

Australian Government Australian Fisheries Management Authority

# Corporate Plan

2015-2018



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# **Australian Public Service values**

We individually and collectively uphold the Australian Public Service values.

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.



# Introduction

With the introduction of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) the Australian Fisheries Management Authority (AFMA) became a noncorporate entity and its governance arrangements are now prescribed under the *Fisheries Administration Act 1991* and the PGPA Act.

We present the Australian Fisheries Management Authority's 2015-18 Corporate Plan, as required under Section 35(1)(b) of the PGPA Act. In the absence of the guidelines to be issued by the minister in accordance with Section 55 of the PGPA Act, AFMA has prepared its corporate plan for 2015-18 (as per previous years) in accordance with Division 7 of the *Fisheries Administration Act 1991*.

#### Forward

The total gross value of production (GVP) of Commonwealth fisheries in 2012-13 was \$319.7 million, which is about 13 per cent of Australia's total fisheries and aquaculture GVP of \$2.4 billion (ABARES Fisheries Status Report 2013-14). The challenge is to promote a profitable and competitive fishing industry while ensuring the sustainability of Australia's marine ecosystem.

This plan sets out AFMA's main goals for 2015-2018, the broad strategies we will pursue, the main factors affecting our operations and the indicators we will use to measure our performance.

This plan outlines how the AFMA Commission and the agency will pursue our objectives to deliver the Australian Government's election commitments of 'Competitive and sustainable fisheries, reducing regulation and boosting productivity, and improving stakeholder engagement'.

This plan highlights our goals and strategies aimed at delivering on our legislated objectives and government policy commitments over the next four years. We will continue to deliver sustainable fisheries and prevent unacceptable impacts of Commonwealth fisheries on marine ecosystems and organisms.

This plan has been prepared in consultation with the peak industry body Commonwealth Fisheries Association.



the Hon Norman Moore Chairman

Dr James Findlay GAICD Chief Executive Officer

# About AFMA – purpose and activities

AFMA was established under the <u>Fisheries Administration Act 1991</u>. It is the Australian Government agency responsible for the efficient and sustainable management of Commonwealth commercial fisheries from three nautical miles out to sea to the extent of the Australian Fishing Zone (AFZ). The agency is enabled and governed by the <u>Fisheries</u> <u>Management Act 1991</u> and the Fisheries Administration Act 1991, and is required to deliver certain services under the <u>Environmental Protection and Biodiversity Conservation Act</u> <u>1999</u>.

To make sure that healthy and fresh local seafood is available and affordable to all Australians for current and future generations, we have strict fisheries management practices in place. These have regard to the impact of fishing on non-target species and the long-term sustainability of the marine environment.

Additionally we provide domestic and international compliance programs, fisheries border protection and licensing services on a partial cost-recovery basis.

We also provide 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 AFMA Commission

The <u>AFMA Commission</u> is responsible for exercising AFMA's domestic fisheries management functions and powers, including allocating fishing concessions, statutory fishing rights and setting quotas. The Chief Executive Officer (CEO) is responsible for assisting the Commission, including giving effect to its decisions, and for exercising AFMA's foreign compliance functions and powers. The CEO is also a Commissioner.

## **Our operational objectives**

The objectives AFMA must pursue in performing our functions are set out in the *Fisheries Administration Act 1991* and the *Fisheries Management Act 1991* and are detailed on AFMA's website under <u>AFMA's functions</u>.

# **Fisheries management**

AFMA manages commercial fisheries from three nautical miles out to the extent of the Australian Fishing Zone. The states and the Northern Territory look after recreational, commercial coastal and inland fishing and aquaculture.

The figure below shows the Commonwealth commercial fisheries managed by AFMA.

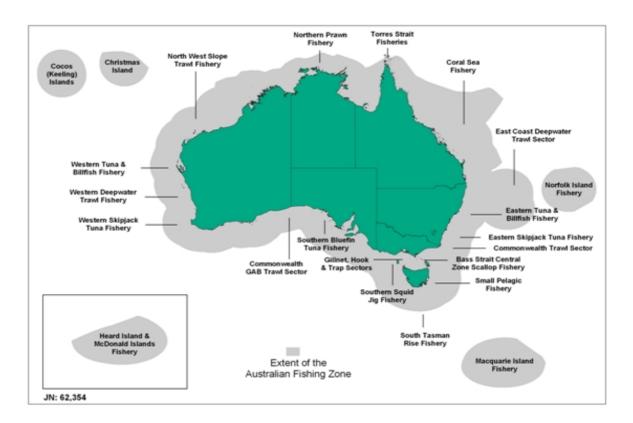


Figure 1 Map of Commonwealth fisheries

To achieve our goals, we work together with other Australian and state and territory government agencies, and our international counterparts in the Pacific, Indian Ocean and Torres Strait.

We also work with the fishing industry, scientists, recreational and environmental fishery stakeholders to set catch limits that ensure strong fish stocks are maintained and to develop policies and fishery-specific management arrangements that minimise fishers' impact on the broader marine environment, including protected wildlife.

#### **Co-management**

AFMA continues to pursue greater co-management of fisheries where responsibilities and obligations for sustainable fisheries management are negotiated, shared and delegated between government, fishers and other stakeholders where appropriate. The longer term goal is to see industry and government working together in the most cost-effective way to manage commercial fisheries.

### **Research and economics**

AFMA places a high importance on scientific and economic research to inform its decision making. It oversees research and policy, while administering fishing permits and scientific permits for Commonwealth fisheries, and recovers some costs through fisheries management levies and fees from domestic and foreign fishers.

#### **Harvest strategies**

Each fishery develops its own harvest strategy in line with the overarching <u>Commonwealth</u> <u>Fisheries Harvest Strategy Policy and Guidelines</u> and <u>the Commonwealth Policy on</u> <u>Fisheries Bycatch</u>. These harvest strategies provide a strategic, science–based approach to setting catch limits in Commonwealth fisheries. They also provide practical advice on how to interpret and apply the policy to fisheries and details about the science behind the fisheries management decisions. This gives the fishing industry a more reliable operating environment

#### **Fishing compliance**

Making sure all rules are complied with is an essential part of successfully managing fisheries.

Our aim is to effectively deter illegal fishing in the Australian Fishing Zone. The rules and regulations of Commonwealth fisheries are designed to protect our fish for the future, the properties rights of our fishers and the broader marine environment.

AFMA uses a range of approaches to protect our fisheries, including monitoring our vessels, tracking our catch and cooperating with other countries to protect shared fish stocks. An effective monitoring, control and surveillance program is not just about policing. The setting of rules, collection of information, making sure rules are being followed, and improving the understanding of fishers and fish buyers of the rules, are all important aspects of combating illegal fishing.

Supporting AFMA compliance programs are strong fisheries legislation, including strict rules and regulations with clear penalties and sanctions. Fishers and fish buyers caught breaking rules can be fined on the spot, their licence to fish can be suspended or, for the more serious cases, we may prosecute them or seize their catch.

#### **Cost recovery**

In managing Commonwealth fisheries, AFMA applies the Australian Government Cost Recovery Policy. The commercial fishing industry pays for costs directly attributed to and recoverable from the fishing industry in accordance with AFMA's Cost Recovery Impact Statement 2010, while the government pays for foreign compliance and activities that benefit the broader community.

# **Operating environment**

AFMA's operations are not only subject to legislation, but meeting government policy commitments, ministerial direction, changes to government administrative arrangements and modifying actions in response to stakeholder engagement and risk assessments.

#### **Governance framework**

Through the relationships between the Commission, CEO, committees (including the Audit and Risk Committee and management advisory committees) and control frameworks, AFMA manages risk, performance, compliance, and engagement and information management required under its fisheries legislation and <u>the *Public Governance*</u>, <u>Performance and Accountability Act 2013</u> (PGPA) that took effect from 1 July 2014.

#### **Government election commitments**

The government announced a number of initiatives in 2013 that are influencing AFMA's operations, relationships and management including the areas listed below:

- Competitive and Sustainable Fishing Sector:
  - reduce the regulatory burden on recreational and commercial fishers, and downstream processors
  - fight illegal foreign fishing and ensure the ACV Ocean Protector and/or its replacement is provided with sufficient funding
  - improve lines of communication between recreational fishers and government and improve engagement with indigenous communities
  - support science based approach to wild catch fishery management based on high quality research.
- Reducing Regulations and Boosting Productivity:
  - establishing a one-stop-shop for environmental approvals, including undertaking an audit of all environmental legislation and regulation at state and federal levels, to identify unworkable, contradictory and incompatible green tape
  - replace mandatory regulatory reporting requirements with independent and random audits that are backed by substantial penalties for businesses and organisations that fail to comply with set standards
  - develop efficiency performance standards against which government cost recovery agencies will be assessed
  - identify and describe the framework by which the performance of regulatory agencies will be audited
  - adoption of a risk based approach to enforcement by Commonwealth regulators as a means of ensuring that compliance burdens are the minimum necessary to achieve regulatory objectives.
- National Commission of Audit:
  - identify areas of unnecessary duplication between the activities of the Commonwealth and other levels of government
  - identify areas or programs where Commonwealth involvement is inappropriate, no longer needed, or blurs lines of accountability
  - continued direct involvement of government, or whether the activity could be undertaken more efficiently by the private sector, the not-for-profit sector, the States, or local government.

- Ministerial Letters of Expectation April and December 2014:
  - refine and reduce the complexity and scope of regulations and reduce impacts of red tape on industry
  - Increase stakeholder engagement and accountability to improve access to AFMA information including through digital and social media tools
  - ensure a risk-based approach to regulation
  - implement international obligations through work with industry to deliver effective management of highly migratory and straddling resources that is as least burdensome as possible
  - o develop regulator performance framework
  - develop criteria for assessing applicability of international standards and risk assessments.

#### Legislation implementation

The PGPA Act came into effect from 1 July 2014. Amendments to the *Fisheries Administration Act 1991* were required. AFMA is preparing and will be applying the PGPA Act requirements including new planning, reporting and accounting approaches, increased transparency and engagement, and a revision of risk factors and mitigation.

#### Stakeholder engagement

When developing and implementing fisheries management arrangements, AFMA works in partnership with stakeholders, engaging with commercial fishing operators, Indigenous people and communities, the prescribed peak industry body and other fishing industry associations, recreational/charter fishing representatives, researchers, conservation organisations and others who have an interest in how Australia's Commonwealth fisheries are managed. In accordance with legislation AFMA consults the public on the development of fishery management plans.

AFMA engages with stakeholder groups through management advisory committees, resource assessment groups, working groups, liaison meetings, port visits, online news and direct mail to concession holders in Commonwealth fisheries.

AFMA also works closely with government agencies including the Department of Agriculture, the Department of the Environment, the Australian Government Department of Defence, the Commonwealth Scientific and Industrial Research Organisation, the Fisheries Research and Development Corporation and the Australian Customs and Border Protection Force.

<u>AFMA's website</u> has been redesigned to enable community stakeholders to access information on fisheries management and operations including by species, location and gear.

#### **Fisheries management funding**

Government, industry and community expectations regarding the standard of fisheries management arrangements are increasing and this increases the scope of tasks to be managed and researched within the context of the AFMA's budget.

While the sustainability of Commonwealth fisheries is reasonably well assured through current and planned management practices, keeping management costs commensurate with beneficial outcomes to the fishing industry and the community is a constant challenge.

AFMA takes a risk based approach to pursuing its objectives and government policies within the available funding.

Accordingly some of the strategies and actions outlined in this corporate plan may need adjustment through prioritisation, deferral or removal to accommodate funding shifts. Those adjustments will be reflected in the annual reviews of the corporate plan and Portfolio Budget Statement.

#### **Cost recovery review**

AFMA has worked with industry such as the Commonwealth Fisheries Association through its Cost Efficiency Working Group, and management advisory committees, to monitor and review practices to reduce costs to industry and government.

In 2010 AFMA made a commitment to industry that it would keep cost recovery at or below the rate applied in 2005-06 once corrected for Consumer Price Index (CPI) increases. Since making this undertaking in 2010, AFMA has out-performed the cumulative CPI by more than \$22.5 million (as at 2014-15) and will continue to meet this commitment.

AFMA is transitioning to the Australian Government's revised cost recovery approach with its requirements for a Cost Recovery Implementation Statement. This revised approach will be reflected in AFMA's cost recovered budget from 2016-17, and will apply to the fishing sector and other stakeholders who may use AFMA services.

#### **Government reviews**

A number of previous government reviews of fisheries management and regulators, together with the reviews of regulatory and cost recovery frameworks in 2014 and review of functions performed between Commonwealth and state jurisdictions by the National Commission of Audit, may lead to changes in the role and functions of AFMA during this corporate planning period.

## **Regulatory burden**

AFMA continues to pursue <u>the Australian Government's Guide to Regulation</u> to remove or reduce unnecessary regulatory burden. Our initiatives to reduce red tape around fisheries management have already produced valuable outcomes for industry and further initiatives are being pursued including a review of penalty regulations, streamlining of environmental approvals, and rationalising some joint authority and offshore constitutional settlement fisheries management arrangements with several states.

We have also invested in technologies to improve quality of data and minimise physical interventions, observations or inspections through the rollout of the vessel monitoring and catch monitoring equipment on-board vessels. In combination with the transition to online transactions and electronic logbooks and catch records, the administrative burden to industry is also expected to reduce.

## Goals and strategies for 2015-2018

The principal goals and the strategies to be pursued in the period are outlined below. The goals are designed to improve the operations of the agency and sustainability of Commonwealth fisheries, as well as progress government policy and new election commitments of 'Competitive and sustainable fisheries, reducing regulation and boosting productivity, and improving stakeholder engagement'. The strategic actions and projects that underpin these strategies are published in AFMA's Annual Operational Plan.

	Corporate Goals		Corporate Strategies
1	Implement management arrangements and frameworks that are both cost effective and encourage compliance.	1.1	Make fisheries management arrangements more uniform and understandable to encourage voluntary compliance.
		1.2	Ensure that fisheries management arrangements are enforceable with appropriate penalties for non-compliance.
		1.3	Improve business processes, information flows and financial management arrangements to reduce costs.
		1.4	Migrate management arrangements to a single Fisheries Management Plan.
		1.5	Facilitate co-management in Commonwealth fisheries.
2	Create a high performing organisation with integrated service delivery and efficient management of resources.	2.1	Ensure the AFMA workforce is safe, appropriately sized, trained and accountable.
		2.2	Design and manage AFMA's finances, assets and procurement in a sustainable, fiscally responsible and risk appropriate manner, in accordance with the PGPA Act Resource Management Framework.
		2.3	Develop and trial new technologies designed to improve workflows, information flows, accessibility and security.
		2.4	Improve AFMA's performance and people through risk and reputation management.
3	Reduce regulatory burden and improve productivity.	3.1	Reduce costs of compliance and fisheries management through reduction of red tape and unnecessary regulatory requirements.
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Corporate Goals	Corporate Strategies				
	3.2	Improve planning, performance and reporting arrangements to minimise unnecessary interventions with stakeholders.			
	3.3	Explore opportunities to streamline fisheries assessments under the <i>Environment Protection</i> and <i>Biodiversity Conservation Act 1999.</i>			
4 Facilitate co-management in Commonwealth fisheries.	4.1	For fisheries under the <i>Fisheries Management</i> <i>Act 1991</i> , apply lessons from co-management trials and assist the development of new arrangements.			
5 Prevent unacceptable impacts of Commonwealth fisheries on marine ecosystems and organisms.	5.1	Review fishery risks and management measures under AFMA's Ecological Risk Management Framework.			
6 Manage key commercial species at levels that support maximum economic yield.	6.1	Manage fisheries in line with the Commonwealth Fisheries Harvest Strategy Policy and Guidelines and the Harvest Strategy Framework.			
	6.2	Develop measures to prevent target stocks becoming overfished, and recover remaining overfished stocks.			
7 Improve connection between science and fishing.	7.1	Increase public accessibility and availability of scientific and other fishery management information.			
8 Improve the net economic returns of Commonwealth fisheries.	8.1	Facilitate access to underutilised fisheries resources in accordance with Fisheries Management Paper 5 (FMP5).			
	8.2	Develop management arrangements to minimise the amount of discarded fish.			
9 Effectively deter illegal fishing in Commonwealth fisheries, the Australian Fishing Zone and adjacent regions.	9.1	Conduct and enable compliance programs that target identified high risks.			
10 Ensure domestic fishing arrangements meet international obligations.	10.1	Improve regional fishery management structures and enhance capacity with neighbouring states.			
11 Encourage application of accredited international standards and self-regulation by fisheries.	11.1	Develop suitable criteria for assessing AFMA's potential use of regulatory standards and risk assessments.			
12 Ensure transparent and effective engagement with the community and other stakeholders.	12.1	Improve communications in a style understood by stakeholders through appropriate media channels.			
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Corporate Goals	Corporate Strategies			
	12.2	Ensure website is easy to navigate and content is appropriate, factual and current.		
	12.3	Effectively engage with management advisory committees and resource assessment groups as the principal sources of advice to AFMA.		
	12.4	Effectively engage with commercial and recreational fishing peak bodies, and environmental non-government organisations, as sources of advice to AFMA.		
13 Ensure system of cost recovered activities reflect the services delivered to users and beneficiaries.	13.1	Design the Cost Recovery Implementation Statement (CRiS) to be efficient for AFMA to administer, consistently applied and completed in accordance with applicable policy, legislative requirements and other contracted activities.		
	13.2	Design CRiS to promote opportunities for efficiency improvements.		

## **Regulator performance**

On 30 October 2014, the Australian Government released the final Regulator Performance Framework. It applies to Commonwealth regulators, including AFMA, that administer, monitor or enforce regulation and will be effective from 1 July 2015.

The framework is part of the Australian Government's red tape reduction agenda to reduce unnecessary or inefficient regulation imposed on individuals, businesses and community organisations. The main premise underlying the Framework is that poorly administered regulation can impose unnecessary costs on stakeholders that reduce productivity.

As part of the framework, AFMA will report against outcomes-based key performance indicators that articulate the government's expectations of regulators, namely:

- regulators do not unnecessarily impede the efficient operation of regulated entities
- communication with regulated entities is clear, targeted and effective
- actions undertaken by regulators are proportionate to the risk being managed
- compliance and monitoring approaches are streamlined and coordinated
- regulators are open and transparent in their dealings with regulated entities
- regulators actively contribute to continuous improvement of regulatory frameworks.

AFMA's reports will show our progress in meeting the performance indicators in the framework and highlight areas for improvement for the regulator. Integration of reporting arrangements under the framework and the PGPA Act will allow a single report on regulator performance.

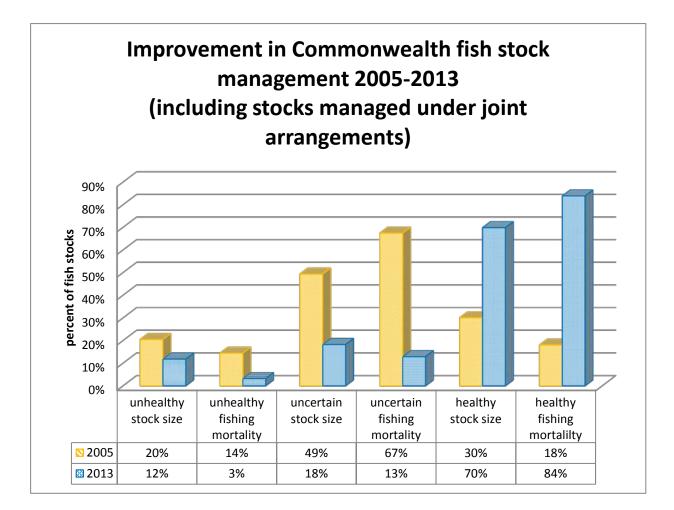
AFMA is revising its performance management framework in 2015. It is expected the new framework will take effect from 2016, to meet the requirements of the PGPA Act.

#### **Measuring success**

Key indicators on the health of fish stocks are published by agencies external to AFMA, such as the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) and the Fisheries Research and Development Corporation, following stock assessments and ecosystem research.

The 2013-14 ABARES Fisheries Status Report was released on 23 October 2014. It found that no stocks managed solely by the Commonwealth were subject to overfishing (a stock that is experiencing too much fishing and the removal rate from the stock is unsustainable). At the same time however, six stocks managed solely by the Commonwealth were classified as overfished (a fish stock with a biomass below the biomass limit reference point).

The table below indicates the significant improvement in fish stock health since 2005 suggesting the work of AFMA, industry and many others on managing sustainability and scientific research has been highly successful. Not only has the percentage of stocks with sufficient biomass to support fishing increased (ie. fewer overfished stocks) but healthy fishing mortality has also risen (ie reduced overfishing). At the same time, our scientific understanding of fish stocks has grown with uncertainty about stock levels and fishing mortality both significantly reduced.



The reopening of the orange roughy fishery off eastern Tasmania is a prime example of this management success by AFMA, as well as government and industry. Stocks had been severely overfished in Australia in the late 1980s and early 1990s, leading to stock declines and fisheries closures. AFMA has been monitoring the orange roughy stocks closely over the past ten years. The AFMA Commission reviewed scientific evidence and expert advice that the stock is rebuilding at its February 2015 meeting, and was confident in setting a conservative total allowable catch for orange roughy for the 2015-16 fishing season of 500 tonnes.



Photo - orange roughy stocks are rebuilding.

The Commonwealth Harvest Strategy Policy and Guidelines and associated guidelines provide a framework to maintain key commercial stocks at ecologically sustainable levels and maximise net economic returns through fisheries management and applying a precautionary approach.

Reflecting these policies and guidelines, AFMA's has set indicators of performance against its operational activities. The following indicators are based on the latest understanding of the fish stock status, predicted future research, and research needs for each fishery. For indicator 1, economically significant stocks, it shows an increase in the number of stock being on target, while (b) indicates strong science is supporting management decisions. Likewise a reduction in those stocks not on target to meet their reference points (c) is a positive sign for these resources.

# **Program Key Performance Indicators**

	2014–15	2015–16	2016–17	2017–18	2018–19
Key Performance	Revised	Budget	Forward	Forward	Forward
Indicators	Budget		year 1	year 2	year 3
<ul> <li>For economically significant stocks:<sup>1</sup></li> <li>a) Maximise the number of key commercial stocks with harvest strategy targets based on maximum economic yield (MEY) or the best available proxy.<sup>2,5</sup></li> </ul>	19	19	20	20	20
<ul> <li>b) Improve the number of stocks in (a) assessed as being on target.<sup>5</sup></li> </ul>	13	13	16	17	18
c) For those stocks in (a) that are assessed as not on target, improve the number that are heading towards their target reference point. <sup>5</sup>	6	6	4	3	2
Number of fish stocks subject to overfishing. <sup>3</sup>	0	0	0	0	0
Minimise the number of species assessed as remaining at high risk after mitigation. <sup>4</sup>	69	72	64	50	40
Maximise the disposal of apprehended foreign illegal, unregulated and unreported (IUU) vessels and suspected illegal entry vessels (SIEVs).	100%	100%	100%	100%	100%
Treatments targets for all priority domestic compliance risks met.	90%	90%	90%	90%	90%

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

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

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

4. Ecological Risk Assessments for Commonwealth managed fisheries and sub-fisheries have been completed covering almost 1200 species. 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.

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

# Capability

# Workforce strategy

In the face of potential impacts of an ageing workforce (around one-fifth of AFMA's workforce will be in the retirement age within five years), the need to retain critical skills, workplace health and safety challenges including for at-sea monitoring and enforcement, and work/life family issues, AFMA continues to apply strategies to mitigate against the loss of specialist knowledge, including transitioning retirements, staff training and development and graduate programs. AFMA's workforce strategy maps the potential movement of staff from the agency and proposes strategic actions and investment to retain the right mix of skills to perform the functions of the agency. AFMA's enterprise agreement is under review. A new agreement is expected to influence AFMA's ability to attract, retain, develop and manage staff.

# **ICT strategy**

AFMA has a number of secure proprietary applications to manage fisheries and transact with fishers, and transfer data between research and compliance agencies. The ICT Strategy outlines plans to transition those applications to stable Oracle and other platforms to improve access and publication through data.gov.au and harness various data sets and reporting tools within a comprehensive data warehouse. AFMA has recently migrated from paper-based to digital records and information systems in accord with the Australian Government's Digital Transition Policy. In addition, to improve business efficiency and workplace flexibility, the ICT Strategy proposes continued investment in mobile office tools, business information reporting, and workflow business tools.

AFMA recognises the benefits for fisheries management from the implementation of etechnologies such as electronic monitoring and logbooks, and the continual enhancement of online technologies. AFMA is driving the uptake of electronic monitoring and logbooks to improve the quality, timeliness, cost effectiveness of, and accessibility to, crucial fisheries data. This will support more pro-active and timely management decisions.

AFMA is also increasing the availability of electronic records to fishers through our on-line portal - GoFish. This will not only improve cost-effectiveness through the reduction in the processing of paper records and statements, but will enable fishers to access their own comprehensive and up-to-date licensing and quota information and pay invoices and levies online.

## **Risk management**

AFMA faces ecological and regulatory risk as well as agency risks such as policy, finance, project delivery, workplace and reputation. A risk management framework is in place that supports enterprise-wide risk management and ecological risk management. The overarching aim is to balance improvement and transformation against unpredictability and the adverse effects of crises, maximising opportunities and minimising predicament. AFMA's approach to risk management is not to eliminate risk, but rather to effectively manage the risks arising from the agency's activities.

AFMA's risk management framework comprises:

- risk management plan
- business continuity plan
- ICT disaster recovery plan
- environmental risk management plan
- protective security framework
- fraud control plan
- information management framework.

AFMA's risk management practice follows ISO31000:2009, and is supported by the following governance arrangements:

- Audit and Risk committee: comprising provides independent assurance and assistance to the CEO and commission on risk management and other matters. The committee reports to the CEO and Commission.
- Risk Management committee: comprising representatives from the Fisheries, Operations and Corporate Services Branches and reviews the risk framework, the risk register and risk management. The committee reports to the CEO and Audit and Risk committee.
- Workplace Health and Safety committee: comprising staff and management representatives, the committee monitors workplace risks, addresses incidents and oversights work practice and tools effectiveness in minimising incidents and claims.

Following a review of AFMA's ecological risk management in 2014 and requirements to align the agency risk planning and practice with the new Commonwealth risk management policy, AFMA commenced a review of its risk management framework, policies and registers in 2015. One of the fundamental tenets of the new framework is that engaging in risk is a necessary step in reducing regulatory burden and improving agency performance. That review also proposed integration of ecological, regulatory compliance and agency risk into an enterprisewide collating, analysis, and reporting and performance technology tool endorsed by ComCover.

## **Ecological risks**

Given the size and diversity of Australian's marine environment complete knowledge of the size and condition of fish stocks and the marine ecosystems that support them is limited. This requires a risk management approach to key aspects of AFMA's operations.

A key initiative driving the implementation of Ecologically Sustainable Development in Commonwealth-managed fisheries is the Ecological Risk Management (<u>see AFMA</u> <u>environmental management</u>) framework.

The framework details a process for assessing and progressively addressing the impacts that fisheries' activities have on five aspects of the marine ecosystem:

- target species
- byproduct and discard species
- threatened, endangered and protected species
- habitats
- communities.

The Australian Government is currently reviewing its harvest and bycatch policies and AFMA is contributing to this work. AFMA has commissioned additional analysis from CSIRO on revised methodologies for ecological risk assessment to address issues identified from harvest strategy and bycatch policy reviews.

In addition, AFMA has identified a number of major issues as likely to impact on fisheries management over the next five years. Our strategies are aimed at addressing these factors to the extent that our resources allow.

## **Economic and market factors**

Australia is a relatively small player in the world seafood market and the profitability of many of our fishers is affected by the international price for fisheries products and the exchange rate. In addition the market price for some of the industry's key inputs, like fuel and refrigerants, has risen significantly over the last decade.

In the last 12 months however, cost drivers have been more favourable. With Australia's major trading partners in fish products being China and Japan, the declines of the Australian dollar against the Japanese Yen and the Chinese Yuan translate into more affordable Australian product in these markets. Similarly, imported products have become more expensive in Australia. A downward trend in wholesale diesel prices has also meant lower fishing costs.

In recognising such external factors will always impact on the profitability of the fishing fleet, AFMA will continue to implement management arrangements that support fishing industry efforts to maximise profitability.

#### **Climate change**

It is likely that Australia will experience changes in the distribution and abundance of some species around its shores, particularly in the south-east and south-west of Australia and around sub-Antarctic territories. AFMA is working closely with the Department of Agriculture and the Australian Fisheries Management Forum on the fisheries response to climate change. From this general response AFMA will apply individual fisheries actions where necessary. However, we anticipate any need to specifically respond to climate change in fishery management arrangements will be limited within the next five years particularly given AFMA's fishery boundaries are very broad.

# **Contact us**

For further information about our activities, functions and services, please:

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