal documents support effective governance. The key elements are:



Performance monitoring

AFMA prepares three planning documents and a performance reporting document each year. In addition, AFMA undertakes an annual self-assessment of its regulatory operations and performance. Monitoring of progress and accountability for delivering outputs is a key responsibility for AFMA staff. Individual performance agreements and reviews of periodic reports by managers, committees, Senior Executives, the Commission and stakeholders all help ensure that we remain on target. Each quarter the AFMA Commission receives a report on progress against the strategic actions contained in the Annual Operational Plan.

Section Plans

Every business unit within AFMA is required to develop section plans. These plans ensure that business activity across the agency is both coordinated and focused on delivering directly to AFMA's objectives as outlined in our Annual Operational Plan. These plans form the basis of allocating resources to the various business activities and/or specific projects that directly support the outcomes of the Annual Operational Plan. The section plans also inform individual staff performance plans against which officers are assessed throughout the reporting period in accordance with our performance development scheme.

Risk Management

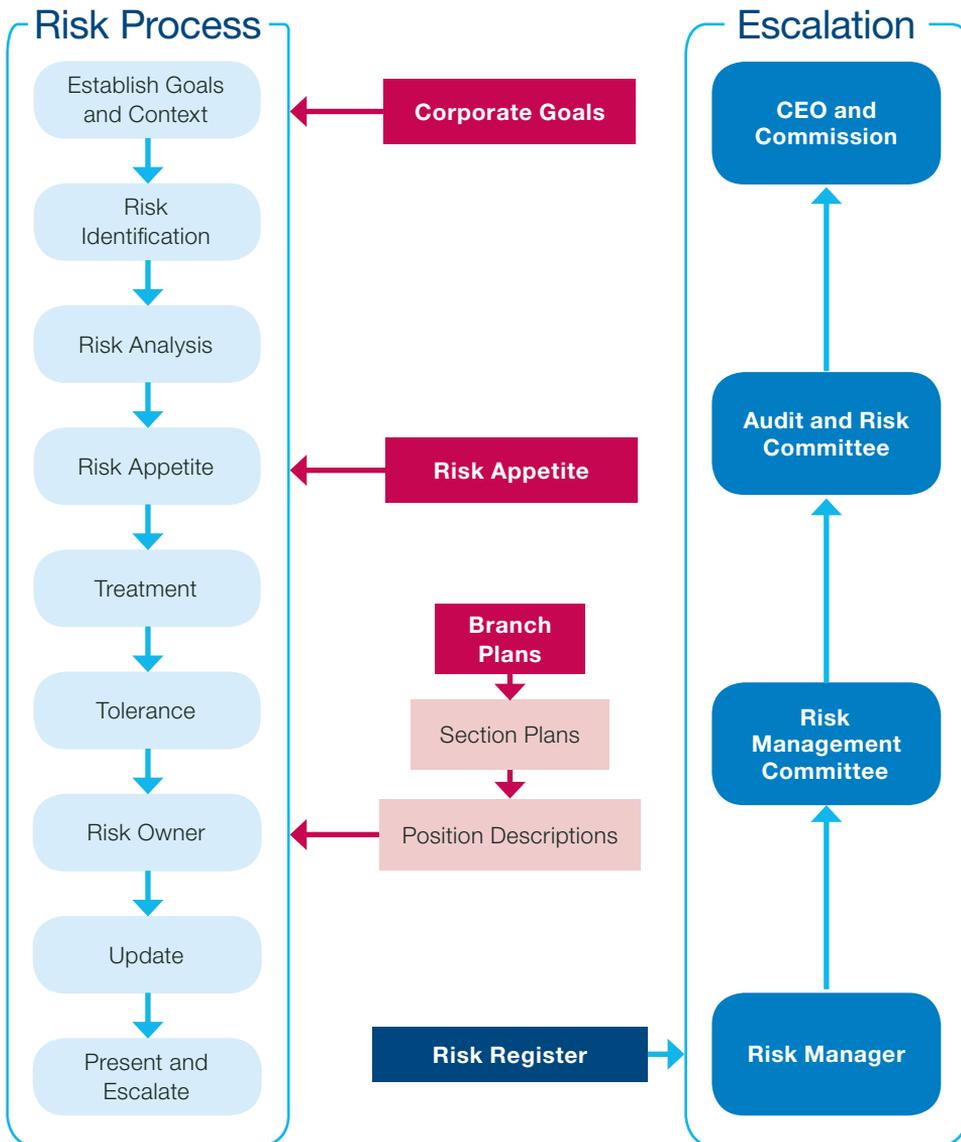
The AFMA Risk Management Framework incorporates a Risk Management Policy and Risk Management Guidelines that are consistent with the Commonwealth Risk Management Policy and international standards (ISO 31000:2009). The framework is aligned with AFMA's corporate goals to ensure all our staff remain focused on achieving those goals while managing the identified risks associated with them. This approach ensures that our staff at all levels of the agency are responsible for participating in risk management processes. It also delivers cost-efficient fisheries management by allowing our managers to make informed decisions and assign resources effectively.

Oversight of risk management activities is provided by the Audit and Risk Committee who provide external expertise and the Risk Management Committee which is comprised of representatives from across AFMA. Our AFMA Risk Manager supports staff to manage risk by providing tools and advice on risk management practices.

AFMA maintains enterprise and strategic risk monitoring and reporting processes in accordance with our Risk Management Policy and Risk Management Guidelines.

The Enterprise Risk Register assists in the identification and monitoring of risks throughout the agency associated with its operational activities. This ‘living’ document assists our staff to address risks posed by their operational activity and feeds into the Strategic Risk Register. The Strategic Risk Register has been designed to align identified risks outlined in the Enterprise Risk Register to the corporate goals as set out in the AFMA Corporate Plan. Both registers are reviewed annually and have been endorsed by the AFMA Commission and the AFMA Audit and Risk Committee.

Our risk management process is illustrated below:



Business Continuity

AFMA's Business Continuity Plan identifies a tiered response to essential business activities that we consider are critical to maintain in the event of unexpected disruption to normal service delivery. The Plan provides guidance to AFMA Management in establishing alternative arrangements and enables the priority allocation of resources to critical business processes to ensure that AFMA continues to function effectively during and following a significant disruption. The Plan includes emergency contacts, cyclone response procedures for our Darwin and Thursday Island offices and information and communications technology disaster recovery protocols. The Business Continuity Plan is tested, reviewed and updated annually, and monitored by the AFMA Audit and Risk Committee.

The Business Continuity Plan was reviewed by our internal auditors during 2017–18, to ensure it was in line with ANAO better practice guidelines, covered the critical business functions and areas, and incorporated the ICT disaster recovery needs. Several minor recommendations for improvement were identified and AFMA management intends to address these during 2018–19.

Project Management Framework

AFMA's Strategic Delivery Framework supports the planning and delivery of key projects across the organisation. The framework has been developed to support improved governance and oversight of all key projects required to be delivered to meet AFMA's Annual Operational and/or Corporate Plans. The framework provides increased accuracy in allocating resourcing and managing project deliverables.

The Strategic Delivery Committee, made up of AFMA's Executive, oversees the delivery of relevant key project work. Meetings during 2017–18 reviewed the business cases prepared by project managers and initiated the reporting process.

The Strategic Delivery Framework provides defined project management processes, coordination and systematic reporting. For further information on the Strategic Delivery Committee see Appendix 1.

Information Management

During 2017–18 AFMA fully implemented an Electronic Documents and Records Management System. The Electronic Documents and Records Management System is a key element in the cost effective and efficient storage, retrieval and use of information in AFMA and an important means for us to meet the requirements of the Government's *Digital Continuity 2020 Policy*.

To support the Electronic Documents and Records Management System implementation, we have reviewed and updated, where necessary, various internal information management governance documents and policies that underpin the agency Electronic Documents and Records Management System, to ensure that a complete digital record keeping environment is achieved within AFMA.

All our staff have access to the Electronic Documents and Records Management System and have been trained in its use. Since the implementation of the Electronic Documents and Records Management System, the rate of adoption and number of documents being electronically captured in the system has steadily increased. To ensure the Electronic Documents and Records Management System meets our future needs, daily quality assurance is undertaken to ensure records are being classified correctly by our staff and where necessary corrected.

In line with the Electronic Documents and Records Management System implementation, we have also commenced a review of our broader information and data management strategy to ensure it aligns with the Digital 2020 initiatives and identify how these changes will impact the AFMA record keeping environment in the future.

To meet the Digital 2020 policy, we have also commenced work in reducing our existing paper file holdings. This project has seen a reduction of 25 per cent of existing paper holdings to date and this work will continue in 2018–19. In a similar vein we have commenced a digitisation initiative, turning our paper forms into digital to further reduce our paper holdings and streamline workflow within the agency resulting in significant cost efficiency.

Fraud Control

The AFMA Fraud Control Framework addresses internal fraud perpetrated within AFMA. The AFMA Fraud Policy applies to our staff (and contractors) and outlines our zero tolerance policy to fraud. We have in place appropriate fraud prevention, detection, investigation and reporting procedures that meet the specific needs of the organisation. These mechanisms and procedures are regularly tested to ensure that they remain relevant and fit for purpose for AFMA. Both the new Policy and Control Plan meet AFMA's requirements under section 10 of the *Public Governance, Performance and Accountability Rule 2014*.

The Fraud Policy does not apply to fraud committed by parties external to AFMA, such as domestic or foreign fishers operating in the Australian Fishing Zone. The investigation of such fraud is undertaken by investigating officials within AFMA's Fisheries Operations Branch, or in some cases the Australian Federal Police.

Audit and Risk Committee

AFMA's Audit and Risk Committee provides independent assurance and advice to the Chief Executive Officer and the AFMA Commission on AFMA's financial reporting, performance monitoring, systems of risk oversight and management and systems of internal control.

For further information on the Audit and Risk Committee see Appendix 1.

Compliance with finance law

In accordance with paragraph 19(1)(e) of the *Public Governance, Performance and Accountability Act 2013* AFMA must include a statement in the annual report on any significant issues reported to the responsible minister that relate to non-compliance with the finance law in relation to the entity. If such a statement has been included in the annual report, the *Public Governance, Performance and Accountability Rule 2014* also requires the annual report to include an outline of the actions taken to remedy the non-compliance.

AFMA's review of compliance for 2017–18 with finance law (the *Public Governance, Performance and Accountability Act 2013* and associated rules and instruments) indicates that there are no significant matters that warrant reporting to the minister.

Purchasing

During 2017–18 AFMA continued to maintain a strong push on improved performance with respect to our responsibilities under the Commonwealth Procurement Rules. Our staff are kept well informed of any changes in procurement rules through our internal communications such as intranet news stories, revised templates and targeted training sessions.

Our approach to procurement and contract management is based on a self-service model enabling our staff at all levels within the organisation to undertake procurement and contract management activities within a clearly defined framework.

The relevant policies, procedures, tools and process maps are all easily accessible on our intranet for our staff to utilise. Importantly, a procurement and contract management training package has been developed and delivered across the organisation. To further support procurement and contract management capabilities within AFMA, a Community of Practice has been fostered so that experience can be shared with all our staff across the agency.

Contracts

Australian National Audit Office Access clauses

All contracts valued at \$100 000 or more (GST inclusive) let during the year provided for the Auditor-General to have access to the contractor's premises.

Exempt Contracts

The Chief Executive Officer did not exempt any contracts let during 2017–18 from being published on AusTender on the basis that publication would disclose exempt matters under the *Freedom of Information Act 1982*.

Advertising campaigns

AFMA did not conduct any advertising campaigns during the year.

Discretionary grants

AFMA did not administer any grants during the year.

People Management

Our employees

As at 30 June 2018, AFMA employed 180 employees (based on head count): 155 were ongoing and 25 were non-ongoing. These numbers do not include six employees on long-term leave.

There were 132 employees located in AFMA's Canberra office, 20 employees located in the Darwin office and seven employees on Thursday Island. A further 21 casual field observers undertake duties on commercial fishing vessels around Australia.

AFMA will expand its operations in Lakes Entrance, Victoria, from one to eight staff. The expansion will enable us (as the regulator) and industry to work more collaboratively. The Lakes Entrance office will open and be fully operational in August 2018, staffed with fisheries and bycatch managers in addition to compliance officers. See feature story on page 112.



FEATURE STORY

AFMA expands operations in Lakes Entrance

The Australian Fisheries Management Authority will expand its operations in Lakes Entrance, Victoria, from one to eight staff, to better meet its business and operational needs in one of Australia's largest Commonwealth commercial fishing ports. The Lakes Entrance port is the primary port for the Southern and Eastern Scalefish and Shark Fishery as well as other commercial fishers. Species such as flathead, pink ling, whiting and shark are transported from the Lakes Entrance port to key markets in Sydney and Melbourne as well as supplying local fish and chip shops.

Having an increased presence in the area will mean AFMA will be able to work more closely with industry on co-management arrangements, bycatch reduction, electronic monitoring and fisheries compliance operations. Being within close proximity of the Victorian Fisheries Authority and co-located with industry associations like the South East Trawl Fishing Industry Association will create a lot of opportunities for closer collaboration with industry.

The office space is housed at the Federation Training SEAMAC facility at Bullock Island. The space has come a long way from the former configuration of a laboratory/training room. Gone are the drab lab fittings and bank of computer terminals, replaced with a vibrant work space consisting of a dedicated reception/waiting room, meeting room with video conferencing facilities, 10 work stations and a break-out area. The use of docking stations promotes a flexible working style – allowing for a seamless transition from the desk to the field. With 4G Wi-Fi connectivity, coupled with the latest laptop computers, it allows for the rotation of AFMA staff who may need to undertake work from the office periodically.

The Lakes Entrance office commenced operations in August 2018, staffed with fisheries and bycatch managers in addition to compliance officers. The Lakes Entrance fishing port is annually worth over \$63 million to the Australian economy.

*Lakes Entrance Office
Photo courtesy: AFMA*

Our employment profile has not significantly changed from 2016–17. The proportion of part time employees (excluding casual observers) has increased slightly to 11.3 per cent in 2017–18 compared to 9.6 per cent in 2016–17.

The proportion of females has decreased to 39.4 per cent from 42.4 per cent in the previous financial year. The percentage of women at EL1–2 levels for 2017–18 has decreased to 28.9 per cent from 34.6 per cent in the previous year.

There has been a decrease in the number of employees from non-English speaking backgrounds with eight employees in 2017–18, down from ten in 2016–17.

As a comparison with the 2016–17 financial year, the number of employees who have at least one parent from a non-English speaking background has increased from 35 to 42 with the number of employees identifying as being Aboriginal or Torres Strait Islander increasing slightly from six to seven. In addition, employees who identified themselves as having a disability remained at one in 2017–18.

Equal opportunity profile of AFMA employees as at 30 June 2018

Level	NESB1	NESB2	People with disability	Aboriginal and Torres Strait Islander	Women	Men	Total employees at level
APS 2–4	1	15	0	5	21	34	55
APS 5–6	7	19	1	1	37	39	76
EL1	0	5	0	1	9	22	31
EL2	0	1	0	0	4	10	14
SES	0	2	0	0	0	4	4
Total	8	42	1	7	71	109	180

NESB1: Persons from a non-English speaking background who were born overseas.

NESB2: Persons whose parent/s is/are from a non-English speaking background.

Non-ongoing employees employed by location, gender and employment status as at 30 June 2018

Level	Location	Women		Men		Total employees at level
		Part time	Full time	Part time	Full time	
APS 1-2	Canberra	0	0	17	0	17
	Darwin	0	0	0	0	0
	Thursday Island	0	0	0	0	0
APS 3-4	Canberra	0	2	4	1	7
	Darwin	0	0	0	0	0
	Thursday Island	0	0	0	0	0
APS 5-6	Canberra	0	0	0	1	1
	Darwin	0	0	0	0	0
	Thursday Island	0	0	0	0	0
EL1	Canberra	0	0	0	0	0
	Darwin	0	0	0	0	0
	Thursday Island	0	0	0	0	0
EL2	Canberra	0	0	0	0	0
	Darwin	0	0	0	0	0
	Thursday Island	0	0	0	0	0
SES	Canberra	0	0	0	0	0
	Darwin	0	0	0	0	0
	Thursday Island	0	0	0	0	0
Total		0	2	21	2	25

* These figures include 21 observers who are engaged as APS 2/3 casual employees and are reported in the Canberra 'part time' figures.

Ongoing employees employed by location, gender and employment status as at 30 June 2018

Level	Location	Female		Male		Total employees at level
		Part time	Full time	Part time	Full time	
APS 1–2	Canberra	0	2	0	0	2
	Darwin	0	0	0	0	0
	Thursday Island	0	0	0	0	0
APS 3–4	Canberra	3	10	0	10	23
	Darwin	0	1	0	3	4
	Thursday Island	0	2	0	0	2
APS 5–6	Canberra	8	24	1	26	59
	Darwin	0	4	0	9	13
	Thursday Island	0	1	0	2	3
EL1	Canberra	4	5	2	18	29
	Darwin	0	0	0	1	1
	Thursday Island	0	0	0	1	1
EL2	Canberra	0	3	0	9	12
	Darwin	0	0	0	1	1
	Thursday Island	0	1	0	0	1
SES	Canberra	0	0	0	3	3
	Darwin	0	0	0	1	1
	Thursday Island	0	0	0	0	0
Total		15	53	3	84	155

This table excludes six employees on long-term leave and includes one APS employee on temporary transfer to AFMA. These figures relate to the nominal occupants of the position and not employees who may be acting as at 30 June 2018. This SES figure also includes AFMA's Chief Executive Officer.

Terms and conditions of employment

AFMA's Enterprise Agreement 2016

AFMA's Enterprise Agreement 2016 came into effect on 23 June 2016 and has a nominal expiry date of 22 June 2019. The agreement states the terms and conditions for all AFMA employees, excluding Senior Executive Service Officers.

Our Enterprise Agreement 2016 contains provisions that enable the Chief Executive Officer and an employee covered by the agreement to enter into an individual flexibility agreement to vary the effect of terms of the agreement. The terms which an

employee may vary under the Enterprise Agreement include (but are not limited to) hours of work, overtime rates, penalty rates, allowances, remuneration and leave.

AFMA entered into 54 individual flexibility agreements for 46 employees during 2017–18 as outlined in the table below. Eight employees entered into multiple agreements therefore the number of agreements is higher than the number of employees.

Individual flexibility agreements for 2017–18

Classification	Number
APS 1	0
APS 2	0
APS 3	0
APS 4	6
APS 5	4
APS 6	20
EL1	21
EL2	3

Remuneration

AFMA's salary ranges are contained in AFMA's Enterprise Agreement 2016. The salary minimum and maximum amounts at each classification as at 30 June 2018 are shown in the table below.

Enterprise agreement salary ranges as at 30 June 2018

Classification	Minimum	Maximum
APS 1	\$43 841	\$51 233
APS 2	\$54 927	\$58 626
APS 3	\$60 124	\$65 343
APS 4	\$67 951	\$72 650
APS 5	\$74 887	\$79 316
APS 6	\$83 742	\$92 604
EL1	\$103 015	\$114 495
EL2	\$120 858	\$140 902

AFMA does not have performance bonuses.

AFMA's salary ranges for Senior Executive Service employees (three) are contained in our Executive Remuneration Policy. The salary range amounts as at 30 June 2018 are shown in the table below.

Salary ranges for Senior Executive Service employees

Classification	Minimum	Maximum
SES Bands 1 and 2	\$168 839	\$237 180

The remuneration of senior executives is determined with reference to the remuneration survey published by the Australian Public Service Commission and is commensurate with the assessed complexity of their work. Senior executives are not eligible for bonus payments.

In addition to the salary ranges above, and as part of their total remuneration package, senior executive officers are also eligible to access other provisions including salary in lieu of a vehicle and car parking. Due to the small numbers of senior executives within AFMA, further breakdown of senior executive remuneration packages is not made available to avoid identification of individuals.

Remuneration for the Chief Executive Officer is determined by the Remuneration Tribunal. Details are available from the Remuneration Tribunal website.

AFMA did not make use of any non-salary benefits in 2017–18.

Human resource management

Ethical Standards

In working towards AFMA's goals and objectives, employees are expected to maintain the highest standards of business and personal ethics. These expectations are underpinned by:

- APS Code of Conduct
- APS Values
- AFMA's Code of Conduct and Ethics Policy.

Australian Public Service Employee Census

Each year, AFMA employees are invited to participate in the Australian Public Service Employee Census. The census gathers feedback and allows us to address specific issues and shape future priorities.

For 2018, AFMA's response rate to this survey was 69 per cent, down from 75 per cent in 2017. This was below the average of the APS which saw an overall participation rate of 74 per cent.

Results from the 2017 census (latest available) indicated that we performed well against the areas of workplace culture and agency engagement with the majority of employees enjoying working in their current role. There was an increase in employees believing the agency is committed to creating a diverse workforce and is supportive of a good work life balance.

In response to other less positive survey results, we are seeking continuous improvement in the areas of performance management and professional development and training for our managers. This includes having implemented a number of training programs including Mental Health First Aid and Work Health and Safety training (mandatory for executive level employees), Unconscious Bias and Cultural Effectiveness training.

A review of the Performance Management Scheme is also currently being undertaken with the new policy due to be implemented in 2018–19.

AFMA Rewards and Recognition Program

We recognise that building a culture that values its employees and recognises performance is critical to retaining the best people. The AFMA achievement awards recognise individual and team achievements throughout the year and are determined by the Chief Executive Officer and branch heads upon the recommendation of any member of staff.

The awards are presented at a ceremony each year which is hosted by the Chief Executive Officer. The 2017 achievement awards were presented in December 2017 with a total of 15 nominations received.

The individual achievement award recipient for 2017 was Selina Stoute. Selina was recognised for her significant contributions in improving fisheries management arrangements. There were several key achievements resulting in improvements to the management of Torres Strait fisheries that would not have been realised without Selina's hard work, dedication, resilience and leadership.

The 2017 group achievement award was awarded to Mark Lindsay-Temple and Kylie McKillop. Both Mark and Kylie's commitment and dedication along with their professional and supportive approach were commended by senior managers, managers and operations team members.

The good citizen award was awarded to Dylan Maskey. Dylan exemplified citizenship within AFMA and was recognised as always willing to assist with challenging tasks and work across different teams within AFMA to ensure that the best outcome was achieved.

The collaboration and mentoring award was awarded to Chee Kay Loke who was recognised for her professionalism and willingness to invest time in providing good advice and support to staff both through informal and formal training.

The innovation award was awarded to David Schubert. David developed a promotional video explaining what AFMA does and the role industry plays in the capture of seafood. David took an innovative approach to communicating AFMA's message and used imagery that focused on people and the process of catching fish.

The unsung hero award was awarded to Amelinda Byrne who was recognised for her exceptional work in preparing for the Commission for the Conservation of Antarctic Marine Living Resources meeting. Amelinda went above and beyond her normal duties in providing support to her manager, coordinating briefing among several agencies, effectively managing relationships and delivering policy advice on a range of issues.

At the ceremony, AFMA also recognised 21 employees who have contributed more than ten years of service to AFMA.



From left to right: David Schubert, Mark Lindsey-Temple, Kylie McKillop, James Findlay (CEO), Chee Kay Loke, Amelinda Byrne, Dylan Maskey

Development Awards

Each year, we offer employees the opportunity to nominate for an annual development award. The intention of the award is to recognise and reward

performance on the part of the individual whilst providing an opportunity for personal development that benefits both the individual and AFMA.

AFMA awarded development awards which supported employees to:

- attend the World Congress of Accountants 2018 from 5–8 November 2018 in Sydney
- attend the SeaWeb Seafood Summit 2018 from 18–21 June 2018 in Barcelona, Spain
- attend the 9th International Fisheries Observer and Monitoring Conference from 11–15 June 2018 in Vigo, Spain
- complete a Certificate IV in Procurement and Contracting (PSP40616) with the Australian Centre for Financial and Environmental Compliance.

Performance Management

The work that all our employees do is crucial to the achievement of AFMA's goals. AFMA's performance management scheme is a collaborative, ongoing process between a manager and their employee/s that all employees are required to participate in.

The performance cycle ensures that:

- employees know what is expected of them
- individual and AFMA goals are aligned
- employees receive ongoing feedback and improvement advice
- employees identify, plan and deliver on areas for individual learning, capability and career development.

The aim of AFMA's performance management scheme is to ensure all staff have the right tools and processes to help meet key deliverables. The scheme is also an important tool to ensure that underperformance is identified early so it can be addressed quickly and effectively.

Training and development

AFMA's 2017–18 corporate training plan clearly articulated our approach to learning and development. The plan identified a number of development priorities through capability plans submitted by employees, input from our Executive group and results from the 2017 APS Employee Census.

We provided a number of in-house courses during 2017–18 that covered a range of issues including work health and safety, mental health first aid, unconscious bias and cultural effectiveness. Formal inductions were also provided to all new starters.

In conjunction with their managers, employees were also able to enrol in relevant training and development opportunities that aligned with their specific role and responsibilities.

Study Assistance Program

AFMA's study assistance program assists employees to pursue studies that are directly related to our business, including assistance in the form of funding and/or study leave. In 2017–18, the program supported 15 employees for studies in various areas including applied science, communications, commerce, language and legal studies.

Employment programs

2017 Graduate Development Program

AFMA partners with the Department of Agriculture and Water Resources in recruitment and delivery of the Graduate Development Program. The program includes a combination of on-the-job-training, mentoring, a one week industry visit and a formal training program. We engaged two graduates in 2017 who completed the following rotations:

- Rotation 1 at AFMA – Fisheries Services Section and Foreign Compliance Policy Section
- Rotation 2 at DAWR – Marine Pests Section and Agriculture and Veterinary Chemicals Section
- Rotation 3 at AFMA – National Compliance Strategy Section and Policy, Environment, Economics and Research Section.

We also hosted two graduates from the Department of Agriculture and Water Resources during the second rotation.

In October 2017 we hosted our first industry visit which focused on industry perspectives on climate change impacts in Commonwealth fisheries. The five day industry visit provided graduates with valuable on-the-job learning experiences including an opportunity to meet with stakeholders.

Indigenous Australian Government Development Program (IAGDP)

In focusing on building a more diverse workforce, we also participated in the IAGDP. The IAGDP is an entry level employment and development program for Aboriginal and/or Torres Strait Islander people who are interested in working in the Australian Public Service. It provides a structured introduction to the skills and knowledge necessary to commence a rewarding career in the Service. We engaged an employee under the IAGDP in September 2017 who is currently undertaking a combination of on-the-job-training, mentoring and formal training.

Australian National University Internships Program

The Australian National Internships Program gives undergraduate and postgraduate students an opportunity to work with Commonwealth agencies. During 2017–18, we hosted two students who contributed to the following projects:

- **Project 1** – a review of Electronic Monitoring programs in fisheries worldwide, including how they have impacted management decision making and the opportunities they may present in securing the blue economy
- **Project 2** – review of climate change science and adaption of Commonwealth fishery governance.

Diversity

AFMA is committed to fostering a diverse workplace free from discrimination and harassment, an environment which recognises and values the individual differences of employees, and fosters the contributions of people with different backgrounds, experiences and perspectives.

Our commitment extends to attracting and recruiting people from diverse backgrounds and wherever possible, participation in whole of APS Programs.

The Stepping Into Program is an internship designed specifically for university students with a disability. In 2017 AFMA hosted one university student for paid work experience during the winter university break. The internship was undertaken within our Northern Fisheries Section.

The project involved reviewing the effects of a management program which aimed to increase effort and catches in the Torres Strait Pearl Shell Fishery through the issue of developmental permits allowing fishers to collect a number of undersized pearl shells.

The program is coordinated through the Australian Network on Disability and has been well received within AFMA.

Our employees were also invited to participate in diversity networks and related events hosted by the Department of Agriculture and Water Resources.

The six diversity networks include:

- Cultural and Linguistically Diverse Network
- Disability Employees Network
- Carers and Flexible Employees Network
- Aboriginal and Torres Strait Islander Employee Network
- Women's Network
- Lesbian, Gay, Bi, Trans and/or Intersex Pride Network.

There was also an opportunity for a number of our staff to attend a variety of workshops and conferences that focused on diversity. These workshops included:

- Women in Leadership Roadshow
- Australian Human Resources Institute (AHRI) Inclusion and Diversity Conference
- Cultural Effectiveness Training
- Unconscious Bias Training.



FEATURE STORY

What it takes to become an AFMA Fisheries Officer

I have been with the Australian Fisheries Management Authority for 12 years. I have woken to icebergs drifting past my porthole, walked the beaches of far flung tropical islands, crawled through a catch of decaying illegal shark fin on foreign fishing vessels, and shared some other amazing experiences with my colleagues along the way. I have completed patrols of our own waters alongside dedicated members of the Australian Defence Force and Australian Border Force, shared laughs and made memories with the crews on numerous foreign patrol vessels operated by AFMA's international counterparts and I have communicated effectively with people on foreign boats that have non-English speaking backgrounds.

I have broadened the horizons of a farm kid from South Australia in ways that I never thought possible – I can and have been called upon to operate anywhere from Africa to Tahiti, and Hawaii to Antarctica, and can go from chasing shade in the tropics to needing ten layers of clothing off the southern coast of Australia in a matter of days.

You would struggle to find a more diverse and challenging work environment than ours! We can operate individually or as part of a team both domestically and abroad. We are a unique and adaptable unit – small in numbers, but immense in the global impact that we have against illegal, unreported and unregulated fishing. We partner with other Australian government and international agencies and personnel far and wide, but always with people that share our passion.

While the role sometimes requires working long hours in varied conditions, the reward is amazing – this small team in a little known government department is making a big difference on a global scale.

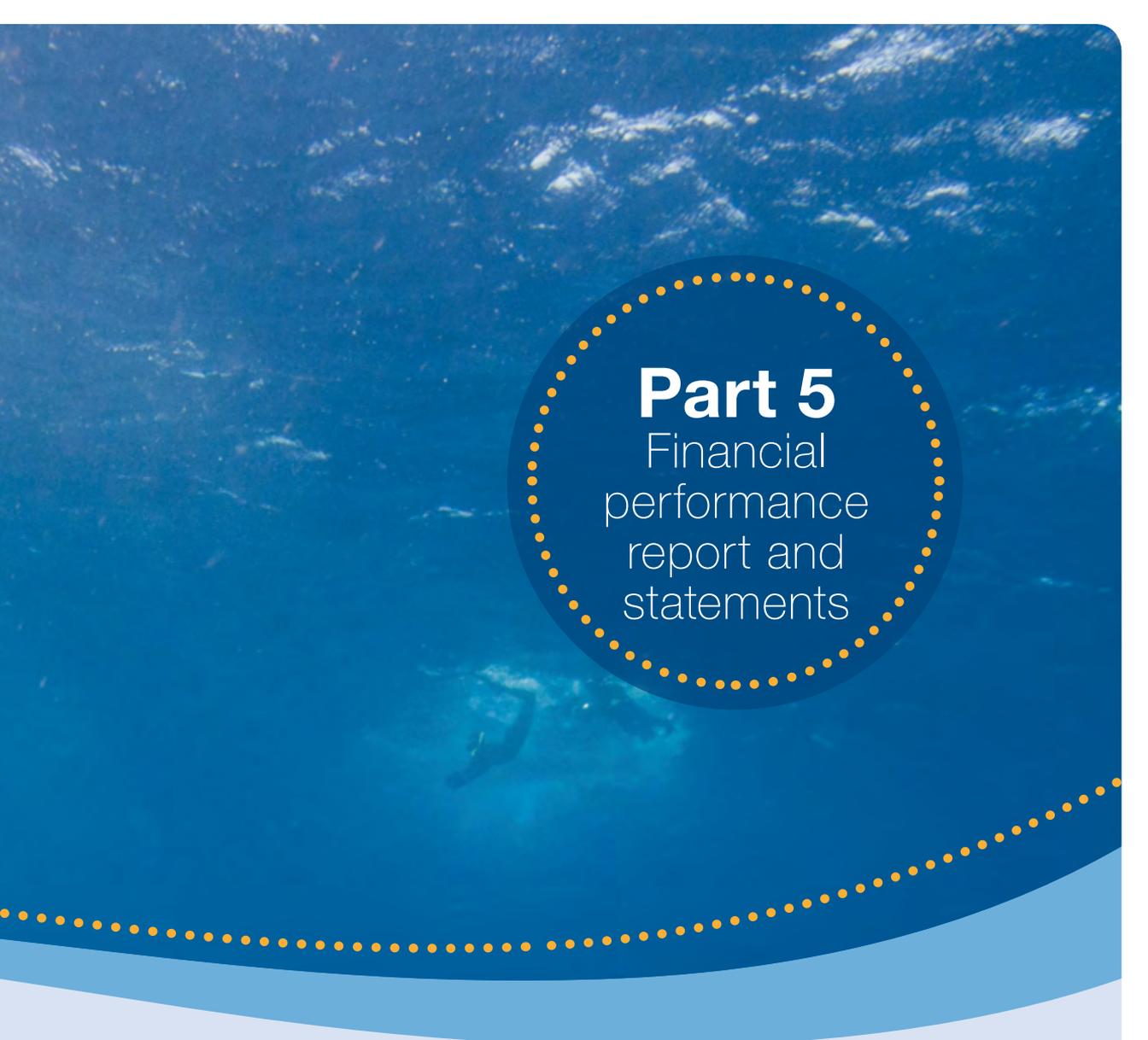
Alan Specketer
Senior Fisheries Officer
Fisheries Operations Branch
Compliance in Darwin

*AFMA Fisheries Officer retrieving ghost nets
Photo courtesy: AFMA*



Roes of scallops

Photo courtesy: Clayton McCloud, AFMA



Part 5
Financial
performance
report and
statements

PART 5

Statement of financial performance

Australian National Audit Office report

Financial statements

Statement of Financial Performance

Financial Results

AFMA reported a deficit of \$0.900 million for the 2017–18 financial year, well within the budgeted operating loss of \$1.8 million. This includes some \$0.020 million in decrements to Other Comprehensive Income relating to changes in asset revaluation surplus as at 30 June 2018. AFMA's total departmental expenditure was \$39.1 million against budget expenditure of \$38.9 million or \$0.200 million higher than budget.

Employee expenditure was some \$0.233 million lower than budget, mainly due to lower Average Staffing Levels across the agency.

Supplier expenditure was \$1.3 million higher than budget. The key driver for this variance being higher surveillance costs, mainly due to higher consultancy and contractor costs relating to the development and commencement of the Information and Communications Technology Strategy along with preparatory work involved with the Canberra office relocation. There were also higher costs associated with the transition to the new vessel monitoring system provider.

Depreciation and amortisation expenditure was \$0.8 million lower than budget. The value and useful life of AFMA's assets were reassessed as part of the 2016–17 financial statement process and this has lowered this year's depreciation/amortisation expenditure significantly.

AFMA's administered expenditure relating to the caretaking and disposal of illegal foreign fishing vessels was \$1.1 million, \$4.3 million lower than budget. This is also \$2.130 million lower than the previous year.

Australian Fisheries Management Authority

Financial Statements
for the period ended 30 June 2018



INDEPENDENT AUDITOR'S REPORT

To the Minister for Agriculture and Water Resources

Opinion

In my opinion, the financial statements of the Australian Fisheries Management Authority for the year ended 30 June 2018:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Australian Fisheries Management Authority as at 30 June 2018 and its financial performance and cash flows for the year then ended.

The financial statements of the Australian Fisheries Management Authority, which I have audited, comprise the following statements as at 30 June 2018 and for the year then ended:

- Statement by the Chief Executive Officer and the Chief Finance Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes to and forming part of the financial statements, comprising an Overview, Summary of Significant Accounting Policies and other explanatory information..

Basis for Opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Australian Fisheries Management Authority in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's Responsibility for the Financial Statements

As the Accountable Authority of the Australian Fisheries Management Authority, the Chief Executive Officer is responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under that Act. The Chief Executive Officer is also responsible for such internal control as the Chief Executive Officer determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive Officer is responsible for assessing the Australian Fisheries Management Authority's ability to continue as a going concern, taking into account whether the entity's operations will cease as a result of an administrative restructure or for any other reason. The Chief Executive Officer is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Sean Benfield
Executive Director
Delegate of the Auditor-General

Canberra
11 September 2018

Australian Fisheries Management Authority

for the period ended 30 June 2018

Statement by the Chief Executive Officer and the Chief Finance Officer

In our opinion, the attached financial statements for the year ended 30 June 2018 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsections 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Australian Fisheries Management Authority (AFMA) will be able to pay its debts as and when they fall due.



Dr James Findlay
Chief Executive Officer

10 September 2018



Jenny Sutherland
Acting Chief Finance Officer

10 September 2018

Australian Fisheries Management Authority
STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 June 2018

		2018	2017	2018
	Notes	\$'000	\$'000	Original Budget \$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	5.1A	20,630	20,375	20,863
Supplier	1.1A	17,548	16,766	16,202
Depreciation and amortisation	2.2A	991	1,651	1,808
Write-down and impairment of assets	1.1B	10	162	-
Total expenses		39,179	38,954	38,873
Own-Source Income				
Own-source revenue				
Sale of goods and rendering of services	1.2A	3,104	2,616	2,008
Rental income	1.2B	696	724	725
Interest	1.2C	38	-	-
Total own-source revenue		3,838	3,340	2,733
Gains				
Resources received free of charge		43	43	45
Total gains		43	43	45
Total own-source income		3,881	3,383	2,778
Net (cost of) services		(35,298)	(35,571)	(36,095)
Revenue from Government	1.3A	34,398	34,537	34,287
Deficit attributable to the Australian Government		(900)	(1,034)	(1,808)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation surplus		(20)	(402)	-
Total other comprehensive (loss)		(20)	(402)	-
Total Comprehensive (loss)		(920)	(1,436)	(1,808)

The above statement should be read in conjunction with the accompanying notes.

Budget Variances Commentary

The financial statements provide a comparison of the original budget as presented in the 2017-18 Portfolio Budget Statements (PBS) to the 2017-18 final outcome as presented in accordance with Australian Accounting Standards and Interpretations - Reduced Disclosure Requirements for the Authority. The Budget is not audited.

Variances are considered to be 'major' based on the following criteria:

- the variance between budget and actual is greater than 10%; and
- the variance between budget and actual is greater than 2% of total expenses; or
- the variance between budget and actual is below this threshold but is considered important for the reader's understanding or is relevant to an assessment of the discharge of accountability and to an analysis of performance of the Authority.

Suppliers were \$1.3 million higher (8.3% higher) than the Original Budget. The key drivers included:

- higher consultancy and contractor costs (\$1.1 million) primarily related to the development and commencement of the Information and Communications Technology (ICT) Strategy along with preparatory work involved in the Canberra office relocation;
- higher costs associated with the transition to the new vessel monitoring system (VMS) through an approach to market (\$0.7 million); and
- offset by lower travel expenditure (\$0.3 million) and occupancy expenditure (\$0.2 million).

Depreciation and amortisation was \$0.8 million lower (45.2% lower). The value and useful life of AFMA's assets were reassessed as part of the 2016-17 financial statement process and this has lowered this year's depreciation/amortisation expenditure significantly.

Own-source revenue was \$1.1 million higher (40.4% higher) than the Original Budget. The increase was mainly the result of additional capacity building activities in the Pacific (\$0.4 million), higher fee-for-service revenue for observers (\$0.4 million) and for vessel monitoring services (\$0.3 million).

Australian Fisheries Management Authority
STATEMENT OF FINANCIAL POSITION
as at 30 June 2018

		2018	2017	2018
		2018	2017	Original
	Notes	\$'000	\$'000	Budget
				\$'000
ASSETS				
Financial Assets				
Cash and cash equivalents	2.1A	14,238	14,036	274
Trade and other receivables	2.1B	1,233	1,026	14,891
Total financial assets		<u>15,471</u>	<u>15,062</u>	<u>15,165</u>
Non-Financial Assets				
Land and buildings	2.2A	2,175	2,492	2,399
Property, plant and equipment	2.2A	578	641	769
Intangibles	2.2A	389	552	985
Other non-financial assets	2.2B	664	1,030	262
Total non-financial assets		<u>3,806</u>	<u>4,715</u>	<u>4,415</u>
Total assets		<u>19,277</u>	<u>19,777</u>	<u>19,580</u>
LIABILITIES				
Payables				
Suppliers	2.3A	2	2	434
Other payables	2.3B	3,581	3,544	3,739
Total payables		<u>3,583</u>	<u>3,546</u>	<u>4,173</u>
Provisions				
Employee provisions	5.1B	5,082	5,164	5,293
Total provisions		<u>5,082</u>	<u>5,164</u>	<u>5,293</u>
Total liabilities		<u>8,665</u>	<u>8,710</u>	<u>9,466</u>
Net assets		<u>10,612</u>	<u>11,067</u>	<u>10,114</u>
EQUITY				
Contributed equity		12,199	11,734	12,193
Reserves		4,202	4,222	4,626
(Accumulated deficit)		<u>(5,789)</u>	<u>(4,889)</u>	<u>(6,705)</u>
Total equity		<u>10,612</u>	<u>11,067</u>	<u>10,114</u>

The above statement should be read in conjunction with the accompanying notes.

Budget Variances Commentary

Non-financial assets were \$0.6 million lower (13.8% lower) than the Original Budget.

- the value and useful life of AFMA's assets were reassessed as part of the 2016-17 financial statement process and this has lowered the value of land and buildings along with property, plant and equipment assets (\$0.4 million) compared to that which was budgeted;
- intangible assets were also lower than budget (\$0.6 million) with asset replacement being delayed to align with the Canberra office relocation; and
- this was offset by other non-financial assets being higher (\$0.4 million) due to higher accrued revenue for observers and vessel monitoring services.

Payables were \$0.6 million lower (14.1% lower) than the Original Budget mainly due to lower accrued expenses and unearned revenues than estimated at Budget.

Employee Provisions were \$0.2 million lower (4.0% lower) than the Original Budget mainly as a result of:

- slightly lower average staffing numbers used to estimate leave provisions; and
- an increase in the bond rate used in the present value calculation.

Australian Fisheries Management Authority
STATEMENT OF CHANGES IN EQUITY
for the period ended 30 June 2018

	2018 \$'000	2017 \$'000	2018 Original Budget \$'000
CONTRIBUTED EQUITY			
Opening balance			
Balance carried forward from previous period	11,734	11,122	11,735
Transactions with owners			
Departmental capital budget	465	462	458
Equity injection	-	150	-
Total transactions with owners	<u>465</u>	<u>612</u>	<u>458</u>
Closing balance as at 30 June	<u>12,199</u>	<u>11,734</u>	<u>12,193</u>
RETAINED EARNINGS			
Opening balance			
Balance carried forward from previous period	(4,889)	(3,855)	(4,897)
Adjusted opening balance	<u>(4,889)</u>	<u>(3,855)</u>	<u>(4,897)</u>
Comprehensive income			
Deficit for the period	(900)	(1,034)	(1,808)
Total comprehensive income	<u>(900)</u>	<u>(1,034)</u>	<u>(1,808)</u>
Transfers between equity components	-	-	-
Closing balance as at 30 June	<u>(5,789)</u>	<u>(4,889)</u>	<u>(6,705)</u>
ASSET REVALUATION RESERVE			
Opening balance			
Balance carried forward from previous period	4,222	4,624	4,626
Adjusted opening balance	<u>4,222</u>	<u>4,624</u>	<u>4,626</u>
Comprehensive income			
Other comprehensive income	(20)	(402)	-
Total comprehensive income	<u>(20)</u>	<u>(402)</u>	<u>-</u>
Closing balance as at 30 June	<u>4,202</u>	<u>4,222</u>	<u>4,626</u>
TOTAL EQUITY			
Opening balance			
Balance carried forward from previous period	11,067	11,891	11,464
Adjusted opening balance	<u>11,067</u>	<u>11,891</u>	<u>11,464</u>
Comprehensive income			
Surplus/(Deficit) for the period	(900)	(1,034)	(1,808)
Other comprehensive income	(20)	(402)	-
Total comprehensive income	<u>(920)</u>	<u>(1,436)</u>	<u>(1,808)</u>
Transactions with owners			
Departmental capital budget	465	462	458
Equity injection	-	150	-
Total transactions with owners	<u>465</u>	<u>612</u>	<u>458</u>
Closing balance as at 30 June	<u>10,612</u>	<u>11,067</u>	<u>10,114</u>

The above statement should be read in conjunction with the accompanying notes.

Accounting Policy

Equity injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

Budget Variances Commentary

The closing balance of equity is \$0.5 million higher (4.9% higher) than the Original Budget. The variance comprises a lower asset revaluation reserve balance (\$0.4 million) offset by a lower actual operating loss for the year (\$0.9 million) compared to budget.

Australian Fisheries Management Authority
CASH FLOW STATEMENT
for the period ended 30 June 2018

	Notes	2018 \$'000	2017 \$'000	2018 Original Budget \$'000
OPERATING ACTIVITIES				
Cash received				
Appropriations		34,350	34,244	35,313
Sales of goods and rendering of services		3,382	4,114	3,104
Net GST received		1,474	1,813	350
Total cash received		39,206	40,171	38,767
Cash used				
Employees		20,707	20,398	21,460
Suppliers		18,300	19,893	16,916
Net GST paid		-	-	-
Total cash used		39,007	40,291	38,376
Net cash from/(used by) operating activities		199	(120)	391
INVESTING ACTIVITIES				
Cash received				
Proceeds from sales of property, plant and equipment		-	-	-
Total cash received		-	-	-
Cash used				
Purchase of property, plant and equipment		462	319	840
Total cash used		462	319	840
Net cash from/(used by) investing activities		(462)	(319)	(840)
FINANCING ACTIVITIES				
Cash received				
Contributed equity - departmental capital budget		465	612	449
Total cash received		465	470	449
Net cash from/(used by) financing activities		465	612	449
Net increase in cash held		202	173	-
Cash and cash equivalents at the beginning of the reporting period		14,036	13,863	274
Cash and cash equivalents at the end of the reporting period 2.1A		14,238	14,036	274

The above statement should be read in conjunction with the accompanying notes.

Accounting Policy

Goods and Services Tax

In 2017-18 AFMA grossed up GST in the Cash Flow Statement as required under Interpretation 1031 paragraph 11 and AASB 7. Comparatives have been revised accordingly.

Budget Variances Commentary

Investing Activities

Total cash used was \$0.4 million lower as a result of lower purchases of property, plant and equipment than estimated in the Original Budget. Purchases of such assets have been delayed to align with the Canberra office relocation planned for 2018-19.

Australian Fisheries Management Authority
ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME
for the period ended 30 June 2018

	Notes	2018 \$'000	2017 \$'000	2018 Original Budget \$'000
NET COST OF SERVICES				
Expenses				
Suppliers		1,102	3,232	5,424
Write-down and impairment of assets		-	196	-
Total expenses		1,102	3,428	5,424
Income				
Revenue				
Non-taxation revenue				
Fees and fines		20	491	-
Application Fees		-	2	-
Other revenue		16	36	-
Total non-taxation revenue		36	529	-
Total revenue		36	529	-
Total income		36	529	-
Net cost of services		(1,066)	(2,899)	(5,424)
(Deficit)		(1,066)	(2,899)	(5,424)
Total Comprehensive loss		(1,066)	(2,899)	(5,424)

This schedule should be read in conjunction with the accompanying notes.

Budget Variances Commentary

Expenses

Suppliers expenses were \$4.3 million lower (79.7% lower) than the Original Budget. Costs for the caretaking and disposal of illegal foreign fishing vessels were lower due to lower vessel apprehensions than budgeted.

Australian Fisheries Management Authority
ADMINISTERED SCHEDULE OF ASSETS AND LIABILITIES
for the period ended 30 June 2018

	Notes	2018 \$'000	2017 \$'000	2018 Original Budget \$'000
ASSETS				
Financial assets				
Trade and other receivables	3.1A	272	247	328
Total financial assets		272	247	328
Non-financial assets				
Other non-financial assets	3.2A	23	157	-
Total non-financial assets		23	157	-
Total assets administered on behalf of Government		295	404	328
LIABILITIES				
Payables				
Other	3.3A	57	168	348
Total payables		57	168	348
Total liabilities administered on behalf of Government		57	168	348
Net assets		238	236	(20)

This schedule should be read in conjunction with the accompanying notes.

Budget Variances Commentary

Payables were \$0.3 million lower due to lower accrued expenditure at year-end resulting from lower vessel apprehensions than budgeted.

Australian Fisheries Management Authority
ADMINISTERED RECONCILIATION SCHEDULE
 for the period ended 30 June 2018

	2018	2017
	\$'000	\$'000
Opening assets less liabilities as at 1 July	236	247
Net (cost of)/contribution by services		
Income	36	529
Expenses	(1,102)	(3,428)
Transfers (to)/from the Australian Government:		
Appropriation transfers from Official Public Account		
Annual appropriations	1,094	3,242
Appropriation transfers to Official Public Account		
Transfers to OPA	(26)	(354)
Closing assets less liabilities as at 30 June	238	236

This schedule should be read in conjunction with the accompanying notes.

Australian Fisheries Management Authority
ADMINISTERED CASH FLOW STATEMENT
for the period ended 30 June 2018

	Notes	2018 \$'000	2017 \$'000	2018 Original Budget \$'000
OPERATING ACTIVITIES				
Cash received				
Fees		16	38	-
Fines		6	321	-
Net GST received		12	13	-
Total cash received		34	371	-
Cash used				
Suppliers		1,079	3,259	5,424
Total cash used		1,079	3,259	5,424
Net cash flows from/(used by) operating activities		(1,045)	(2,888)	(5,424)
Cash from Official Public Account				
Appropriations		1,071	3,242	5,424
		1,071	3,242	5,424
Cash to Official Public Account for:				
Appropriations		(26)	(354)	-
Cash and cash equivalents at the end of the reporting period		-	-	-

This schedule should be read in conjunction with the accompanying notes.

Budget Variances Commentary

Cash used by operating activities are lower than budget as a result of lower supplier expenditure as explained under the Administered Statement of Comprehensive Income.

Australian Fisheries Management Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2018

Overview

Financial performance

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- Note 1.2: Own source income and other revenue
- Note 1.3: Revenue from Government
- Accounting policies – financial performance

Financial position

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- Note 2.2: Non-financial assets
- Note 2.3: Payables
- Accounting policies – financial position

Assets and liabilities administered on behalf of the Government

- Note 3.1: Administered – financial assets
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Funding

- Note 4.1: Appropriations
- Note 4.2: Special accounts
- Note 4.3: Regulatory charging summary
- Note 4.4: Net cash appropriation arrangements

People and relationships

- Note 5.1: Employees
- Accounting policies – people and relationships
- Note 5.2: Key management personnel remuneration
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Managing uncertainty

- Note 6.1: Contingent liabilities and contingent assets
- Note 6.2: Financial instruments
- Note 6.3: Administered – financial instruments
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Australian Fisheries Management Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the period ended 30 June 2018

Overview

Objectives of AFMA

The Australian Fisheries Management Authority (AFMA) is an Australian Government controlled entity. It is a not-for-profit entity. The objectives of AFMA are 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 for which the Commonwealth has legislative responsibilities.

AFMA has a single outcome: 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. All of the financial information contained in these financial statements were incurred in pursuit of this outcome. The net cost of outcome delivery for 2017-18 was \$36,364,000 (2016-17 was \$38,470,000).

The continued existence of AFMA in its present form and with its present programs is dependent on Government policy and on continuing appropriations by Parliament for AFMA's administration and programs.

The activities contributing toward this outcome are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by AFMA in its own right. Administered activities involve the management or oversight by AFMA, on behalf of the Government, of items controlled or incurred by the Government.

Administered activities for the entity involve the caretaking and disposal of illegal foreign fishing vessels.

Basis of Preparation of the Financial Statements

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The Financial Statements have been prepared in accordance with:

- (a) Financial Reporting Rule (FRR); and
- (b) Australian Accounting Standards and Interpretations - Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the Statement of Comprehensive Income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

For the preparation of the 2017-18 financial statements, accounting policies are consistent with the previous year unless otherwise stated.

New Australian Accounting Standards

All new standards, revised standards, interpretations or amending standards that were issued prior to the sign-off date and are applicable to the current reporting period did not have material effect on AFMA's financial statements.

Australian Fisheries Management Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2018

Overview (continued)

Future Accounting Standards

The following new, amending standards or interpretations were issued by the AASB prior to the sign-off date. All other new standards, revised standards, interpretations or amending standards that were issued prior to the sign-off date and are applicable to the current reporting period did not have material effect, and are not expected to have a material effect on AFMA's financial statements.

AFMA expects to apply AASB 16 Leases from 1 July 2019. This standard will require the net present value of payments under most operating leases to be recognised as assets and liabilities.

Taxation

AFMA is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets and liabilities are recognised net of GST except:

- (a) where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- (b) for receivables and payables.

Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the schedules of administered items and related notes.

Except where otherwise stated below, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

Administered Cash Transfers to and from the Official Public Account

Revenue collected by AFMA for use by the Government rather than AFMA is administered revenue. Collections are transferred to the Official Public Account maintained by the Department of Finance. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by AFMA on behalf of the Government and reported as such in the statement of cash flows in the schedule of administered items and in the administered reconciliation schedule.

Revenue

All administered revenues are revenues relating to ordinary activities performed by AFMA on behalf of the Australian Government. As such, administered appropriations are not revenues of AFMA, but AFMA oversees the distribution or expenditure of the funds as directed.

Events After the Reporting Period

There have been no significant subsequent events after the reporting period that impact on the financial statements for the year ended 30 June 2018.

Australian Fisheries Management Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2018

Financial performance

This section analyses AFMA's financial performance for the year ended 30 June 2018. Employee related information is disclosed in the People and Relationships Section.

Note 1.1: Expenses

	2018	2017
	\$'000	\$'000
Note 1.1A: Suppliers		
Goods and services		
Research	3,686	3,893
Surveillance and compliance	1,281	712
Consultants and contractors	4,779	4,626
Travel and meetings	1,949	1,827
Information technology and communications	1,388	1,097
Training and development	362	483
Building repairs and outgoings	361	438
General administrative	1,202	1,179
Total goods and services	15,008	14,255
Goods and services are made up of:		
Related parties	1,749	1,136
External parties	13,259	13,119
Total goods and services	15,008	14,255
Goods supplied	199	239
Services rendered	14,809	14,016
Total goods and services supplied or rendered	15,008	14,255
Other suppliers		
Operating lease rentals in connection with		
External parties		
Minimum lease payments	2,175	2,152
Workers compensation expenses	365	359
Total other suppliers	2,540	2,511
Total suppliers	17,548	16,766
Leasing commitments		
AFMA leases office accommodation in Canberra, Darwin and Lakes Entrance. The initial lease term in Canberra is still current until 31 December 2018. The Darwin lease ended at 30 June 2018 and AFMA is currently in negotiations for extending this arrangement.		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within 1 year	1,010	416
Between 1 to 5 years	70	3,117
Total operating lease commitments	1,080	3,533
Note 1.1B: Write-Down and Impairment of Assets		
Asset write-downs and impairments from:		
Bad and doubtful debt expense	-	64
Write-down and Impairment of Assets	(9)	71
Other	19	27
Total write-down and impairment of assets	10	162

Australian Fisheries Management Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2018

Note 1.2: Own source income and other revenue

2018	2017
\$'000	\$'000

Note 1.2A: Sale of Goods and Rendering of Services

Rendering of services	3,104	2,616
Total sale of goods and rendering of services	3,104	2,616

Note 1.2B: Rental Income

Operating lease:		
Sublease - Canberra office	536	465
Sublease - Thursday Island office	75	140
Employee car parking	85	119
Total rental income	696	724

Leasing commitments receivable

AFMA in its capacity as a lessor sub-leases office accommodation on Thursday Island and in Canberra. All commitments are GST exclusive.

Commitments for minimum lease receipts in relation to non-cancellable operating leases are receivable as follows:

Within 1 year	384	485
Between 1 to 5 years	589	248
Total sub-lease commitments receivable	973	733

Note 1.2C: Interest

Interest	38	-
Total interest	38	-

Note 1.3: Revenue from Government

2018	2017
\$'000	\$'000

Note 1.3A: Revenue from Government

Appropriations:		
Departmental appropriation	20,049	20,310
Special Appropriation (Levies and licensing charges) ¹	14,349	14,227
Total revenue from Government	34,398	34,537

¹ Special appropriations comprise amounts deposited to Consolidated Revenue for AFMA's levies and licensing charges that were credited to the AFMA Special Account in accordance with s94C of the *Fisheries Administration Act 1991*.

Australian Fisheries Management Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the period ended 30 June 2018

Accounting policies – financial performance

Revenue

Revenue from the sale of goods is recognised when:

- (a) the risks and rewards of ownership have been transferred to the buyer;
- (b) AFMA retains no managerial involvement or effective control over the goods;
- (c) the revenue and transaction costs incurred can be reliably measured; and
- (d) it is probable that the economic benefits associated with the transaction will flow to AFMA.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- (a) the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- (b) the probable economic benefits associated with the transaction will flow to AFMA.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Revenue from Government

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when AFMA gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

Other Revenue

Resources received free of charge are recognised as gains when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Resources received free of charge are recorded as either revenue or gains depending on their nature.

Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Australian Fisheries Management Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2018

Financial position

This section analyses AFMA's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships Section.

Note 2.1: Financial assets

	2018	2017
	\$'000	\$'000
Note 2.1A: Cash and Cash Equivalents		
Cash in special accounts	13,938	13,618
Cash on hand or on deposit	300	418
Total cash and cash equivalents	14,238	14,036
Note 2.1B: Trade and Other Receivables		
Good and services receivables		
Goods and Services	404	289
Total goods and services receivables	404	289
Appropriations receivables		
Departmental Capital Budget	513	465
Total appropriations receivables	513	465
Other receivables		
GST receivable from the Australian Taxation Office	316	336
Total other receivables	316	336
Total trade and other receivables (gross)	1,233	1,090
Less impairment allowance		
Goods and services	-	(64)
Total impairment allowance	-	(64)
Total trade and other receivables (net)	1,233	1,026
Trade and other receivables (net) expected to be recovered		
No more than 12 months	1,233	1,026
Total trade and other receivables (net)	1,233	1,026
Trade and other receivables (gross) aged as follows		
Not overdue	829	802
Overdue by:		
0 to 30 days	290	149
31 to 60 days	50	55
61 to 90 days	53	-
More than 90 days	11	79
Total trade and other receivables (gross)	1,233	1,085
Impairment allowance aged as follows		
Overdue by:		
More than 90 days	-	(64)
Total impairment allowance	-	(64)

Credit terms for Goods and Services were within 30 days for 2018 (2017: 30 days)

Australian Fisheries Management Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2018

Note 2.1: Financial assets (continued)

Reconciliation of the Impairment Allowance:

	2018	2017
	Goods and services	Goods and services
	\$'000	\$'000
Opening balance	64	-
Decrease recognised in net surplus	<u>(64)</u>	<u>64</u>
Closing balance	-	64

Note 2.1C Assets Held in Trust

Monetary assets

Financial assets held in trust are also disclosed in Note 4.2: Special Accounts in the table titled AFMA Service for Other Entities and Trust Monies.

	2018	2017
	\$'000	\$'000
Cash at bank - monetary asset		
As at 1 July	-	36
Receipts	255	304
Payments	<u>(1)</u>	<u>(340)</u>
As at 30 June	254	-

The values above were estimated fair values at the time when acquired.

Australian Fisheries Management Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2018

Note 2.2: Non-financial assets

Note 2.2A: Reconciliation of the Opening and Closing Balances of Land and Buildings, Property, Plant and Equipment and Intangibles for 2018

	Land \$'000	Buildings \$'000	Improvements \$'000	Leasehold and improvements \$'000	Total land and buildings \$'000	Property, plant & equipment \$'000	Computer software internally developed \$'000	Computer software purchased \$'000	Total intangibles \$'000	Total \$'000
As at 1 July 2017										
Gross book value	975	900	629	2,504	652	4,331	1,784	6,115	9,271	
Accumulated depreciation, amortisation and impairment	-	-	(12)	(12)	(11)	(3,861)	(1,702)	(5,563)	(6,586)	
Net book value 1 July 2017	975	900	617	2,492	641	470	82	552	3,685	
Additions:										
By purchase	-	-	16	16	258	62	126	188	462	
Revaluations and impairments recognised in other comprehensive income	-	-	-	-	(20)	-	-	-	(20)	
Depreciation and amortisation expense	-	(26)	(307)	(333)	(307)	(305)	(46)	(351)	(991)	
Disposals	-	-	-	-	(28)	-	-	-	(28)	
Accumulated amortisation of disposed assets	-	-	-	-	34	-	-	-	34	
Net book value 30 June 2018	975	874	326	2,175	578	227	162	389	3,142	
Net book value as of 30 June 2018 represented by:										
Gross book value	975	900	645	2,520	862	4,393	1,910	6,303	9,685	
Accumulated depreciation, amortisation and impairment	-	(26)	(319)	(345)	(284)	(4,166)	(1,748)	(5,914)	(6,543)	
Total as at 30 June 2018	975	874	326	2,175	578	227	162	389	3,142	

Australian Fisheries Management Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2018

Note 2.2: Non-financial assets (continued)

Note 2.2A: Reconciliation of the Opening and Closing Balances of Land and Buildings, Property, Plant and Equipment and Intangibles for 2017

	Land \$'000	Buildings \$'000	Improvements \$'000	Leasehold and improvements \$'000	Total land and buildings \$'000	Property, plant & equipment \$'000	Computer software internally developed \$'000	Computer software purchased \$'000	Total intangibles \$'000
As at 1 July 2016									
Gross book value	1,075	950	3,361	5,386	1,809	4,331	1,707	6,038	13,233
Accumulated depreciation, amortisation and impairment	-	(63)	(1,753)	(1,816)	(975)	(3,556)	(1,395)	(4,951)	(7,742)
Net book value 1 July 2016	1,075	887	1,608	3,570	834	775	312	1,087	5,491
Additions:									
By purchase	-	-	-	-	-	256	-	63	319
Reclassification of assets	-	-	-	-	-	-	-	-	-
Revaluations and impairments recognised in other comprehensive income	(100)	43	(340)	(397)	(19)	-	14	14	(402)
Impairments recognised in the operating result	-	-	(12)	(12)	(7)	-	(14)	(14)	(33)
Depreciation and amortisation expense	-	(30)	(630)	(660)	(391)	(305)	(295)	(600)	(1,651)
Other movements	-	-	-	-	-	-	-	-	-
Disposals	-	-	(9)	(9)	(78)	-	-	-	(78)
Accumulated amortisation of disposed assets	-	-	(9)	(9)	46	-	2	2	39
Net book value 30 June 2017	975	900	617	2,492	641	470	82	552	3,685
Net book value as of 30 June 2017 represented by:									
Gross book value	975	900	629	2,504	652	4,331	1,784	6,115	9,271
Accumulated depreciation, amortisation and impairment	-	-	(12)	(12)	(11)	(3,861)	(1,702)	(5,563)	(5,586)
Total as at 30 June 2017	975	900	617	2,492	641	470	82	552	3,685

Australian Fisheries Management Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2018

Note 2.2: Non-Financial Assets (continued)

	2018	2017
	\$'000	\$'000
<u>Note 2.2B: Other Non-Financial Assets</u>		
Prepayments	235	698
Accrued revenue	429	332
Total other non-financial assets	<u>664</u>	<u>1,030</u>

No indicators of impairment were found for other non-financial assets.

All other non-financial assets are expected to be recovered within the next 12 months.

Note 2.3: Payables

	2018	2017
	\$'000	\$'000
<u>Note 2.3A: Suppliers</u>		
Trade creditors and accruals	<u>2</u>	<u>2</u>
Total supplier payables	<u>2</u>	<u>2</u>

Settlement is usually made within 30 days.

Note 2.3B: Other Payables

Accrued expenses	2,628	1,892
Lease incentives	10	31
Operating lease rentals	154	435
Wages and salaries	169	164
Unearned revenue	620	1,022
Total other payables	<u>3,581</u>	<u>3,544</u>

Total other payables are expected to be settled in:

No more than 12 months	3,417	3,099
More than 12 months	164	445
Total other payables	<u>3,581</u>	<u>3,544</u>

Australian Fisheries Management Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2018

Accounting policies – financial position

Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

- (a) cash on hand;
- (b) demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value;
- (c) cash held by outsiders; and
- (d) cash in special accounts.

Financial Assets

Please refer to Note 6 Managing Uncertainty for accounting policies for financial assets.

Receivables

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of reporting period. Allowances are made when collectability of the debt is no longer probable.

Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Property, Plant and Equipment

Asset Recognition Threshold:

Purchases of property, plant and equipment are recognised initially at cost in the balance sheet, except for purchases costing less than \$5,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make good' provisions. AFMA does not have any material make good requirements.

Revaluations

Following initial recognition at cost, property, plant and equipment were carried at fair value. Valuations were conducted with sufficient frequency to ensure that the carrying amounts of assets did not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depended upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments were made on a class basis. Any revaluation increment was credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets were recognised directly in the surplus/deficit except to the extent that they reversed a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date was eliminated against the gross carrying amount of the asset and the asset was restated to the revalued amount.

Australian Fisheries Management Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2018

Accounting policies – financial position (continued)

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the entity using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2018	2017
Buildings on freehold land	40 to 45 years	40 to 45 years
Leasehold improvements	Lease term	Lease term
Plant and Equipment	4 to 13 years	4 to 13 years

Impairment

All assets were assessed for impairment at 30 June 2018. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if AFMA were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Intangibles

AFMA's intangibles comprise purchased and internally developed software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of AFMA's software assets are 3 to 10 years (2017: 3 to 10 years).

All software assets were assessed for indications of impairment as at 30 June 2018.

Fair Value Measurement

AFMA deems transfers between levels of the fair value hierarchy to have occurred at the end of the reporting period. No transfers between levels occurred during 2017-18.

Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, AFMA has made judgements that have the most significant impact on the amounts recorded in the financial statements with respect to the fair value of land and buildings. The fair value of land and buildings has been taken to be the market value of similar properties as determined by an independent valuer. In some instances, entity buildings are purpose-built and may in fact realise more or less in the market.

No accounting assumptions and estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

Financial Liabilities

Please refer to Note 6 Managing Uncertainty for accounting policies for financial liabilities.

Australian Fisheries Management Authority
NOTES TO THE SCHEDULE OF ADMINISTERED ITEMS
for the period ended 30 June 2018

Assets and liabilities administered on behalf of the Government

This section analyses assets used to conduct operations and the operating liabilities incurred that AFMA does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

Note 3.1: Administered – financial assets

	2018	2017
	\$'000	\$'000
Note 3.1A: Trade and Other Receivables		
Fees and charges		
Fees and charges receivable - external parties	511	560
Total fees and charges receivable	511	560
Other receivables		
GST receivable from Australian Taxation Office	36	25
Total other receivables	36	25
Total trade and other receivables (gross)	547	585
Less impairment allowance		
Fees and charges	(275)	(338)
Total impairment allowance account	(275)	(338)
Total trade and other receivables (net)	272	247
Receivables are expected to be recovered within 12 months.		
Receivables were aged as follows		
Not overdue	36	213
Overdue by:		
More than 90 days	511	372
Total receivables (gross)	547	585
Impairment allowance aged as follows		
Overdue by:		
More than 90 days	(275)	(338)
Total impairment allowance	(275)	(338)
Credit terms for goods and services were within 30 days (2017: 30 days).		
Reconciliation of the Impairment Allowance		
	2018	2017
	Fees and charges	Fees and charges
	\$'000	\$'000
Opening balance	(338)	(430)
Amounts written off	63	(104)
Movement recognised in net surplus	-	196
Closing balance	(275)	(338)

Australian Fisheries Management Authority
NOTES TO THE SCHEDULE OF ADMINISTERED ITEMS
for the period ended 30 June 2018

Note 3.2: Administered – non-financial assets

	2018	2017
	\$'000	\$'000
Note 3.2A: Other Non-Financial Assets		
Other non-financial assets	<u>23</u>	<u>157</u>
Total other non-financial assets	<u>23</u>	<u>157</u>

Note 3.3: Administered – Liabilities

	2018	2017
	\$'000	\$'000
Note 3.3A: Suppliers		
Trade creditors and accruals	<u>23</u>	<u>157</u>
GST payable	<u>34</u>	<u>11</u>
Total suppliers	<u>57</u>	<u>168</u>
Suppliers expected to be settled		
No more than 12 months	<u>57</u>	<u>168</u>
Total suppliers	<u>57</u>	<u>168</u>

Australian Fisheries Management Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2018

Funding

This section identifies AFMA's funding structure.

Note 4.1: Appropriations

Note 4.1A: Annual Appropriations (Recoverable GST exclusive¹)

Annual Appropriations for 2018

	Annual Appropriation \$'000	Annual Adjustments to appropriation \$'000	Total appropriation \$'000	Appropriation applied in 2018 (current and prior years) \$'000	Variance ¹ \$'000
Departmental					
Ordinary annual services	20,049	-	20,049	20,049	-
Departmental Capital Budget ²	465	-	465	417	48
Equity injections	-	-	-	-	-
Total departmental	20,514	-	20,514	20,466	48
Administered					
Ordinary annual services Administered items ¹	5,424	-	5,424	1,070	4,354
Total administered	5,424	-	5,424	1,070	4,354

Notes:

- The variance of \$4,354,000 for Administered funds remained as unspent and will be returned to consolidated revenue.
- Departmental Capital Budgets are appropriated through Appropriation Acts (No 1, 3, 5). They form part of ordinary annual services and are not separately identified in the Appropriation Acts.

Australian Fisheries Management Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2018

Note 4.1: Appropriations (continued)

Annual Appropriations for 2017

	Annual Appropriation \$'000	Adjustments to appropriation \$'000	Total appropriation \$'000	Appropriation applied in 2017 (current and prior years) \$'000	Variance ¹ \$'000
Departmental					
Ordinary annual services	20,310	-	20,310	20,310	-
Departmental Capital Budget ²	462	-	462	318	144
Other Services					
Equity injections	150	-	150	-	150
Total departmental	20,922	-	20,922	20,628	294
Administered					
Ordinary annual services					
Administered items	5,354	-	5,354	3,085	2,269
Total administered	5,354	-	5,354	3,085	2,269

Notes:

1. The variance of \$2,269,000 for Administered funds remained as unspent and was returned to consolidated revenue.
2. Departmental Capital Budgets are appropriated through Appropriation Acts (No 1, 3, 5). They form part of ordinary annual services and are not separately identified in the Appropriation Acts.

Australian Fisheries Management Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the period ended 30 June 2018

Note 4.1: Appropriations (continued)

Note 4.1B: Unspent Annual Appropriations (Recoverable GST exclusive)

	2018 \$'000	2017 \$'000
Departmental		
Cash and Cash equivalents	300	418
Appropriation Act (No. 1) 2017-18 (Capital Budget - DCB) - Non Operating	48	-
Supply Act (No.1) 2016-2017 (Capital Budget - DCB) - Non Operating	144	144
Appropriation Act (No. 2) 2016-17 - Equity Injections	150	150
Appropriation Act (No. 1) 2015-16 (Capital Budget - DCB) - Non Operating	171	171
Total departmental	813	883
Administered		
Appropriation Act (No. 1) 2016-17	4,354	2,269
Total administered	4,354	2,269

Note 4.1C: Special Appropriations (Recoverable GST exclusive)

Authority	Type	Purpose	Appropriation applied	
			2018 \$'000	2017 \$'000
Fisheries Administration Act 1991; Section 94C, Departmental	Unlimited Amount	To provide an appropriation for adjusted levy amounts and other receipts specified by s94C of the Fisheries Administration Act	14,349	14,227
Total			14,349	14,227

Australian Fisheries Management Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2018

Note 4.2: Special accounts

	AFMA Special Account (Departmental) ¹		AFMA Services for Other Entities and Trust Moneys Special Account (Special Public Money) ²	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Balance brought forward from previous period	14,036	13,863	-	36
Increases:				
Appropriation for reporting period	20,466	20,629	-	-
Special appropriation (<i>Fisheries Administration Act 1991 - Section 94C</i>)	14,349	14,227	-	-
Other receipts	4,856	3,931	255	304
Total increases	39,671	38,787	255	340
Decreases:				
Employee payments	(20,707)	(20,398)	-	-
Supplier payments	(18,299)	(17,897)	-	-
Purchase of property, plant and equipment	(462)	(319)	-	-
Repayments debited from the special account	-	-	(1)	(340)
Total decrease	(39,468)	(38,614)	(1)	(340)
Total balance carried to the next period	14,239	14,036	254	-
Balance represented by:				
Cash - held in the Official Public Account	13,938	13,618	-	-
Cash - held by the agency	300	418	-	-
Total balance carried to the next period	14,238	14,036	-	-

1. Appropriation: *Public Governance, Performance and Accountability Act 2013*, section 80.
Establishing Instrument: *Fisheries Administration Act 1991*, section 94B.
Purpose: Payment or discharge of the costs, expenses or other obligations incurred in the performance or exercise of the functions and powers of the Authority.

2. Appropriation: *AFMA Services for Other Entities and Trust Moneys Special Account (Special Public Money)*
Establishing Instrument: *Public Governance, Performance and Accountability Act 2013*, section 78.
Purpose: For amounts that are held on trust or otherwise for the benefit of a person other than the Commonwealth.

Australian Fisheries Management Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2018

Note 4.3: Regulatory charging summary

	2018	2017
	\$'000	\$'000
Amounts applied		
Departmental		
Special appropriations (including special accounts)	15,042	15,000
Total amounts applied	<u>15,042</u>	<u>15,000</u>
Expenses		
Departmental	14,638	14,839
Total expenses	<u>14,638</u>	<u>14,839</u>
Revenue		
Departmental	15,042	15,000
Total revenue	<u>15,042</u>	<u>15,000</u>

Cost recovered activities:

AFMA undertakes cost recovered activities for the provision of Fisheries Management functions within the Commonwealth fisheries sector, including the following activities:

- * Management of Domestic Commercial Fisheries
- * Data collection and management
- * Research
- * Licensing/Registration and Revenue Collection
- * Policy Support

AFMA's Cost Recovery Implementation Statement (CRIS) describes how AFMA will charge fishing concession holders for the management of Commonwealth fisheries. The AFMA CRIS can be found at www.afma.gov.au.

Note 4.4: Net Cash Appropriation Arrangements

	2018	2017
	\$'000	\$'000
Total comprehensive income less depreciation/amortisation expenses previously funded through revenue appropriations	293	135
Plus: depreciation/amortisation expenses previously funded through revenue appropriation ¹	<u>627</u>	<u>1,301</u>
Total comprehensive deficit as per the Statement of Comprehensive Income	<u>(920)</u>	<u>(1,436)</u>

¹ Depreciation and amortisation expenditure represented above refers to the government funded portion of AFMA's total depreciation and amortisation charges. In 2017-18 AFMA received \$364,000 (2016-17: \$350,000) in funding for depreciation and amortisation through cost recovery arrangements.

Australian Fisheries Management Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2018

People and relationships

This section provides a range of employment and post employment benefits provided to our people and our relationships with other key people.

Note 5.1: Employees

	2018	2017
	\$'000	\$'000
Note 5.1A Employee benefits		
Wages and salaries	16,089	15,973
Superannuation:		
Defined contribution plans	1,819	1,794
Defined benefit plans	1,111	1,137
Leave and other entitlements	1,611	1,471
Total employee benefits	20,630	20,375

Note 5.1B: Employee Provisions

Leave	5,082	5,164
Total employee provisions	5,082	5,164

Employee provisions are expected to be settled in:

No more than 12 months	3,777	3,823
More than 12 months	1,305	1,341
Total employee provisions	5,082	5,164

Accounting Policies – People and Relationships

Liabilities for 'short-term employee benefits' (as defined in *AASB 119 Employee Benefits*) and termination benefits wholly settled due within twelve months of end of reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual leave and long service leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including AFMA's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

Australian Fisheries Management Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2018

Accounting Policies – People and Relationships (continued)

Superannuation

Staff of AFMA are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap).

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

AFMA makes employer contributions to the employees' superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. The entity accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions as at year end.

Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, AFMA has made the judgements that have the most significant impact on the amounts recorded in the financial statements with respect to the liability for employee provisions. The liability for long service leave has been estimated using present value techniques in accordance with the shorthand method as per FRR 24.1 (a). This takes into account expected salary growth, attrition and future discounting using Commonwealth bond rates.

No accounting assumptions and estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

Note 5.2 Key Management Personnel Remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. AFMA has determined the key management personnel to be Commissioners and Executive Officers.

Key management personnel remuneration is reported in the table below:

	2018	2017
	\$	\$
Salary and other allowances	1,319,586	1,245,817
Post-employment benefits	222,245	213,466
Other long-term benefits	116,352	112,088
Total key management personnel remuneration expenses¹	1,658,183	1,571,371

The total **number** of key management personnel that are included in the above table are: 10 10

¹The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the entity.

Australian Fisheries Management Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2018

Note 5.3 Related Party Disclosures

Related party relationships

The entity is an Australian Government controlled entity. Related parties to this entity are Key Management Personnel including the Portfolio Minister and Executive, and other Australian Government entities.

Transactions with related parties:

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate or higher education loans. These transactions have not been separately disclosed in this note.

Significant transactions with related parties can include:

- the payments of grants or loans;
- purchases of goods and services;
- asset purchases, sales transfers or leases;
- debts forgiven; and
- guarantees.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by the entity, it has been determined that there are no related party transactions to be separately disclosed.

Australian Fisheries Management Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2018

Managing uncertainty

This section analyses how AFMA manages financial risks within its operating environment.

Note 6.1: Contingent Liabilities and Contingent Assets

AFMA is negotiating payment of an award of 'party to party' costs associated with a Federal Court case in which AFMA was involved. The costs are not currently quantifiable but are not expected to be material.

Note 6.2: Financial Instruments

	2018	2017
	\$'000	\$'000
<u>Note 6.2A Categories of Financial Instruments</u>		
Financial Assets		
Loans and receivables		
Cash and cash equivalents	14,238	14,036
Receivables for goods and services	404	289
Total financial assets	14,642	14,325
Financial Liabilities		
Financial liabilities measured at amortised cost		
Trade creditors	2	2
Total financial liabilities	2	2

Note 6.2B Fair Value of Financial Instruments

The fair value of financial instruments approximates their carrying amounts.

Note 6.3: Administered – Financial Instruments

	2018	2017
	\$'000	\$'000
<u>Note 6.3A Categories of Financial Instruments</u>		
Financial Assets		
Loans and Receivables		
Cash and cash equivalents	-	-
Receivables for fees and charges	236	222
Carrying amount of financial assets	236	222
Financial Liabilities		
Financial liabilities measured at amortised cost		
Trade creditors	23	157
Carrying amount of financial liabilities	23	157

The fair value of financial instruments approximates their carrying amounts.

Australian Fisheries Management Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the period ended 30 June 2018

Accounting policies – financial instruments

Financial Assets

AFMA classifies its financial assets as loans and receivables:

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon trade date.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period. Income is recognised on an effective interest rate basis except for financial assets that are recognised at fair value through profit or loss.

Receivables

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'receivables'. Receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period.

Financial assets held at amortised cost - if there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Statement of Comprehensive Income.

Financial assets held at cost - if there is objective evidence that an impairment loss has been incurred, the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

Financial Liabilities

Financial liabilities are classified as either financial liabilities or other financial liabilities.

Financial liabilities are recognised and derecognised upon 'trade date'.

Other Financial Liabilities

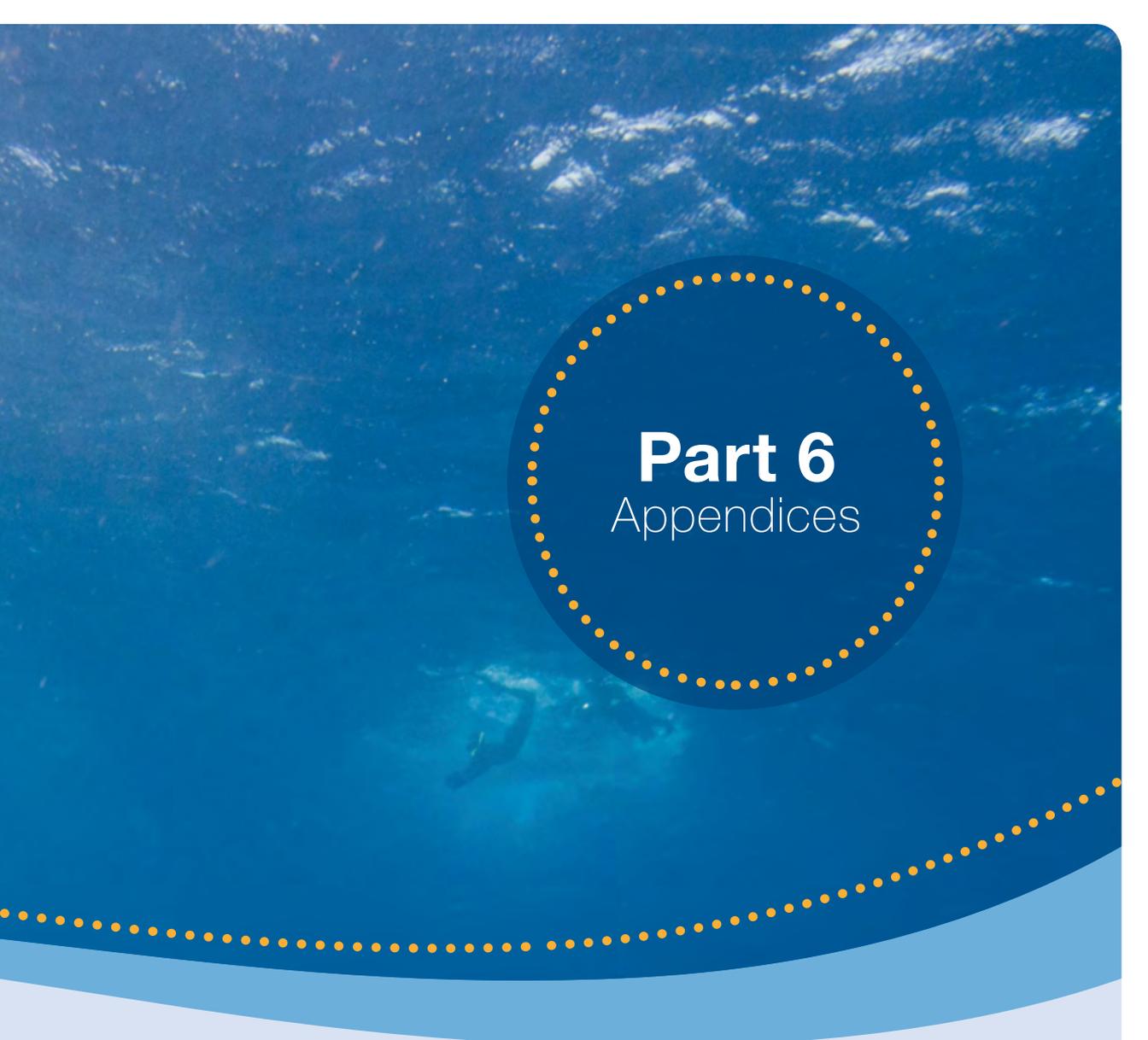
Other financial liabilities are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the balance sheet but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.



Squid boat gear Port Fairy
Photo courtesy: Clayton McCloud, AFMA



Part 6

Appendices

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APPENDIX 1

Commission and executive

AFMA Commissioners are appointed for their level of expertise in one or more of the fields of fisheries management, fishing industry operations, science, natural resource management, economics, business or financial management, law, public sector administration or governance. The new legislative amendments added expertise on matters relating to recreational or Indigenous fishing. Future appointments to the Commission will take the new requirements into consideration.



Meeting with Northern Prawn Fishery operator in Darwin. AFMA Commissioners from left to right: Dr James Findlay (CEO), Mr Richard Stevens OAM, Ms Catherine Cooper (Deputy Chair), Mr Ian Cartwright, Prof Keith Sainsbury, Ms Renata Brooks, Ms Helen Kroger (Chairman). Photo Courtesy: Andrew Pearson, AFMA.

The following Commissioners held appointments during the reporting period 2017–18:

Ms Helen Kroger – Chairman

Helen has held leadership positions in the private, public and not for profit sectors for the last 20 years. She is a former Liberal Senator for Victoria, Government Whip and active former member of numerous key Senate and Joint Committees. She has extensive board experience and advises corporations on regulatory and compliance, governance, communications and stakeholder management issues.

Dr James Findlay – Chief Executive Officer

James is an AFMA Commissioner and AFMA's Chief Executive Officer. He has a PhD in fisheries biology and has held senior government roles across fisheries science, policy and management. He has also held senior government roles in other natural resource management areas including climate adaptation and sustainable water use. He was a research consultant in aquatic animal health for the aquaculture industry and was a senior lecturer in genetics at the University of Tasmania.

Mr Richard Stevens OAM

Richard has been involved in the Australian seafood industry since 1977, holding senior executive positions at both the State and Commonwealth level. Since 2001, he has undertaken numerous reviews of fisheries management arrangements, including in South Australia, New South Wales and the Torres Strait. He currently chairs a number of fishery related committees, including the New South Wales Ministerial Fisheries Advisory Council and the Northern Territory Recreational Fishing Advisory Committee. Richard's expertise covers natural resource management, policy and planning, and economics.

Mr Ian Cartwright

Ian has a Master of Science in Economics, is Chair of the Tasmanian Fisheries Research Advisory Board and Chair of various fisheries committees. His expertise covers commercial fishing, fisheries science, natural resource management, economics and business management.

Professor Keith Sainsbury

Keith is Director of SainSolutions, Professor of Marine Systems Science (University of Tasmania) and Vice-Chair of the Board of the Marine Stewardship Council. His internationally recognised expertise covers fisheries science, natural resource management and marine ecology.

Ms Catherine Cooper

Catherine currently chairs the South Australian Fisheries and Aquaculture Research Advisory Committee and Aquaculture Advisory Council. Catherine is an industry leader and she was a finalist in both the 1997 and 1998 Telstra Business Women's Awards. She has extensive committee and board experience including as former Chair of the Fisheries Council of South Australia.

Ms Renata Brooks

Renata is an independent director and consultant. Previously she was Deputy Director General, Land and Natural Resources in the New South Wales Department of Primary Industries, with responsibility for the NSW crown land estate, natural resource policy and programs, and coordination of primary industry policy. She has held senior executive positions within the NSW Department of Primary Industries in the areas of science and research, agriculture, fisheries, biosecurity, compliance and mine safety.

AFMA commissioners – attendance at commission meetings

Five Commission meetings were held in 2017–18. The table below shows the number of meetings Commissioners attended.

Commissioner	Commission
Ms Helen Kroger	5
Dr James Findlay	5
Mr Richard Stevens OAM	5
Mr Ian Cartwright	5
Prof Keith Sainsbury	5
Ms Catherine Cooper	5
Ms Renata Brooks	5

Executive

Role and function

The Executive is AFMA's senior management team responsible to the Chief Executive Officer for the effective operation and performance of the agency.

Membership

- Dr James Findlay – Chief Executive Officer
- Dr Nick Rayns – Executive Manager, Fisheries Management Branch
- Mr Peter Venslovas – General Manager, Operations Branch
- Mr John Andersen – General Manager, (Chief Operations Officer), Corporate Services Branch
- Mr Andrew Pearson – Executive Secretary
- Mr Robert Gehrig – Chief Finance Officer

Audit and Risk Committee

Role and function

The Audit and Risk Committee operates in line with the *Public Governance, Performance and Accountability Act 2013* and provides independent advice and assurance to the Chief Executive Officer of the appropriateness of AFMA's:

- financial reporting including the annual audited financial statements
- performance reporting including the framework for developing, measuring and reporting
- systems of risk oversight and management including AFMA's risk management and fraud control framework
- systems of internal control – governance, risk management, compliance and business continuity management arrangements.

The Committee held four meetings during the reporting period.

Membership

The current Committee comprises one AFMA Commissioner and three independent members. These members are:

- Ms Catherine Cooper – Chair (Commissioner)
- Ms Mary Harwood
- Mr Geoff Knuckey
- Ms Kate Freebody

Regular Observers

The Committee has regular observers attending including:

- General Manager Corporate Services Branch, Chief Finance Officer, Chief Information Officer; and AFMA Risk Manager
- Audit representatives from Bellchambers Barrett (internal audit providers), Nexia (contracted external auditors) and the Australian National Audit Office.

AFMA's Executive Secretariat provides administrative support for the Audit and Risk Committee.

Research Committee

Role and function

The role of AFMA's Research Committee is to advise the AFMA Commission on the strategic directions, priorities and funding for monitoring and research relevant to meeting AFMA's information needs and objectives. In doing so the primary functions of the Committee are to:

- review and advise on research, monitoring and assessment priorities for Commonwealth fisheries
- review AFMA's five year research plans for Commonwealth fisheries managed by AFMA
- provide advice to the AFMA Commission on allocation of AFMA research funds
- assess research, monitoring and assessment investments for the Commonwealth fisheries for consistency with management needs.

The Committee held three face-to-face meetings in 2017–18.

Membership

- Mr Ian Cartwright (Chair and Commissioner)
- Prof Keith Sainsbury (Commissioner)
- Ms Renata Brooks (Commissioner)
- Dr James Findlay (Chief Executive Officer)
- Dr Nick Rayns (Executive Manager, Fisheries Management Branch)

Permanent Advisors

- Ms Beth Gibson (Senior Manager, Policy, Environment, Economics and Research)
- Ms Yvonne Zunic (Manager, Research)

Regular Observers

The Committee also invites regular observers from the following agencies and departments to attend and provide expert advice:

- Fisheries Research and Development Corporation
- Commonwealth Scientific and Industrial Research Organisation, Oceans and Atmosphere
- Commonwealth Fisheries Association
- Department of Agriculture and Water Resources.

Strategic Delivery Committee

The Strategic Delivery Committee met throughout 2017–18 to provide AFMA Executive oversight of all AFMA significant projects. The Strategic Delivery Committee uses a risk-based tiered approach to prioritise projects undertaken by AFMA to ensure appropriate governance and monitoring arrangements are in place. Each project is assessed based on risk factors that weigh the alignment and impact of the project on AFMA's corporate objectives. The Strategic Delivery Committee monitors resources assigned and budget impacts to ensure that milestones/targets are met to achieve project success.

Major projects reviewed by the Strategic Delivery Committee in 2017–18 include development of the ICT Strategy, establishment of the Lakes Entrance office and accommodation changes associated with the Canberra office.

Co-ordination of the Strategic Delivery Committee is undertaken through the Committee Secretariat, AFMA's Risk Manager.

Membership

- Mr John Andersen (Chair and General Manager Corporate Services Branch)
- Dr Nick Rayns (Executive Manager, Fisheries Management Branch)
- Mr Peter Venslovas (General Manager, Fisheries Operations Branch)
- Mr Robert Gehrig (Chief Finance Officer)
- Mr Michael Roses (Chief Information Officer)
- Ms Beth Gibson (Senior Manager, Policy, Environment, Economics and Research)
- Mr Tod Spencer (Senior Manager, National Compliance Strategy)
- Mr Cameron Pietsch (Risk Manager and Committee Secretariat)

Data and Information Governance Committee

AFMA extended the duties of its previous Information and Governance Committee to include the responsibilities of managing the agency's data management holistically within the agency. The newly formed Data and Information Governance Committee (the Committee) is responsible for ensuring that data and information is treated as an asset and supports organisational outcomes. It ensures that risk and compliance issues are identified and addressed for as long as the data and information is required.

The Committee provides a strategic oversight to managing data, information and records to reduce business risk, increase accountability, and improve operational efficiencies. The Committee provides oversight to ensure data and information integrity and reliability, are searchable, accessible and that appropriate access controls are employed.

The Committee provides governance and oversight on a range of initiatives to improve AFMA's data and information governance processes which are linked to the AFMA ICT Strategic Plan. The Committee also considers the impacts the Government's Digital Transformation Agenda has on the agency and ensures that Whole of Government initiatives are taken into account when designing and implementing systems that involve the public and stakeholders.

Existing AFMA information governance documents are being reviewed and a consultant has been engaged to develop an overarching Information Management Strategy which will provide a pathway for meeting the requirements of the Australian Government's Digital Continuity 2020 Policy.

Membership

- Mr John Andersen (Chair and General Manager Corporate Services Branch)
- Mr Michael Roses (Chief Information Officer)
- Mr Ryan Murphy (Senior Manager, Fisheries Services)
- Mr Tod Spencer (Senior Manager, National Compliance Strategy)
- Mr Cameron Pietsch (Risk Manager)
- Mr Thomas Kaufhold (Senior Records Management Officer and Secretariat)

Security Governance Committee

The AFMA Security Governance Committee met quarterly during 2017–18 to consider the current security governance arrangements and the security threats and vulnerabilities to AFMA. The Committee reviews AFMA's personnel, physical and information security arrangements and ensures compliance with the Protective Security Policy Framework. In 2017–18 the Committee reviewed AFMA's Security Governance hierarchy, discussed the response to the "Essential 8" information security mitigation measures recommended by the Australian Signals Directorate, drafted a Data Breach Response Plan and updated personnel security vetting procedures.

Membership

- Mr John Anderson (Chair and General Manager Corporate Services Branch)
- Mr Scott Connors (Senior Manager, Security and Property)
- Mr Gavin Thomson (Network Infrastructure Manager)
- Mr Dave Newton (Windows Technical Specialist)
- Mr Cameron Pietsch (Risk Manager)
- Mr Craig Rumball (Security Officer and Secretariat)

APPENDIX 2

Civil litigation outcomes

The following table identifies civil litigation outcomes for matters open in 2017–18.

Matter	Fishery	Outcome/Status
Federal Court		
Aregar & Damaryanta v the Commonwealth & AFMA	Foreign	Matter is ongoing. Civil Litigation matter pending
Attempts to challenge a foreign fishing vessel apprehension		Criminal Appeal decision delivered 13 April 2018. – Aregar v Cox (2018) NTCA 3
Abdul Khamid B Yatno v Commonwealth of Australia & Anor	Foreign	Matter is ongoing – Civil and Criminal Proceedings are on foot.
Attempts to challenge a foreign fishing vessel apprehension		
Malu Lamar (Torres Strait Islander) Corporation RNTBC v Findlay (as delegate of the Protected Zone Joint Authority)	Torres Strait	Verbal reasons were handed down on 27 July 2018, with the effect that the decision to put the hookah prohibition in place on 30 April 2018 was quashed. Orders as to costs are under consideration.
Statutory Fishing Rights Allocation Review Panel		
Nil		
Administrative Appeal Tribunal		
Whish-Wilson; Australian Fisheries Management Authority and (Freedom of Information)	N/A	Finalised Whish-Wilson; Australian Fisheries Management Authority and (Freedom of Information) (2017) AATA 1098 (10 July 2017)
Fair Work Commission		
Kildea v Commonwealth of Australia	N/A	Matter withdrawn by Applicant

Significant matters

Aregar & Damaryanta v the Commonwealth & AFMA – Attempts to challenge a foreign fishing vessel.

Malu Lamar (Torres Strait Islander) Corporation RNTBC v Findlay (as delegate of the Protected Zone Joint Authority) – Successful challenge to a decision to impose a licence condition for Tropical Rock Lobster fishing licences.

Kildea v Commonwealth of Australia – Employment Matter.

APPENDIX 3

Management advisory committee meetings and memberships

Management Advisory Committees are statutory committees established by AFMA under section 56 of the *Fisheries Administration Act 1991*.

The committees provide advice to AFMA on the preparation of management arrangements, the operation of the relevant fishery and reporting to AFMA on scientific, economic and other information on the status of fish stocks, substocks, species (target and non-target species) and the impact of fishing on the marine environment. This advice is required to be evidence-based and address biological, economic and wider ecological factors affecting the performance of the fishery. Committee advice assists AFMA and the AFMA Commission in its role to regulate commercial fishing in Commonwealth fisheries, particularly the setting of catch limits and conditions.

The membership of Management Advisory Committees is available on AFMA's web page: <http://www.afma.gov.au/fisheries/committees/>

Tropical Tuna Management Advisory Committee

The committee met twice in Sydney during 2017–18. The committee made recommendations to the AFMA Commission on total allowable commercial catch limits for the Eastern Tuna and Billfish Fishery species and a change to the Eastern Tuna and Billfish Fishery season to run on a calendar year. The committee also discussed:

- the tuna fishery budgets, protected species issues
- the progression of an Eastern Tuna and Billfish Fishery management strategy and progress towards a revised Eastern Tuna and Billfish Fishery ecological risk assessment
- overcatch provisions, electronic monitoring and outcomes of the Western and Central Pacific Fisheries Commission and Indian Ocean Tuna Commission meetings.

Great Australian Bight Trawl Management Advisory Committee

The committee met once via teleconference and once in Adelaide during 2017–18. It made recommendations to the AFMA Commission in relation to total allowable catches for quota species. In addition, the committee discussed:

- research priorities for the Great Australian Bight Trawl Sector
- co-management of the fishery with the Great Australian Bight Industry Association
- cost recovery by AFMA for the Great Australian Bight Trawl Sector
- the future management of bight redfish under Offshore Constitutional Settlement arrangements with South Australia.

Northern Prawn Management Advisory Committee

The committee met once in Brisbane during 2017–18. At the meeting the committee:

- discussed and made recommendations about the development of indicators that would allow industry to monitor important trends in the fishery
- discussed options for an autonomous mechanism for fleet adjustment should fishing capacity become excessive
- reviewed the work of the Northern Prawn Resource Assessment Group, including the review and update of the tiger prawn stock assessment
- discussed and made recommendations about further trials of bycatch reduction devices to achieve the objectives of the bycatch strategy.

Southern Bluefin Tuna Management Advisory Committee

The committee met once in 2017–18 via teleconference. The committee discussed among other things the research outcomes from the 2017 Commission for the Conservation of Southern Bluefin Tuna Scientific Committee meeting.

The committee also discussed progress towards accounting for all forms of mortality and the Southern Bluefin Tuna Fishery annual research statement for 2018–19.

Bass Strait Central Zone Scallop Fishery Management Advisory Committee

The committee met once during 2017–18 in Melbourne.

The committee made recommendations to the AFMA Commission for the 2018 season on total allowable catch and closures in accordance with the harvest strategy for the Bass Strait Central Zone Scallop Fishery. The committee also provided advice regarding research priorities for the fishery and supported removal of the requirement to land scallops to a licenced fish receiver to streamline reporting arrangements while still maintaining the integrity of the management framework.

South East Management Advisory Committee

The committee met four times in 2017–18, two meetings by teleconference and two meetings in Canberra and Melbourne.

The committee made recommendations to the AFMA Commission on total allowable catches and effort controls for the Southern and Eastern Scalefish and Shark Fishery, the Small Pelagic Fishery and the Southern Squid Jig Fishery.

Sub-Antarctic Management Advisory Committee

The committee held two meetings in 2017–18, one meeting via teleconference and one meeting in Hobart.

The committee made recommendations to the AFMA Commission on total allowable catches for Patagonian toothfish and mackerel icefish and catch limits for bycatch species in the Heard Island and McDonald Islands Fishery. The committee also made recommendations on total allowable catch for Patagonian toothfish as well as catch limits for bycatch species in the Macquarie Island Toothfish Fishery.

The committee discussed the outcomes of the 2017 meeting of the Commission for the Conservation of Antarctic Marine Living Resources, lost longline gear in the Heard Island and McDonald Islands Fishery and the extension of the Macquarie Island Toothfish Fishery longline season.

APPENDIX 4

Freedom of information reporting

Agencies subject to the *Freedom of Information Act 1982* are required to publish information to the public as part of the Information Publication Scheme. This requirement is in Part II of the *Freedom of Information Act 1982* and has replaced the former requirement to publish a Section 8 statement in an annual report. Each agency must display on its website a plan showing what information it publishes in accordance with the Information Publication Scheme requirements.

Information on AFMA's Freedom of Information reporting can be found at afma.gov.au

APPENDIX 5

Work health and safety

Work health and safety performance

AFMA recognises its responsibility and obligations as outlined in the *Work Health and Safety Act 2011*, and is committed to creating and maintaining a safe and healthy environment for all of its employees, contractors, consultants and visitors. Health and wellbeing is considered to be of utmost importance and the need to integrate health and safety into all aspects of our work, whether in the office or in the field, is paramount.

AFMA's Work Health and Safety Committee is a joint management and staff committee that is committed to creating and maintaining a safe and healthy environment for all our staff, contractors, consultants and visitors. The committee met on four separate occasions during 2017–18.

The Work Health and Safety Committee:

- assists with the development, implementation, review and update of policies and procedures in relation to Work Health and Safety
- conducts incident reporting and consequent preventive measures
- assists AFMA in the distribution and awareness of Work Health and Safety information.

During the reporting period, the committee endorsed the revised Freezer Guidelines policy. This policy was endorsed in May 2018 and provides our staff with key information regarding managing risks associated with inspecting freezers and cold stores on fishing vessels or vessels involved in fishing transshipment and fish receiver premises.

As part of AFMA's Strategic Internal Audit Plan an audit was conducted on Work Health and Safety compliance. The focus of this audit was to ensure that AFMA was meeting the legislative requirements of the Work Health and Safety Act when conducting its business. Positive observations were made by the internal auditors in regard to the review of AFMA's incident management procedures. In particular, reported Work Health and Safety incidents are discussed at the quarterly meetings of the Work Health and Safety Committee reviewing the nature of the incident, ensuring appropriate remedial action is undertaken and identifying preventative measures to reduce future risks of the same incident occurring. The report also noted that 83 per cent of respondents who had experienced a Work Health and Safety incident since 1 July 2015 had made positive comments about the follow up action and services received from the Workplace Group-Human Resources Team.

Health and safety initiatives

AFMA continues to recognise the importance for a healthy workplace together with mental health and general wellbeing. The 2017–18 health and wellbeing program offered our staff specific initiatives including onsite health checks and influenza vaccinations. The program also included various lunch time seminars and workshops on topics such as heart health, meditation, *Steptember* and a healthy eating seminar.

In supporting our approach to managing mental health in the workplace, Mental Health First Aid training was offered to all staff. The course was made mandatory for all executive level employees to ensure they are equipped with the necessary tools to be able to identify suspected incidents and provide support to someone within their team who may have a mental health issue.

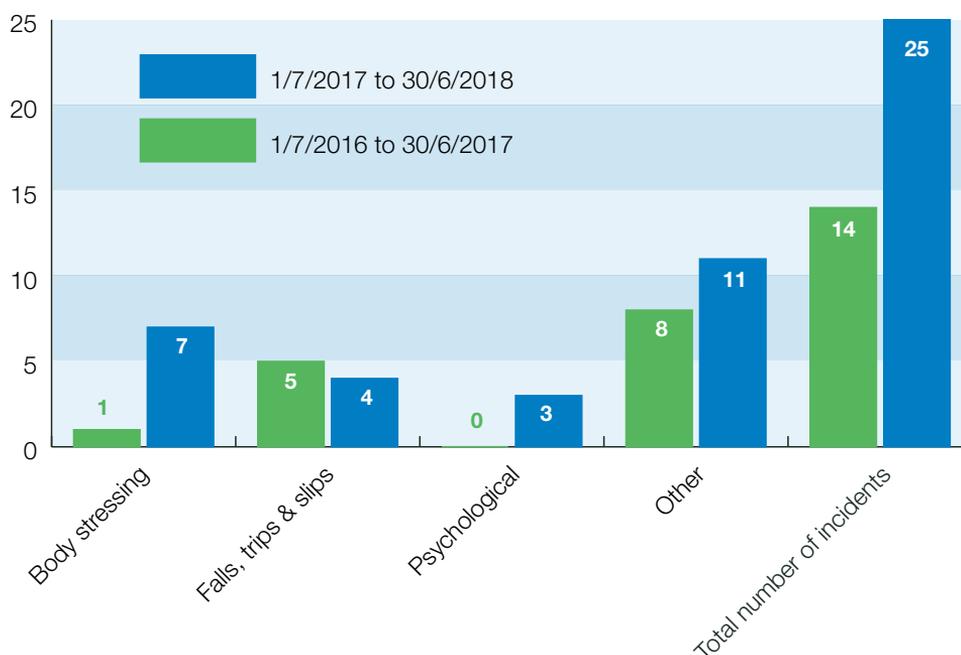
All new starters to AFMA are provided with an assessment of their workstation as part of their new starter induction program. The Workplace Group-Human Resources Section undertook initial workstation assessments for all new starters and other staff as requested.

In addition to conducting workstation assessments, AFMA has sit-stand workstations across all our offices which can be used by our staff on a booking basis.

Accident or dangerous occurrence statistics

In 2017–18 AFMA recorded 25 minor incidents relating to accidents or near-misses (see Figure 2). This rate is up from 14 incidents in 2016–17 but continues to be on trend on previous years. It is likely that this increase is as a result of a greater emphasis and education to staff regarding the importance of incident reporting.

Figure 2: AFMA work health and safety incident reports comparison



Notifiable Incidents during the year

In accordance with the *Work Health and Safety Act 2011*, AFMA is required to report 'notifiable incidents' which include the death of a person, serious injury or illness, or a dangerous incident which arises out of AFMA conducting its business. In 2017–18 there were 3 incidents that were required to be notified to Comcare as they fell within the definition of a *Dangerous Occurrence* under the Work Health and Safety legislation. The number of incidents is down from 2016–17.

There were no notices or prohibition notices issued in relation to these incidents reported that required AFMA to take remedial action.

APPENDIX 6

Ecologically sustainable development and environmental performance

Legislation according with ecologically sustainable development principles

AFMA's implementation of the ecological component of ecologically sustainable development is based on ecosystem elements relating to:

- target and by-product species
- bycatch
- threatened, endangered and protected species
- habitats and ecological communities.

To support and implement an ecologically sustainable development approach, AFMA draws upon ecological risk assessments for each Commonwealth fishery. Ecological risk assessments involve a number of methods, including comprehensive qualitative and quantitative analyses. This approach screens out low risk activities, focusing on higher actual and potential risks within Commonwealth fisheries.

The results of these risk assessments for each fishery are consolidated into a priority list upon which an ecological risk management strategy is focused. A detailed ecological risk management strategy for each AFMA-managed fishery has been prepared, clearly identifying how each species or group of species will be managed.

Key management policy initiatives in 2017–18 include:

- the Commonwealth Fisheries Harvest Strategy Policy and Guidelines
- the Australian Sea Lion Management Strategy
- the Upper-Slope Dogfish Management Strategy
- AFMA's Bycatch Strategy
- Bycatch and Discard Program
- the Chondrichthyan Guide for Fisheries Managers
- Dolphin Management Strategy based on individual responsibility
- Seabird Management Plan based on individual responsibility.

AFMA is transitioning to a Fisheries Management Strategy reporting framework where, on a fishery by fishery basis, all of the relevant parts of AFMA's strategies and management arrangements are compiled into a comprehensive document about each fishery. These Fisheries Management Strategies documents will be used for reporting purposes.

AFMA has completed and published ecological risk management reports for all Commonwealth fisheries to address identified fishing risks. The number of species remaining at high potential risk across all Commonwealth fisheries is 83, which is 4.2 per cent of all species assessed. It is expected that this will reduce as fisheries are reassessed under the new Ecological Risk Assessment methodology using improved information gathered through increased observer coverage and the introduction of e-monitoring. The initial three reassessments resulted in a significant reduction in the number of "potential high risk species" identified, that is, in the Eastern Tuna and Billfish Fishery from seven to one species and Small Pelagic Fisheries (Mid Water Trawl) Fishery from eight to zero species. The Heard Island and McDonald Islands Fishery continues to have no identified "potential high risk species".

Outcome contributing to ecologically sustainable development

AFMA's outcomes are directed at Commonwealth fisheries being ecologically sustainable, improving the net economic returns from Commonwealth fisheries and managing efficiently and effectively.

This approach reflects AFMA's commitment to pursuing management of Commonwealth fisheries in accordance with our legislative objectives and in partnership with others who also have an interest in sustainable management.

Effect of actions on the environment

All of AFMA's managed fisheries are currently accredited under three parts of the *Environment Protection and Biodiversity Conservation Act 1999*.

Part 10 of the Act requires that all Commonwealth and Torres Strait Fisheries must be strategically assessed before a management plan is determined (Section 148) or where a determination is made, that a management plan is not required for a Commonwealth fishery (Section 149). If a management plan is amended or replaced, or management arrangements change significantly in a fishery without a management plan, then a further assessment is required (Section 152). If a management plan remains unchanged no further strategic assessment is required.

This process involves assessment of the impact of the fishery on matters of national environmental significance with particular emphasis on the impact on the Commonwealth marine environment. Without this approval a management plan cannot take effect.

Part 13 of the Act defines a number of offences in relation to listed threatened species and ecological communities, and also provides for accreditation of management plans or regimes (Sections 208A, 222A, 245, 265). The effect of accreditation is that certain actions are not offences if they are carried out in accordance with management plans or regimes. There is no requirement to remake the accreditation decisions unless the management plans or regimes change. These accreditations impose a requirement on fishers to report any interactions with protected species. As fishers are also required to report interactions to AFMA through logbooks, we regularly report these interactions to the Department of the Environment and Energy on fishers' behalf thus reducing unnecessary duplication of reporting.

Part 13A of the Act covers the international movement of wildlife specimens. It provides for controls over the movement of regulated native specimens that are not on the list of exempt native specimens. Currently products from all assessed Commonwealth fisheries are on the list of exempt native specimens, although some are subject to the condition that the listing applies only while a wildlife trade operation is in force. This allows exports of marine species to be carried out while ensuring that they have been taken sustainably.

Actions to minimise impact on environment

AFMA takes an ecosystem-based approach to fisheries management to minimise the impact of commercial fisheries on the marine environment. The Ecological Risk Management Policy, and accompanying Ecological Risk Management Guide, provide a science and evidence based structure for managing the impact of fishing on the marine environment. The framework uses Ecological Risk Assessment for the Effects of Fishing as the primary means of assessing the risks that fisheries may pose and provides a mechanism for the identification and management of any identified risks.

During 2016–17 AFMA commenced a trial of the revised methodologies in the Ecological Risk Assessment for the Effects of Fishing framework on the Small Pelagic Fishery midwater trawl sector and the Eastern Tuna and Billfish Fishery. These Ecological Risk Assessments were completed during 2017–18, with results reported above. Further research into the identification and management of risks posed to habitats and communities has been undertaken during 2017–18 with a view to completing a strategy in 2018–19.

Mechanisms for reviewing

A number of mechanisms exist for reviewing the effect of fishing on the environment.

AFMA reviewed its Ecological Risk Management framework and the Commission approved the Ecological Risk Management Guide and Ecological Risk Management Policy in April and June 2017 respectively. AFMA also regularly reviews individual elements of the Ecological Risk Management framework, with fishery management strategies and ecological risk assessments reviewed every five years and Bycatch and Discard Workplans reviewed every two years.

AFMA is also subject to reassessment of all its fisheries under Part 13A of the *Environmental Protection and Biodiversity Conservation Act 1999*. The Department of Environment and Energy undertake the reassessments on a regular basis, ranging from a ten year review cycle for fisheries granted exemptions to a more regular review process for fisheries granted wildlife trade operations.

Our Environmental Footprint

Consistent with our legislative objectives, AFMA promotes a clean and green operating environment when conducting its operations to minimise our impact on the environment. To achieve this we are continually reviewing our operational activities to look for opportunities to minimise waste and limit the impact of our environmental footprint.

AFMA currently purchases approximately 25 per cent of green electricity for our Canberra office as part of the Commonwealth energy contract, and our Thursday Island office utilises a mixture of wind and diesel power. AFMA continues to review and implement regular energy improvements across our Canberra, Darwin and Thursday Island sites. This has included automatic shutdown of staff computers daily and purchasing more energy efficient equipment when required.

AFMA's Canberra office has an overall 4.5 star energy rating; the Darwin office has a 5.5 star National Australian Built Environment Rating System energy rating and a five Star Green star rating. AFMA buildings include zoned air-conditioning and lighting and automatic light dimming in response to daylight sensors. Additionally, intermittently used rooms and spaces are motion sensor activated to reduce energy consumption. AFMA also participates in Earth Hour annually.

AFMA currently uses 100 per cent recycled paper in printers and copiers at all AFMA sites. In addition we make use of portable technology for staff to access documents via portable devices such as iPads and laptop computers to further

reduce the reliance on paper documents. AFMA is trialling new laptop computers and associated Standard Operating Environments in line with AFMA's ICT Strategic Plan that will enhance organisational capability and functionality and improve flexible working arrangements for AFMA staff.

Nationwide AFMA leases four motor vehicles. We have changed our internal policy allowing staff to use our energy efficient vehicles on more extended trips. As these leases fall due for renewal we will look for more energy efficient vehicles that meet our needs.

AFMA continues to make other changes around its offices that have important impacts in reducing AFMA's environmental footprint. For example a composting system is in place for the Canberra office which reduces general office waste and is proving successful.

APPENDIX 7**Disability reporting**

Since 1994, Commonwealth non-corporate entities have reported on their performance as policy adviser, purchaser, employer, regulator and provider under the Commonwealth Disability Strategy. In 2007–08, reporting on the employer role was transferred to the Australian Public Service Commission’s State of the Service Report and the Australian Public Service Statistical Bulletin. These reports are available at www.apsc.gov.au. From 2010–11, entities have no longer been required to report on these functions.

The Commonwealth Disability Strategy has been overtaken by the National Disability Strategy 2010–2020, which sets out a ten year national policy framework to improve the lives of people with disability, promote participation and create a more inclusive society. A high level two-yearly report will track progress against each of the six outcome areas of the Strategy and present a picture of how people with disability are faring. Details of the strategy and associated reports can be found at www.dss.gov.au.

APPENDIX 8

Consultancy services

During 2017–18, 35 new consultancy contracts were entered into and this resulted in expenditure of \$2.183 million for the period. In addition, 35 ongoing consultancy contracts were active during 2017–18 resulting in expenditure of \$2.056 million.

All consultancy contracts entered into by AFMA above the value of \$10 000 are available via the Austender website tenders.gov.au.

The selection and engagement of consultants

The majority of consultancy services engaged during the 2017–18 were for fisheries research purposes. The selection and engagement of research consultants was primarily conducted through a limited tender because of the small pool of qualified vendors for these specific services.

APPENDIX 9

Procurement to assist small business

AFMA supports small business participation in the Commonwealth Government procurement market. Small and medium enterprises and small enterprise participation statistics are available on the Department of Finance's website: finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts

How AFMA's procurement practices support small and medium enterprises

As a government organisation that interfaces with many small and medium enterprises as part of our daily engagement with the fishing industry and broader community, AFMA has procurement policies that do not unfairly discriminate against small and medium enterprises and provide appropriate opportunities for small and medium enterprises to compete. AFMA's procurement policies specify that, officials should consider in the context of value for money:

- the benefits of doing business with competitive small and medium enterprises when specifying requirements and evaluating value for money
- barriers to entry, such as costly preparation of submissions, that may prevent small and medium enterprises from competing
- small and medium enterprises capabilities and their commitment to local or regional markets
- the potential benefits of having a larger, more competitive supplier base.

APPENDIX 10

Total resources and total payments

Australian Fisheries Management Authority Resource Statement 2017–18

		Actual available appropriation 2017–18 \$'000	Payments made 2017–18 \$'000	Balance remaining 2017–18 \$'000
Ordinary annual services				
Departmental appropriation				
Departmental appropriation		20,514	20,466	48
s. 74 Retained revenue receipts		4,856	4,856	–
Total		25,370	25,322	48
Administered expenses				
Outcome 1		5,424	1,070	4,354
Total		5,424	1,070	4,354
Total ordinary annual services	A	30,794	26,392	4,402
Special Accounts				
Opening balance		14,036		
Appropriation receipts		34,815		
Non-appropriation receipts to				
Special Accounts		4,856		
Payments made			39,468	
Total Special Accounts	B	53,707	39,468	14,239
Total resourcing and payments (A+B)		84,501	65,860	18,641
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or payments to corporate entities through annual appropriations		(25,370)	(25,322)	(48)
Total net resourcing for AFMA		59,131	40,538	18,593

Reader note: All figures are GST exclusive.

APPENDIX 11

Expenses by outcomes

Expenses for Outcome 1

Outcome 1: 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.

	2017–18 Budget \$'000	2017–18 Actual expenses \$'000	2017–18 Variance \$'000
Programme 1.1: Australian Fisheries Management Authority	(a)	(b)	(a) – (b)
Administered expenses			
Ordinary annual services (Appropriation Bill No. 1)	5,424	1,070	4,354
Departmental expenses			
Departmental appropriation ¹⁹	22,782	24,905	(2,123)
Special accounts	14,238	14,349	(111)
Expenses not requiring appropriation in the budget year ²⁰	1,853	1,034	819
Total for Programme 1.1	44,297	41,358	2,939

Outcome 1 Totals by appropriation type			
Administered expenses			
Ordinary annual services (Appropriation Bill No. 1)	5,424	1,070	4,354
Departmental expenses			
Departmental appropriation ¹⁹	22,782	24,905	(2,123)
Special accounts	14,238	14,349	(111)
Expenses not requiring appropriation in the budget year ²⁰	1,853	1,034	819
Total expenses for Outcome 1	44,297	41,358	2,939
Average staffing level (number)	177.0	171.8	5.2

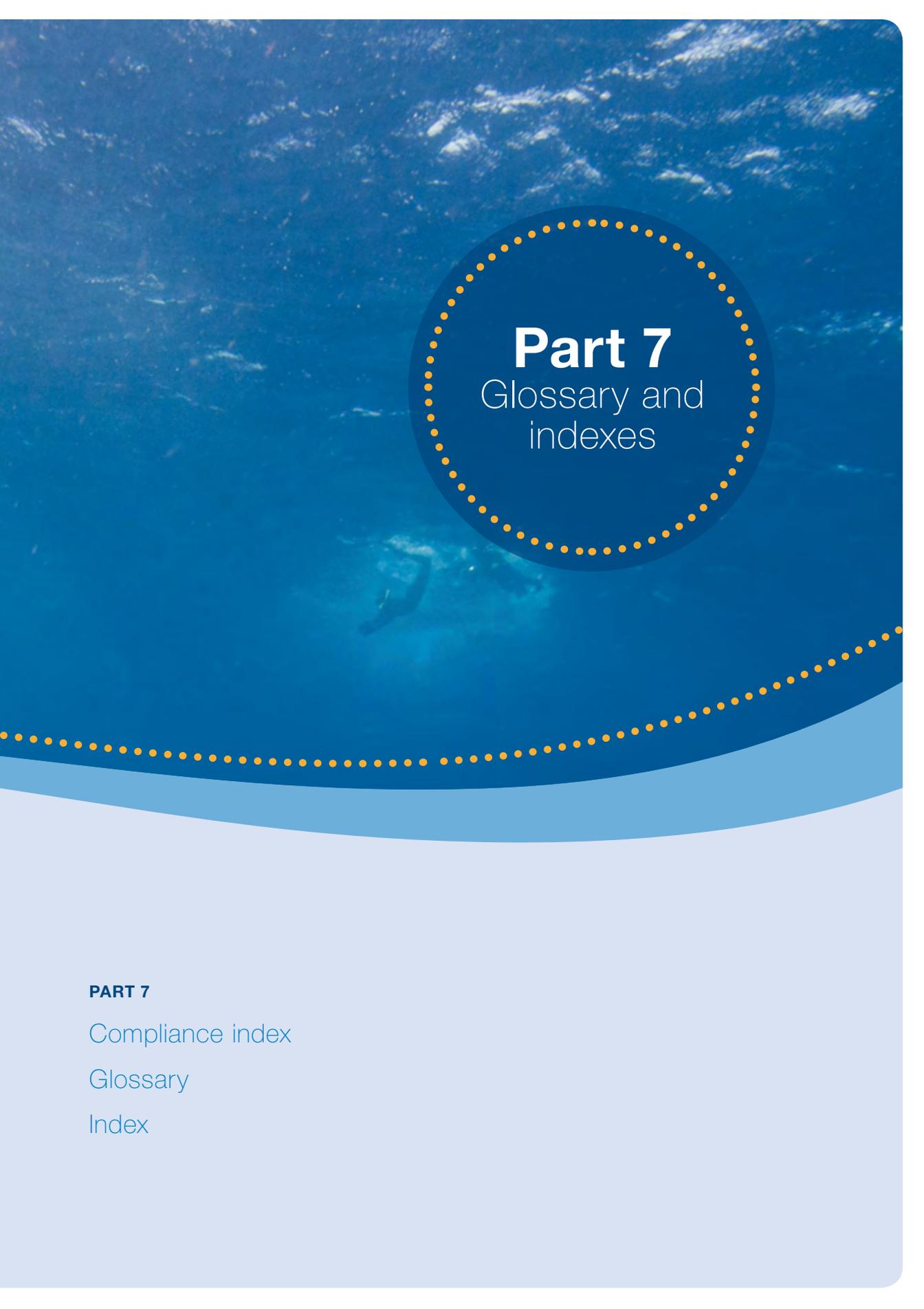
Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

19. Departmental appropriation combines "Ordinary annual services (Appropriation Bill No. 1)" "Retained Revenue Receipts under s74 of the PGPA Act 2013".

20. Expenses not requiring appropriation in the Budget year²⁰ is made up of depreciation expense and amortisation expense for both Departmental and Administered items.



Hungry seal Portland
Photo courtesy: Clayton McCloud, AFMA



Part 7

Glossary and indexes

PART 7

Compliance index

Glossary

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Australian National Audit Office Access Clauses: If an entity entered into a contract with a value of more than \$100 000 (inclusive of GST) and the contract did not provide the Auditor General with access to the contractor’s premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract (if applicable)	110
Exempt contracts: If an entity entered into a contract or there is a standing offer with a value greater than \$10 000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters (if applicable)	110
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Glossary

Australian Fishing Zone

Under the *Fisheries Management Act 1991*, the Australian Fishing Zone means:

- (a) the waters adjacent to Australia within the outer limits of the exclusive economic zone adjacent to the coast of Australia; and
- (b) the waters adjacent to each external territory within the outer limits of the exclusive economic zone adjacent to the coast of the external Territory;

but does not include:

- coastal waters of, or waters within the limits of, a State or internal Territory; or
- waters that are excepted waters.

Biomass

Total weight of a stock or a component of a stock.

Biomass limit reference point

The point beyond which the risk to the stock is regarded as unacceptably high.

Bycatch

Species taken incidentally in a fishery where other species are the target, and which are always discarded.

Byproduct

Any part of the catch that is kept or sold by the fisher but is not the target species.

Demersal

Found on or near the sea floor (c.f. Pelagic).

Discard

Any part of the catch returned to the sea, whether dead or alive.

Effort

A measure of the resources used to harvest a fishery's stocks. The measure of effort appropriate for a fishery depends on the methods used and the management arrangements. Common measures include the number of vessels, the number of hooks set or the number of fishing days.

Electronic monitoring

Electronic monitoring uses sensors and cameras to monitor and record information on fishing activity in a targeted way. Sensor data and video footage is analysed retrospectively to provide information and verify logbooks according to the needs identified for that fishery.

Fisheries Management Act 1991

One of the two main pieces of legislation (along with the *Fisheries Administration Act 1991*) that detail AFMA's responsibilities and powers.

Fishing concession

A Statutory Fishing Right, or a fishing permit, or a foreign fishing boat licence granted under the provisions of the *Fisheries Management Act 1991*.

Fishing permit

A type of fishing concession granted under Section 32 of the *Fisheries Management Act 1991* to a person, authorising the use of a specified Australian boat by that person, or a person acting on that person's behalf, for fishing in a specified area of the Australian Fishing Zone or a specified fishery for specified species, using specified equipment.

Fishing season

The period during which a fishery can be accessed by fishers.

Gillnet

Type of passive fishing gear consisting of panels of net held vertically in the water column, in contact with the seabed, such that fish attempting to swim through the net are entangled. The mesh size of the net determines the size range of fish caught, as smaller fish can swim through the meshes and larger fish are not enmeshed.

GoFish

GoFish is AFMA's online business facility for fishers to submit their applications, view their record of fishing concessions as held by AFMA, keep their contact details up to date, view quota and catch information, receive messages from AFMA and monitor progress of applications lodged with AFMA.

Harvest strategy

Strategy outlining how the catch in a fishery will be adjusted from year to year depending on the size of stock, the economic or social conditions of the fishery, conditions of other interdependent stocks or species, and uncertainty of biological knowledge. Well-managed fisheries have an unambiguous (explicit and quantitative) harvest strategy that is robust to the unpredictable biological fluctuations to which the stock may be subject.

Incidental catch

Any part of the catch that is not the target species, including bycatch and by-product.

Individual transferable quotas

Individual portions of a total allowable catch – units of quota – that allow the holder to catch that portion of the total allowable catch each season. The weight value of the individual transferable quotas changes in proportion to changes in the total allowable catch set for a species each season.

Individual transferable quotas are fully tradeable and can be sold or leased to other fishers.

Key commercial species

A species that is, or has been, specifically targeted and is, or has been, a significant component of a fishery.

Logbook

Official record of catch-and-effort data completed by fishers. In many fisheries, a licence condition makes the return of logbooks mandatory.

Longline

Fishing gear in which short lines (branchlines or droppers) carrying hooks are attached to a longer main line at regular intervals. Pelagic longlines are suspended horizontally at a predetermined depth with the help of surface floats. The main lines can be as long as 100 kilometres and have several thousand hooks. Droppers on demersal longlines (set at the seabed with weights) are usually more closely spaced.

Maximum economic yield

The sustainable catch or effort level for a commercial fishery that allows net economic returns to be maximised. Note that for most practical discount rates and fishing costs maximum economic yield will imply that the equilibrium stock of fish is larger than that associated with maximum sustainable yield. In this sense maximum economic yield is more environmentally conservative than maximum sustainable yield and should in principle help protect the fishery from unfavourable environmental impacts that may diminish the fish population.

Maximum sustainable yield

The maximum average annual catch that can be removed from a stock over an indefinite period under prevailing environmental conditions.

Memorandum of Understanding (MOU) box

The area of the Australian Fishing Zone where traditional fishing by Indonesian nationals is permitted.

Nautical mile

A unit of distance derived from the angular measurement of one minute of arc of latitude, but standardised by international agreement as 1852 metres.

Net economic returns

A fishery net economic returns over a particular period are equal to fishing revenue less fishing costs.

Non target species

Species that are unintentionally taken by a fisher or not routinely assessed for fisheries management. See also Bycatch.

Offshore Constitutional Settlement

An agreement between one or more states and the Australian Government giving individual or joint jurisdiction for a particular fishery that is in both coastal waters and the Australian Fishing Zone.

When no Offshore Constitutional Settlement agreement has been reached, the fishery remains under the jurisdiction of the state out to three nautical miles, and of the Australian Government from three nautical miles to 200 nautical miles.

Output controls

Restrictions imposed on the quantity of fish that can be taken from a fishery within a specified period of time. This can be by either a competitive total allowable catch or a total allowable catch allocated to participants as individual transferable quotas.

Overfished

A fish stock with a biomass below the biomass limit reference point. 'Not overfished' implies that the stock is not below the threshold, and is now used in place of the status classification of 'fully fished' or 'underfished'.

Pelagic fish

Inhabiting surface waters rather than the sea floor: usually applied to free swimming species such as tunas and sharks.

Precautionary principle

A principle asserting that a degree of scientific uncertainty should not be used as a reason for postponing measures to prevent environmental degradation in situations where there are threats of serious or irreversible environmental damage.

Quota

Amount of catch allocated to a fishery as a whole (total allowable catch) or to an individual fisher or company (individual transferable quota).

Quota management

A method of management based on output controls that allocates the total allowable catch among eligible operators as shares in the annual total allowable catch.

Reference point

An indicator of the level of fishing (or stock size), used as a benchmark for interpreting the results of an assessment.

Statutory Fishing Rights

Rights granted under Section 21 of the *Fisheries Management Act 1991*. The nature of Statutory Fishing Rights in a fishery is detailed in the plan of management that creates those rights. A Statutory Fishing Right may be a right to use a boat, a unit of fishing gear or a quantity of catch, or other rights as identified in the management plan.

Species

Members of a species of fish that can breed with one another and produce fertile (capable of reproducing) offspring. In this way, a species maintains its 'separateness' from other species; for example, the yellowfin tuna and bigeye tuna are two distinct tuna species whereas the general term 'tuna' includes all tuna species.

Stock

A functionally discrete population of a species that is largely distinct from other populations of the same species. Such a population may be regarded as a separate entity for management or assessment purposes. Some species form a single stock (e.g. southern bluefin tuna) while others form several stocks (e.g. albacore tuna in the Pacific Ocean are divided up into separate Northern Pacific and Southern Pacific stocks).

Targeting

Fishing selectively for particular species or sizes of fish.

Target species

The species being actively sought by fishers.

Torres Strait Protected Zone Joint Authority

An authority comprising the Parliamentary Secretary to the Minister of Agriculture and Water Resources (Chairperson), the Queensland Minister for Agriculture, Fisheries and Forestry and the Chair of the Torres Strait Regional Authority. The authority is responsible for monitoring the condition of the jointly managed fisheries in the Torres Strait and the formulation of policies and plans for their management.

Torres Strait Treaty

The treaty between Australia and Papua New Guinea concerned with sovereignty, management and maritime boundaries in the area between the two countries and the protection of the way of life and livelihood of traditional inhabitants and the marine environment.

Total allowable catch

The amount of fish of a particular species that can be taken from a fishery in a prescribed period. Total allowable catches are set for fish species managed either through individual transferable quotas or through competitive total allowable catches.

Uncertain

Status of a fish stock for which there is inadequate or inappropriate information to make a reliable assessment.

Undercatch and overcatch

Undercatch and overcatch provide for 'carry over' or 'carry under' of an amount of end of season quota between fishing seasons thereby allowing fishers the flexibility to catch a certain amount of fish over or under their quota, and debit or credit this to or from the following season's quota

Vessel monitoring system

Electronic device that transmits the identity and location of a vessel.

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