



Australian Government

Australian Fisheries Management Authority



**ANNUAL
REPORT
11 | 12**



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Australian Government
Australian Fisheries Management Authority

4 December 2012

Senator the Hon Joe Ludwig
Minister for Agriculture, Fisheries and Forestry
Parliament House
CANBERRA ACT 2600

Dear 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 2012.

This report has been prepared under section 87 of the *Fisheries Administration Act 1991* and in accordance with the Requirements for Annual Reports 2011-12, approved by the Joint Committee of Public Accounts and Audit.

In addition, and as required by the Commonwealth Fraud Control Guidelines 2011, we certify that we are satisfied that the Authority;

- has prepared fraud risk assessments and fraud control plans
- has in place appropriate fraud prevention, detection, investigation, reporting and data collection procedures and processes that meet the specific needs of the agency, and
- has taken all reasonable measures to minimise the incidence of fraud in the agency and to investigate and recover proceeds of fraud against the agency.

We give the report to you for presentation to Parliament, as required under subsection 87(1) of the *Fisheries Administration Act 1991*.

Yours sincerely

The Hon Michael Egan FAICD
Chairman

Dr James Findlay
Chief Executive Officer

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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 2012, as forecast in the Agriculture, Fisheries and Forestry Portfolio Budget Statements 2011-12.

Part 1 – Overview

Part 1 provides an overview of AFMA's roles and responsibilities and how it has performed throughout the year. This includes the Chairman's and CEO's review, a look at our key achievements in 2011-12, as well as developments in our operating environment and an outlook for the year ahead.

Part 2 – Performance report

Part 2 explains AFMA's performance management process, then measures the agency's performance against performance indicators and strategies developed prior to the reporting period.

Part 3 – Management and accountability

Part 3 covers AFMA's governance arrangements. This includes financial management, human resource management and risk management practices, as well as stakeholder communications.

Part 4 – Our fisheries

Part 4 gives readers a snapshot of each fishery AFMA manages, and includes a report on the effectiveness of management plans where applicable.

Part 5 – Financial statements

Part 5 consists of AFMA's financial statements for the 2011-12 financial year, as independently audited by the Australian National Audit Office. These statements include financial performance, financial position and cash flows during the year.

Appendices

The appendices include reporting requirements about, progress against Ministerial Direction, details of the Commission and executive committees, Management Advisory Committee memberships, civil litigation outcomes, consultancy services, work health and safety, ecologically sustainable development and environmental performance, disability reporting mechanisms, the Information Publication Scheme.

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AFMA celebrates 20 years of managing Commonwealth fisheries



AFMA staff who have reached 10 years of service and 20 years of service received awards at the 20-year celebrations. From left to right: John Marrington (on the screen behind, joining by video conference from the Thursday Island office – 20 years), Paul Ryan (20 years), Sharon Green (10 years), CEO Dr James Findlay, Yvonne Zunic (20 years), Adi Ploy (20 years), Commission Chair the Hon Michael Egan, Justine Johnston (10 years), Mike Yates (20 years), Peter Neave (20 years), Peter Venslovas (20 years) and John Andersen (10 years).

On 3 February 2012 AFMA marked its 20th birthday, recognised with this special 20 year edition of the annual report.

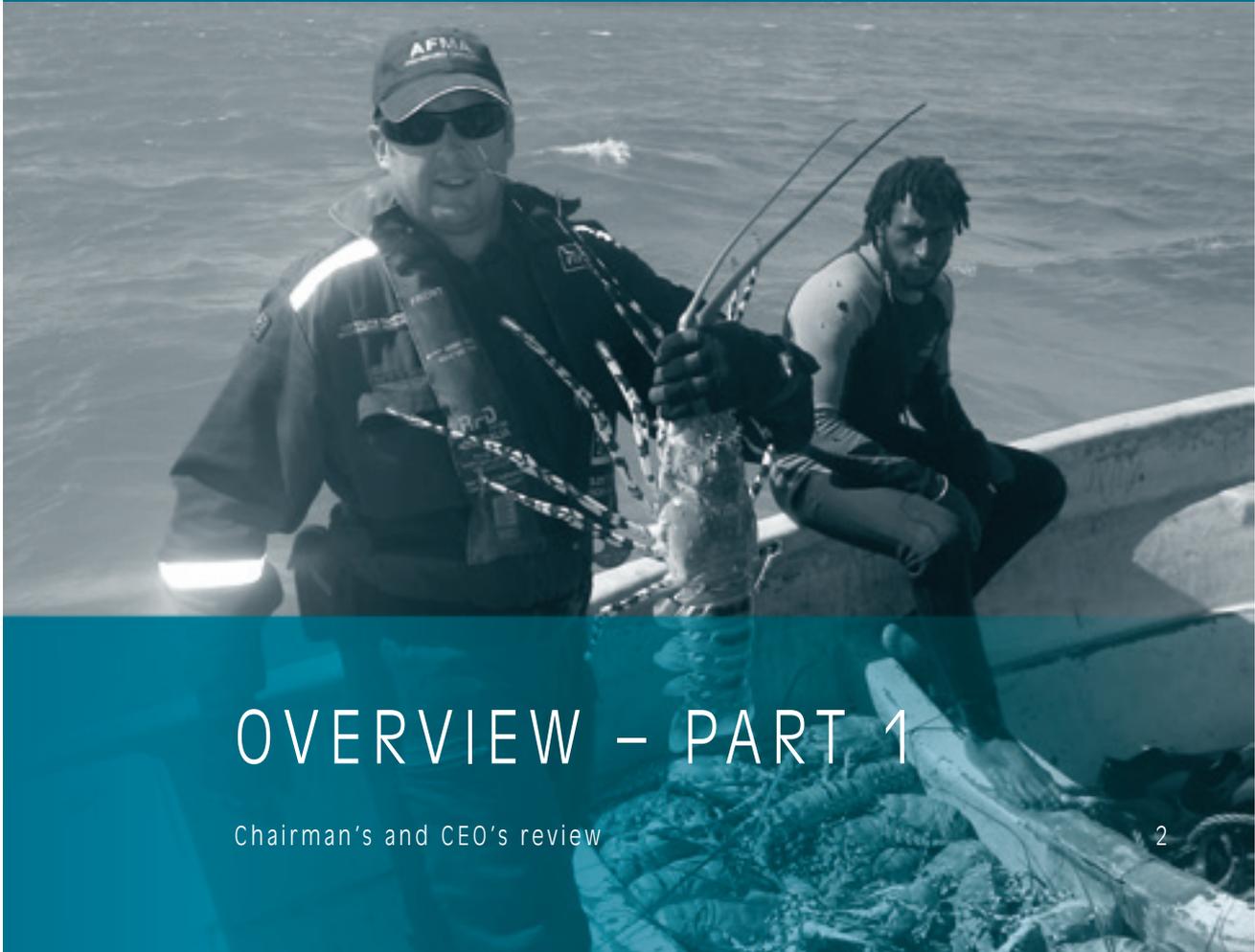
In 1992 the authority keenly set out to protect Australia's fishing future. AFMA's focus was and is to ensure Commonwealth fisheries are managed efficiently and cost effectively in a way that takes into account the impact of fishing activities and encourages ecologically sustainable development.

Over the last 20 years AFMA has developed a good working relationship with commercial fishing industry, researchers, environment and conservation organisations, recreational fishing and Indigenous interests and other government agencies.

AFMA has seen many changes over this time with major fisheries now managed under statutory management plans with output controlled management systems. In this time

we have moved from single species approach to setting catch limits for fisheries to a more holistic approach in line with the Commonwealth Harvest Strategy Policy and taking account of ecosystem impacts through AFMA's Ecological Risk Assessment Framework. Improvements and changes in management will continue with ongoing development of approaches such as co management which aims to provide a mechanism to actively involve stakeholders in the ongoing management of Australia's fisheries resources.

Managing Australia's Commonwealth fisheries, enforcing compliance domestically and preventing and enforcing illegal foreign fishing in the Australian Fishing Zone has proven challenging indeed. The authority has many achievements over its lifetime and key amongst them has been pursuing the 1989 Policy Statement commitment of implementing quota management in Commonwealth fisheries.



OVERVIEW – PART 1

Chairman's and CEO's review

2





Chairman's and CEO's review

Key achievements for 2011-12

In 2011-12 AFMA continued to work hard to maintain the sustainability of its fisheries and maximise the economic returns from the resource.

Our role requires us to be forward-thinking in relation to the sustainability of fishing practices, but also swiftly reactive to any issues that might arise – be it in relation to illegal foreign fishing or environmental impacts.

We take our responsibilities to the Australian community, the fishing industry and the environment very seriously and we have a dedicated staff with a strong expertise in the area.

AFMA has worked closely with the Commonwealth Fisheries Association in improving the budget

process, increasing the frequency of discussions on financial status and expectations. AFMA has developed a faster process for providing feedback to industry on any changes to the budget and how this may affect actual expenditure, which flows through in the levy setting process for the following year.

Work continued on deterring illegal fishing in the Australian Fishing Zone through our cooperative efforts with other Australian Government agencies working through Border Protection Command. We are pleased to report that illegal foreign fishing apprehensions are now at a 19 year low.



A voluntary buy-out of fishing licences is being offered to non-Traditional Inhabitants to increase the ownership and participation of Traditional Inhabitants in the Torres Strait Tropical Rock Lobster fishery. Left to right; Torres Strait Regional Authority Member for Erub and Fisheries Portfolio Member Mr Kenny Bedford; the Hon Craig Wallace MP, then Queensland Minister for Main Roads, Fisheries and Marine Infrastructure; Mr John (Toshi) Kris, Chair of Torres Strait Regional Authority; Dr James Findlay, AFMA Chief Executive Officer.

We continued action to protect wildlife species in the Gillnet, Hook and Trap Sector of the Southern Eastern Scalefish and Shark Fishery. The changes offer better protection to non-target species such as Australian Sea Lions and dolphins and generally improve the data collection on interactions with threatened endangered, and protected species.

The Torres Strait Tropical Rock Lobster Fishery was the most valuable commercial fishery in the Torres Strait in 2011 with 704 tonnes harvested. A structural adjustment program, through an offer to buy back non-Indigenous fishing entitlements, was undertaken in the fishery. This is seen as a vital step towards output management controls. Data also indicates the traditional and non-traditional sectors of the fishery are catch at an equivalent level.

After extensive consultation the Torres Strait Finfish Management Plan 2012 is at the stage of final approval from the Torres Strait Protected Zone Joint Authority prior to determination.

Throughout the 2011-12 reporting period a significant increase in catch and effort was observed in the Beche De Mer Fishery. This welcome increase can largely be attributed to the allowance of hookah operations (through developmental permits) in the fishery.

Following extensive trials electronic monitoring was introduced as an alternative data collection method in June 2012. Electronic monitoring uses cameras and sensors to collect data about fishing operations and offers a cost effective alternative to human observers in some situations.

The ecological risk assessment and risk management framework continued to improve over the reporting period, confirming that more than 96 per cent of marine species potentially affected by fishing are at low or moderate risk under our current management arrangements.

Our report for this period provides quantitative information on our performance over the last year.

Financial Performance

We reported an operating surplus of \$0.76 million for the 2011–12 financial year, which was slightly in excess of budget expectations. Our total expenditure of \$41.6 million, including \$3.2 million in Administered expenditure, was \$3.8 million (8.4 per cent) less than the previous year. This decrease was due to the impact of increasing the useful life of some software leading to decreased annual amortisation, the finalisation of improvement projects, and some reductions in research, travel and consultancy.

The operating surplus also reflected the return of funds from the contribution to the buy-back of Tropical Rock Lobster fishing licences.

AFMA continues to maintain a strong financial position with sufficient funds available in the AFMA Special Account to meet our liabilities as they fall due.

Budget Outlook

AFMA is budgeting for a small loss in the 2012–13 financial year which represents the change in depreciation funding through appropriations. We expect our Departmental expenditure to remain relatively stable over the next two years, maintaining a balanced budget (excluding depreciation) and consolidating savings required, including the additional efficiency dividend announced in 2011–12.

Administered expenditure will decrease by \$1.7 million with the finalisation of arrangements for illegal foreign fishing vessel disposal facilities in Gove and Broome.



Our operating environment

AFMA has identified the following major factors as likely to impact on fisheries management over the next four years. Our strategies are aimed at addressing these factors to the extent that our resources allow.

Global economic pressures affect the Australian fishing industry both positively and negatively with profitability affected by international price for fisheries products. The price of industry's key input, fuel, has risen in the last 10 years. While these factors impact on the profitability of the fishing fleet, AFMA's role is to implement management arrangements that enable industry to maximise profitability subject to these external factors.

The cost-effectiveness of fisheries management is an ongoing challenge in Australia's large, diverse and relatively sparsely populated marine environment. We work closely with the industry peak body, the Commonwealth Fisheries Association, to improve the efficiency of fisheries management, consistent with our objective to maximise the net economic returns from the management of fisheries while effectively managing ecological risk. The Australian Government's policy settings for fisheries management and cost recovery provide firm incentives for efficiency.

Climate change is already affecting fishers, however we do not anticipate a need for specific fisheries management actions in the near term due to the management in our fisheries. We will continue to monitor research into the effects of climate change on the marine environment and fisheries. Research predicts climate change will continue to affect the distribution of fish stocks over time.

Australia works with our South East Asian and Pacific neighbours to combat illegal fishing in the region. Constant vigilance and capability are essential, and AFMA is a key participant in the Australian Government's activities to deter illegal fishing and protect our borders.

Australian fish stocks are in very good shape and continue to improve as detailed in the Australian Bureau of Agricultural and Resource Economics and Sciences *Fisheries Status Report 2011*. Catch levels are set under harvest strategies and recovery plans are in place for the few Australian fish stocks that need to be rebuilt. Fish stocks managed under international agreements make up a significant portion of Australian fisheries and AFMA provides technical advice to the responsible international bodies.



Research plays a vital role in managing the sustainability of Australian fisheries.

Positive scientific trends about the health of fish stocks allowed AFMA to increase 2012-13 catch limits for a number of key species in the Southern and Eastern Scalefish and Shark Fishery, while maintaining strong sustainability in the fishery.

AFMA and the industry invest heavily in scientific assessments on the health of fish resources and a number of the assessments show that some of our fish populations can support an increase in allowable catch. As a result of this new information, aggregate total allowable catch in the fishery has risen 6 per cent, from 23 106 tonnes in the 2011-12 fishing season to 24 519 tonnes for the 2012-13 fishing season.

The catch limit increased for nine key stocks, including Blue Grenadier which went from 4700 tonnes per year to 5200 tonnes per year because of strong fish stocks.

AFMA CEO Dr James Findlay said he was extremely pleased with this result.

“The improvement that we are seeing in fish stocks is great news for industry and consumers – basically it means more fresh, healthy, local fish on Australian tables,” he said.

The scientific advice also showed that catch limits of some species needed to be reduced to ensure healthy stocks into the future. Six species saw a decrease from last year’s catch limit, including School Shark, which was reduced to allow these populations to improve.

These sustainable limits mean that consumers can eat healthy seafood and be confident that it comes from a sustainable source.

In addition to fisheries scientists, AFMA also takes advice from economists, conservation groups, recreational fishing representatives and the fishing industry through management advisory committees, resource assessment groups, industry associations and other peak bodies.

In particular, AFMA acknowledges the vital roles of the South East Management Advisory Committee (SEMAC) and the Great Australian Bight Industry Association (GABIA) in setting sustainable catch limits in the Southern and Eastern Scalefish and Shark Fishery.

More local fish on Aussie tables next season



An increase in fresh local seafood has resulted from strong and sustainable fish stocks.

Outlook for 2012-13

In 2012-13 AFMA will be focusing on:

- refining management arrangements consistent with the Commonwealth Fisheries Harvest Strategy Policy and Guidelines that facilitate sustainable and profitable fisheries
- commissioning fisheries research based on balancing catch and cost against risk. Using ecological risk assessment and ecological risk management to meet AFMA's responsibilities for environmentally sustainable fisheries and to prevent unacceptable impacts of Commonwealth fisheries on marine ecosystems and organisms
- using innovation and technology to provide cost-effective options for monitoring fishing activity, collecting data and conducting transactions
- providing incentives for voluntary compliance through simplified regulation of the commercial fishing industry, effective licensing services and promoting direct industry involvement in managing their fisheries
- deterring illegal fishing in Commonwealth fisheries through targeted enforcement based on compliance risk assessments
- deterring illegal foreign fishing in the Australian Fishing Zone by providing the fisheries focus in the Australian Government border protection arrangements, prosecuting offences and disposing of forfeited boats, gear and catches
- working with governments in our region to coordinate efforts to combat illegal foreign fishing and to build the capacity of neighbouring countries to run effective sustainable fisheries programs.

Environment and sustainability

Under the *Fisheries Management Act 1991* AFMA works to ensure that the management of fisheries resources is conducted in a way that is consistent with the principles of ecologically sustainable development and the exercise of the precautionary principle. In this context, AFMA manages the impact of fishing on target species, byproduct, bycatch and the broader marine ecosystem.

Through policies and fishery-specific management arrangements we direct and monitor the steps that licensed fishers take to minimise their impact on the marine ecosystem.

All AFMA-managed fisheries are accredited or undergoing accreditation under Part 10 (strategic assessment), Part 13 (wildlife interactions) and Part 13A (export approval) of the *Environment Protection and Biodiversity Conservation Act 1999*.

This means that each fishery has been assessed on its impact of national environmental significance, in particular, the Commonwealth marine environment. Interactions with protected species are not an offence provided they are in accordance with the accredited management arrangements. Exports from the fishery are permitted for the period of the accreditation.

For more information, see AFMA's report on domestic fisheries management on page 49, and report on ecologically sustainable development and environmental performance on page 144.



Dr James Findlay
Chief Executive Officer



The Hon Michael Egan,
FAICD Chairman



Technology like electronic monitoring allows AFMA to observe fishing activity and collect data more cost-effectively.



Australian Sea Lion Management Strategy put into action

AFMA implemented closures to reduce the risk of sea lion interactions with fishing activities in the Gillnet, Hook and Trap sector

Since February 2012, AFMA has closed three areas off South Australia to gillnet fishing following the death of Australian Sea Lions in the gillnet shark fishery.

The closures were put in place in accordance with the Australian Sea Lion Management Strategy, which has been in place since 1 July 2010 and aims to reduce sea lion deaths in the gillnet shark fishery. The strategy includes area closures around sea lion colonies in South Australia, increased monitoring through observers and electronic monitoring and quarterly stakeholder reviews to assess effectiveness.

Under the strategy, seven zones in key sea lion habitat off South Australia each has a pre-determined mortality limit which triggers AFMA to close the zone to gillnet fishing if reached. If a total of 15 sea lion deaths are confirmed in a 12 month fishing season the fishery adjacent to South Australia will close. Any closures are for 18 months; this is approximately the breeding cycle for Australian Sea Lions.

Since the start of the strategy there have been eight confirmed sea lion deaths in the fishery, confirmed by a combination of fisheries

observers and electronic-monitoring video footage from vessels as well as logbooks and threatened species incident reports.

AFMA consults the South East Management Advisory Committee before implementing any closures and has more broadly consulted with industry and conservation groups and fisheries and marine mammal scientists on the management strategy. AFMA also encourages fishers, through their industry associations, to develop and implement strategies to reduce the risk of sea lion interactions while gillnet fishing.

AFMA works hard to balance competing priorities; to limit the impact of fishing operations on the environment, including sea lions; but also allow fisheries to stay open as much as possible so that the industry can continue operating. Advice from marine mammal experts is that the death of just one sea lion from some colonies can risk the survival of that sub-population.

Some fishers have the option of changing from gillnet fishing to hook fishing (which poses less risk to sea lions) or fishing in areas off Southern Australia that remain open to gillnet fishing.





PERFORMANCE REPORT – PART 2

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Performance measurement framework

AFMA's work is directed at achieving the outcome of:

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.

AFMA's performance measurement framework is defined in AFMA's chapter of the 2011-12 Agriculture, Fisheries and Forestry Portfolio Budget Statements.

Our program, entitled 'Australian Fisheries Management Authority', directly reflects our outcome. Under that program, in 2011-12 AFMA pursued its outcome by:

- refining management arrangements consistent with the Commonwealth Fisheries Harvest Strategy Policy and Guidelines that facilitate sustainable and profitable fisheries
- commissioning fisheries research based on balancing catch and cost against ecological risk, and using ecological risk assessment and ecological risk management to meet AFMA's responsibilities for environmentally sustainable fisheries and prevent unacceptable impacts of Commonwealth fisheries on marine ecosystems and organisms
- providing incentives to optimise compliance through simplified regulation of the commercial fishing industry, effective licensing services and promoting direct industry involvement in managing their fisheries

- deterring illegal foreign fishing in the Australian Fishing Zone by providing the fisheries focus in the Australian Government border protection arrangements, prosecuting offences and disposing of forfeited boats, gear and catches
- deterring illegal fishing in Commonwealth fisheries through targeted enforcement based on compliance risk assessments.

AFMA's 2011-16 Corporate Plan sets out the goals and the strategies to achieve those goals for the reporting year and forward outlook.

These goals and strategies are summarised in Table 1 - Corporate Plan 2011-16.

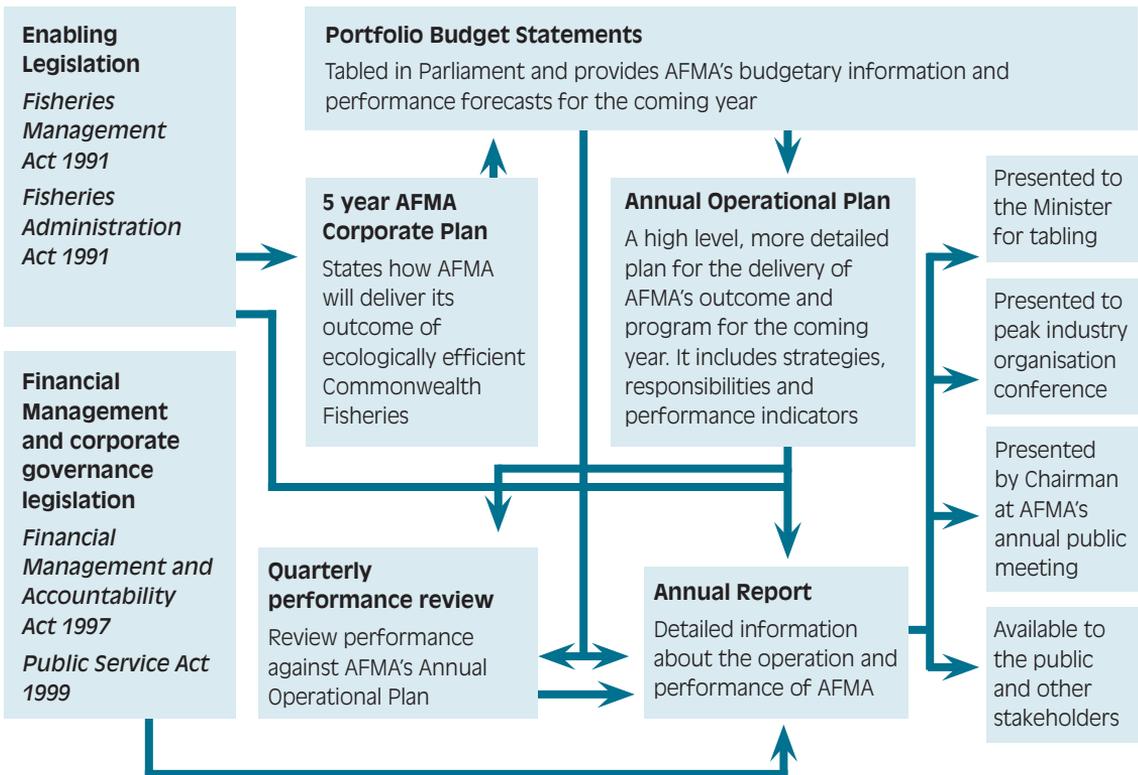
The program applying these strategies is described in AFMA's Annual Operational Plan 2011-12, which sets out the intended actions arising from the goals in AFMA's Corporate Plan 2011-16.

Performance against these intended actions is reported in pages 12-24.

Table 1 - Corporate Plan 2011-16

Goal	Strategy
Complete the implementation of the Australian Government's policy preference for management by output controls in the form of individual transferable quota	Introduce and refine individual transferable quota into the Northern Prawn Fishery and other quota managed fisheries
Improve the net economic returns of Commonwealth fisheries	Refine management arrangements that facilitate sustainable and profitable fisheries in line with the Commonwealth Harvest Strategy Policy
Deliver sustainable fisheries by managing fishing activities to ensure stocks are at sustainable harvest levels by preventing overfishing and recovering overfished stocks	Commission stock assessments and targeted research that are timely and fit for purpose to underpin well-informed management decisions and actions
Prevent unacceptable impacts of Commonwealth fisheries on marine ecosystems and organisms	Assess risks and apply management measures under the AFMA ecological risk management framework
Implement management arrangements and frameworks that optimise compliance with regulations	Make fisheries management arrangements more uniform, understandable and enforceable and minimise the necessary compliance burden
Effectively deter illegal fishing in Commonwealth fisheries and the Australian Fishing Zone	Conduct and enable management programs that target identified risks
Continuously improve the efficiency and cost-effectiveness of fisheries administration	Invest in business processes and technologies that match the core needs of AFMA and its stakeholders
Develop operational framework for co-management in Commonwealth fisheries	Apply lessons from co-management trials to enable industry to enhance their role in the management of commercial fisheries

Table 2 - Planning and Reporting Structure



Report against intended actions

Goal: Complete the implementation of the Australian Government's policy preference for management by output controls in the form of individual transferable quota

Strategy: Introduce and refine individual transferable quota management arrangements in the Northern Prawn Fishery and other quota-managed fisheries

The implementation of individual transferable quota in the Northern Prawn Fishery continued during 2011-12, however the scheduled implementation date has been delayed until April 2013. This is because the method for determining total allowable catches for White Banana Prawns is still being refined.

Quota statutory fishing rights took effect in the Small Pelagic Fishery on 1 May 2012 and now the total allowable catch is allocated between operators through individually transferable quota.

Intended actions in 2011-12	Achieved (✓ / ✗)	Comment
Determine the amended Northern Prawn Fishery Management Plan introducing individual transferable quotas.	✗	In March 2012 the AFMA Commission made a decision to delay the implementation of individual transferable quota in the Northern Prawn Fishery until the 2013 Banana Prawn season.
Complete pending allocations in the Small Pelagic Fishery and Eastern Tuna and Billfish Fishery.	✓	Allocation of individual transferable quotas in the Small Pelagic Fishery and Eastern Tuna and Billfish Fishery was completed during 2011-12.
Continue to implement supporting technology for individual transferable quota management in Commonwealth fisheries.	✓	Enhancements to AFMA's licensing register, Pisces, and our online licensing service, GOFish, were made during 2011-12.



During 2011-12 AFMA made progress towards implementing quota management in the Northern Prawn Fishery.



AFMA's sustainable catch limits are strictly enforced.

Goal: Improve the net economic returns of Commonwealth fisheries

Strategy: Refine management arrangements that facilitate sustainable and profitable fisheries in line with the Commonwealth Harvest Strategy Policy

The Australian Government's Harvest Strategy Policy has maximising economic yield as its target reference point for Commonwealth fisheries. This target was adopted for fisheries management to improve industry profitability. For several years, we have been working to increase the number of fishery harvest strategies that have targets based on maximising economic yield.

and Shark Fishery to protect Australian Sea Lions and dolphins. We are developing longer term management arrangements for the gillnet sector to address both sustainability and economic concerns.

AFMA implemented a range of closures in the gillnet sector of the Southern and Eastern Scalefish

AFMA continued to set catch limits, consistent with the Commonwealth Harvest Strategy Policy, based on science and fishery specific harvest strategies.

Intended actions in 2011-12	Achieved (✓ / ✗)	Comment
Increase the number of harvest strategies that have targets based on maximum economic yield or the best available proxy.	✓	There are now 18 stocks with targets based on maximum economic yield. We plan to further increase this number in 2012-13.
Implement cost-effective electronic monitoring and reporting for vessels.	✓	E-monitoring was implemented for 12 vessels in the Gillnet Hook and Trap sector in 2011-12. AFMA also developed the systems and processes to support electronic monitoring across AFMA fisheries.
Conduct assessments on key target species and set total allowable catch or total allowable effort at levels that will prevent future overfishing in accordance with agreed harvest strategies.	✓	Total allowable catches (or total allowable effort in some cases) were set for the following fisheries in accordance with the relevant harvest strategies: <ul style="list-style-type: none"> • Southern and Eastern Scalefish and Shark Fishery • Bass Strait Central Zone Scallop Fishery • Macquarie Island Toothfish Fishery • Heard Island and McDonald Islands Fishery • Western Tuna and Billfish Fishery • Eastern Tuna and Billfish Fishery • Southern Bluefin Tuna Fishery • Northern Prawn Fishery • Small Pelagic Fishery • Southern Squid Jig Fishery

Statistics show healthier fish stocks and improved profits



Healthier fish stocks has meant more fresh local seafood on plates

The health of Australia's fish stocks in Commonwealth waters has continued to improve and profits to fishing boats in most fisheries have increased too. That's what a recent report from the Australian Bureau of Agricultural and Resource Economics and Sciences shows. This is good news for our fishing industry and consumers as it means more sustainable, fresh, local fish on Australian tables.

Average net economic returns to boats in the Southern and Eastern Scalefish and Shark Fishery (which supplies many south-east Australian consumers) are at their highest levels since surveys began in the mid 1990s according to the recent economic information collected by Australian Bureau of Agricultural and Resource Economics and Sciences. The improvement in fish stocks has allowed recent increases in sustainable catches of a number of key species. The economic surveys also show increases in net economic returns for the Eastern Tuna and Billfish Fishery and the Northern Prawn Fishery.

Since 2006 the Australian Government, in partnership with the fishing industry, has introduced significant changes in fisheries management to achieve more sustainable fish stocks and improved profits in most Commonwealth fisheries. The government invested in a buyback program to reduce the number of boats operating in Commonwealth waters meaning that profits are shared with a smaller number of boats so on average each boat receives a larger share.

A world's best practice "harvest strategy policy" has been implemented which sets clear ground rules for how Commonwealth fisheries are managed for sustainability and profitability. Some fish stocks had strict fishing limits applied to allow the fish stocks to recover. The fishing industry and the Australian community are now seeing the benefits through more fish being harvested.

Goal: Deliver sustainable fisheries by managing fishing activities to ensure stocks are at sustainable harvest levels by preventing overfishing and recovering overfished stocks

Strategy: Commission stock assessments and targeted research that are timely and fit for purpose to underpin well informed management decisions and actions

The Australian Bureau of Agricultural and Resource Economics and Sciences provides an annual, independent evaluation of the biological status of fish stocks and the economic status of fisheries managed or jointly managed by the Australian Government.

Of the fish stocks assessed in Australian Bureau of Agricultural and Resource Economics and Sciences 2011 reports (published in late 2012), 13 stocks are categorised as being overfished and/or subject to overfishing. See figure 2 on page 48. Seven of the domestically managed stocks are subject to formal

rebuilding strategies, including stock assessments, targeted research and output controls and closures aimed mainly at returning stocks to their limit reference point within a biologically reasonable time frame. A further three domestically managed stocks are subject to specific management measures to facilitate recovery. Three stocks are international species that are managed by regional fisheries management organisations.

AFMA continued to commission stock assessments and targeted research to inform management decisions and to set catch limits.

Intended actions in 2011-12	Achieved (✓ / ✗)	Comment
Implement stock rebuilding strategies for species assessed as being below agreed limit reference points.	✓	<p>Stock rebuilding strategies exist for all domestically managed species assessed as being below the limit reference point for their fishery, except one.</p> <p>Stock rebuilding strategies exist for Orange Roughy, Blue Warehou, Eastern Gemfish and School Shark.</p> <p>There is no formal rebuilding strategy for Sandfish in Australia's area of the Torres Strait Protected Zone. However, the total allowable catch is set at zero.</p>
Provide support for development and management of regional and international fisheries.	✓	<p>AFMA participated in a number of international forums during 2011-12, either through attendance at relevant meetings or by preparing or contributing to relevant fisheries briefings.</p> <p>AFMA's role is to provide specialist advice on best practice fisheries management approaches and monitoring, control and surveillance aspects of management.</p>

Goal: Prevent unacceptable impacts of Commonwealth fisheries on marine ecosystems and organisms

Strategy: Assess risks and apply management measures under the AFMA Ecological Risk Management framework

Under AFMA's ecological risk management framework, ecological risk management reports for each fishery outline how AFMA will address the impacts that fishing activities have on target species, by-product and discard species and threatened and endangered species.

In June 2012 the Commission approved a revitalisation of the ecological risk assessment process, which will see guidelines developed to help fisheries managers conduct ecological risk assessments, the updating of ERAs as they become due and consideration of how marine habitats and communities will be considered as part of ecological risk assessments.

Intended actions in 2011-12	Achieved (✓ / ✘)	Comment
Progress implementation of ecological risk management responses.	✓	AFMA continued to implement management responses to high risk species identified through ecological risk assessments.
Reassess ecological risk assessment and ecological risk management responses for fisheries as required by triggers.	✓	Reassessments of the Northern Prawn Fishery and the Southern and Eastern Scalefish and Shark Fishery commenced. The Commission agreed on a project to revitalise the ecological risk assessment and the ecological risk management project including more clearly defining the timing and scope of reassessments.
Determine the appropriateness of introducing output controls for bycatch and threatened endangered and protected species.	✘	The appropriateness of introducing output controls for bycatch and threatened endangered and protected species will be considered following a decision on policy objectives incorporated in the reviews of the Commonwealth Harvest Strategy and the Commonwealth Bycatch Policy. These reviews are due to be completed by the Department of Agriculture, Fisheries and Forestry in early 2013.
Revise conditions to manage impacts on demersal high seas fisheries in light of benthic impact assessments.	✘	Work will continue in 2012-13 to update High Seas management arrangements, consistent with results of CSIRO benthic impact assessment and Australian Bureau of Agricultural and Resource Economics and Sciences sustainability assessment.

Goal: Implement management arrangements and frameworks that optimise compliance with regulations

Strategy: Make fisheries management arrangements more uniform, understandable and enforceable and minimise the necessary compliance burden

AFMA recognises that a best practice and cost effective method to compliance and enforcement is an approach which encourages the fishing community to willingly or voluntarily comply with fishery rules.

Voluntary compliance involves understanding the benefits of the rules and regulations, rather than fear of penalties for non-compliance.

To improve the level of voluntary compliance it is important that the fisheries management rules and

the reasons for them are clearly understood and accepted by the fishing industry. We aim to achieve this through consultation with the fishing industry and other stakeholders.

We recognise that it is important to also make sure that the rules are easy to understand and, where possible, consistent across fisheries.

Intended actions in 2011-12	Achieved (✓ / ✗)	Comment
Continue to reform fishery management rules to reduce complexity.	✓	<p>New regulations which combined the common rules across fisheries came into force on 4 August 2011.</p> <p>The complexity of fisheries management plans was reduced when the out-dated rules, which were replaced by the new regulation, were removed on 19 December 2011.</p> <p>A draft policy to streamline quota management arrangements across fisheries was released for public comment and is now being finalised.</p>
Engage in international meetings to ensure agreed outcomes can be implemented by Australia.	✓	<p>During 2011-12, AFMA staff attended meetings of;</p> <ul style="list-style-type: none"> the Indian Ocean Tuna Commission, the Western and Central Pacific Fisheries Commission and associated meetings, the Commission for the Conservation of Antarctic Marine Living Resources, the Commission for the Conservation of Southern Bluefin Tuna, the Pacific Islands Forum Fisheries Agency Monitoring, Control and Surveillance Workshop, Management Options workshops and Sub-committee on South Pacific Tuna and Billfish. <p>AFMA also participated in bilateral meetings with Indonesia, Papua New Guinea and Malaysia to discuss fisheries matters of mutual interest.</p> <p>AFMA provided briefing material for the South Pacific Regional Fisheries Management Organisation, for the United Nations Committee on Fisheries and the International Monitoring, Control and Surveillance Network.</p> <p>We also provided briefings on the effects of Australia signing the newly established Southern Indian Ocean Fisheries Agreement.</p>

Intended actions in 2011-12	Achieved (✓ / ✗)	Comment
Ensure each management advisory committee meets at least once.	✓	All management advisory committees met at least once during 2011-12 except for the Great Australian Bight Management Advisory Committee.
Provide 24 <i>AFMA Update</i> newsletters to update stakeholders	✓	24 <i>AFMA Update</i> newsletters were published in 2011-12.



AFMA Fisheries Officers, Lydia Woodhouse and Alex Illes, conducting compliance inspections at ports. Maintaining a port presence is an important part of deterring illegal fishing activities.



Goal: Effectively deter illegal fishing in Commonwealth fisheries and the Australian Fishing Zone

Strategy: Conduct and enable management programs that target identified risks

AFMA continued to apply a risk-based domestic compliance program which allowed compliance and enforcement activity to target the areas of highest risk, maximising the use of resources.

In addition to the risk treatment model, AFMA maintained a general presence/deterrence role in ports and at sea in order to discourage non-compliant behaviour by fishers.

Illegal foreign fishing in the Australian Fishing Zone continued to decline in 2011-12. This is due to continual efforts by AFMA and other Australian

Government departments to deter illegal foreign fishing, through the interception and prosecution of offenders and the confiscation and destruction of forfeited foreign fishing vessels. Regional efforts and co-operative partnerships are contributing to the prevention of illegal, unreported and unregulated operators undertaking forays into the Australian Fishing Zone.

In 2011-12 there were 12 apprehensions of illegal foreign fishing vessels, a continued decrease from 14 in 2010-11, 23 in 2009-10 and 27 in 2008-09.

Intended actions in 2011-12	Achieved (✓ / ✗)	Comment
Undertake compliance activities in accordance with priority areas established through risk assessments.	✓	Compliance risk management teams continued to apply measures to reduce risks associated with; <ul style="list-style-type: none"> • fishing and navigating in closed areas • failure to cover over-catch • failure to report interactions with protected/prohibited species • quota evasion • non-operational vessel monitoring systems.
Develop a compliance intelligence capacity that is fully effective.	✓	AFMA's intelligence unit undertakes regular analysis of data. Such as closure monitoring and vessel monitoring system compliance. Supporting case management systems have been implemented. A quality assurance review of AFMA's intelligence products is also underway.
Collaborate with like-minded agencies on deterring illegal, unreported and unregulated activity and developing fisheries management arrangements and capacity building.	✓	AFMA worked through regional networks to have known illegal, unreported and unregulated vessels denied port access. A work plan was developed with Indonesia, Papua New Guinea and Timor Leste to address current illegal, unreported and unregulated fishing issues in the region. Exchange programs were conducted involving Indonesian, Papua New Guinean, East Timorese and Kiribati fisheries officers undertaking fisheries management and fisheries compliance training and participation on patrols. In Indonesia, AFMA officers undertook an in-country public information campaign, three capacity building workshops and visited Indonesian ports known to be a source of illegal foreign fishing in the Australian Fishing Zone.

Intended actions in 2011-12	Achieved (✓ / ✗)	Comment
<p>Review and develop options to amend the <i>Fisheries Management Act 1991</i> structure for the domestic compliance regime, including powers, incentives, offences, and administrative and criminal penalties.</p>	<p>In progress</p>	<p>In 2011-12 amendments to the <i>Fisheries Management Act 1991</i> were prepared to improve the vicarious liability of corporate concession holders for the acts of its crews.</p> <p>Amendments have been drafted and a Bill introduced to Parliament on improving the vicarious liability provisions. They are scheduled for debate in Parliament at the 2012 spring sitting.</p> <p>Work is ongoing to identify options to improve offences and administrative criminal penalty provisions.</p>





AFMA continues to combat illegal, unregulated and unreported fishing

AFMA Fisheries Officer Aaron Lee shares information and experience with Indonesian fishers at sea to help combat illegal fishing activities.

AFMA has continued its commitment to improving fisheries management in South East Asia and Pacific regions to reduce illegal, unregulated and unreported fishing. One of our key achievements this year has been expanding knowledge and information sharing between government agencies and forming close working relationships with agencies both nationally and internationally.

In the last year alone, AFMA ran workshops in East Timor, Indonesia, Papua New Guinea and Kiribati to help them improve their monitoring, control and surveillance capabilities.

We shared our expertise in vital areas of fisheries management by continuing to mentor our colleagues from the Indonesian Ministry of Marine Affairs and Fisheries delivering a variety of workshops and training courses to share information and encourage the exchange of ideas. Building on earlier successes, we have also hosted colleagues from a number of overseas agencies to develop their capacity in fisheries management, monitoring, control and surveillance, government investigation and training delivery by observing our processes here in Australia. We had the

opportunity to follow up training in Kiribati and lend our expertise to local authorities in evidence collection and catch validation.

Australia participated in the illegal, unregulated and unreported fishing sub-regional group meeting in March, along with East Timor, Indonesia and Papua New Guinea. The meeting agreed to a forward work plan to combat these activities in the region, which is a positive achievement.

We have also had the opportunity to participate in regional fisheries operations, and to work with Indonesia and France through joint patrols.

AFMA will continue to participate in international forums and cooperate with other Australian Government agencies such as the Australian Agency for International Development and the Pacific Island Forum Fisheries Agency to combat illegal, unregulated and unreported fishing.

Regional cooperation combats illegal fishing



AFMA and Malaysia officers boarding illegal fishing vessel *Pion* in Malaysia.

Australia's close cooperation with its neighbours is putting pressure on illegal fishing operations in the region.

The coordinated approach to regional fisheries management is essential to the health of fish stocks in Australian waters and combating illegal fishing in the south east Asian region is a high priority for AFMA.

Work to deter illegal fishing occurs in fishing areas, ports, fish trade and markets, and is a highly comprehensive and effective strategy.

During 2011-12 such action included a known illegal fishing vessel being detained while a joint investigation was carried out by the Australian Fisheries Management Authority and Malaysian authorities, with assistance from Singapore.

Another vessel was also deterred from docking in Singapore when it was found to be on an illegal vessel list.

In all of these instances Australia was involved by helping to determine whether the vessels were listed as illegal, unregulated or unreported and

advising on the appropriate action to take.

Australian Fisheries Management Authority General Manager Operations, Peter Venslovos said that the close working relationships with neighbouring countries was having a significant impact on illegal fishing operations.

"These vessels rely on being able to unload their illegal catch for sale and by working with our counterparts around our region we are making it very difficult for these illegal operators," he said.

The international cooperation is part of a plan of action which aims to reduce illegal, unreported and unregulated fishing in the south east Asian region.

Australia is party to a number of regional fisheries management organisations which maintain lists of suspected and known illegal fishing vessels that have been identified as operating against internationally and regionally agreed standards, and AFMA is a proactive in alerting regional partners to the activities of these illegal vessels.

Goal: Continuously improve the efficiency and cost-effectiveness of fisheries administration

Strategy: Invest in business processes and technologies that match the core needs of AFMA and its stakeholders

During 2011-12 AFMA established electronic monitoring as a business-as-usual function in the gillnet sector of the Southern and Eastern Scalefish and Shark Fishery. This has enabled operators to save money by not having to take an observer.

AFMA has established the infrastructure and processes to support e-monitoring.

AFMA has continued to make improvements to our electronic licensing system "GOFish" which

has increased in use during 2011-12. Electronic logbooks have continued to be available across a range of fisheries.

AFMA drafted a revised fee-for-service policy that will be implemented during 2012-13. The policy will assist fishing concession holders to choose the most cost effective option for a range of services that AFMA delivers.

Intended actions in 2011-12	Achieved (✓ / ✗)	Comment
Continue to implement appropriate and cost effective fisheries management arrangements in Torres Strait fisheries on behalf of the Protected Zone Joint Authority, including development of management plans.	✓	During 2011-12 AFMA made progress towards the development of management plans for the Torres Strait Finfish Fishery and the Torres Strait Tropical Rock Lobster Fishery. A final Finfish Fishery Management Plan has been prepared following extensive community consultation and will be presented to the Protected Zone Joint Authority for decision during late 2012.
Develop a catch sharing policy to apportion shared resources between domestic jurisdictions.	✗	AFMA engaged with state jurisdictions on the management of Snapper. The development of the policy is underway.
Develop and implement a plan to increase the uptake of e-logs, GOFish and e-monitoring in all fisheries.	✓	During 2011-12 AFMA implemented e-monitoring in the Gillnet Hook and Trap sector of the Southern and Eastern Scalefish and Shark Fishery. The AFMA Commission agreed to have e-monitoring in the Eastern Tuna and Billfish Fishery from 1 July 2013. During 2011-12, AFMA developed a fee-for-service policy that will be implemented in 2012-13. This policy provides operators with an incentive to use electronic technology by ensuring that services are charged based on how they used.

Intended actions in 2011-12	Achieved (✓ / ✘)	Comment
Improve the coordination of fisheries management arrangements and processes required under other legislation including environmental.	✓	<p>AFMA instituted high level executive quarterly meetings with the Department of Agriculture, Fisheries and Forestry and the Department of Sustainability, Environment, Water, Population and Communities to improve the coordination of management arrangements and processes amongst the agencies.</p> <p>AFMA will continue to make improvements through these meetings.</p> <p>AFMA participated in meetings of an interdepartmental committee on the implementation of the government response to the independent review of the <i>Environmental Protection and Biodiversity Conservation Act 1999</i>.</p> <p>AFMA continued to meet regularly with the Department of Sustainability, Environment, Water, Population and Communities at officer level to ensure smooth operation of processes required under the <i>Environmental Protection and Biodiversity Conservation Act 1999</i>.</p>

Goal: Develop operational framework for co-management in Commonwealth fisheries

Strategy: Apply lessons from co-management trials to enable industry to enhance their role in the management of commercial fisheries

Co-management in fisheries aims to improve the efficiency and cost-effectiveness of management by building better relationships between government and its primary stakeholders. This involves building trust, respect and understanding between government, industry and other stakeholders.

The roles and responsibilities of stakeholders in the management of fisheries may be increased and in some cases, may involve taking on functions on behalf of the government.

The expertise and knowledge of stakeholders through increased responsibility can improve management and fishery outcomes.

Intended actions in 2011-12	Achieved (✓ / ✘)	Comment
Implement a plan to communicate and apply the benefits of co-management principles to other Commonwealth fisheries.	✘	<p>Co-management trial results have been communicated through the <i>AFMA Update</i> newsletter and other reporting media.</p> <p>AFMA has applied principles established during the co-management project through its engagement with peak fishing industry associations.</p> <p>The co-management project report and communication plan will be finalised and implemented in 2012-13.</p>

Report against services and deliverables

Deliverables and services	2010-11 Predicted	2010-11 Actual	2011-12 Predicted	2011-12 Actual	Comment
Completed research projects including Torres Strait Fisheries ¹ .	minimum of 10	18	minimum of 10	11	Research was undertaken to inform fisheries management decision making processes.
Completed fishery independent surveys.	8	8	8	8	Eight surveys are complete across six fisheries.
Regulate fisheries including Torres Strait fisheries under plans of management.	10	10	12	11	The Torres Strait Finfish Management Plan is expected to be operational during 2013. A Tropical Rock Lobster management plan is under development.
Apply harvest strategies ² .	13	13	11	11	Thirteen harvest strategies have been implemented in 11 fisheries.

Deliverables and services	2010-11	2010-11	2011-12	2011-12	Comment
	Predicted	Actual	Predicted	Actual	
Completed licensing transactions					
Manual completed transactions	2,800	2,259	2,376	1,645	There was a significant increase in electronic transactions through GOFish and a considerable decrease in paper based transactions during 2011-12.
Automated completed transactions	600	1,613	1,333	2,003	
Collect levies	greater than 99%	97.35%	greater than 99%	89.23%	39 Commonwealth concessions were surrendered.
Prosecute illegal foreign fishers	Note ³	25	Note ³	22	All 22 fishers were convicted under the <i>Fisheries Management Act 1991</i> .
Dispose of illegal foreign fishing vessels	Note ³	15 ⁶	Note ³	12	<p>Five vessels were destroyed at AFMA land-based disposal facilities. Of the remaining seven; six were disposed of at sea (three under the <i>Fisheries Management Act 1991</i> and three under the <i>Customs Act 1901</i>) due to <i>force majeure</i> following disembarkation of the crew and one presumed sunk following the crew being rescued.</p> <p>No suspected irregular entry vessels (SIEVs) were disposed of at AFMA land-based disposal facilities.</p>

Deliverables and services	2010-11 Predicted	2010-11 Actual	2011-12 Predicted	2011-12 Actual	Comment
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Administered: Illegal foreign fishing vessel caretaking and disposal

Number of disposal facilities constructed ⁴	2	0	2	0	In May 2012, Biosecurity Australia approved AFMA's methodology for disposing of apprehended illegal foreign fishing vessels at its land-based disposal facilities. As a result, AFMA was not required to construct any additional infrastructure at its disposal sites in Broome, Western Australia and Gove in the Northern Territory.
Forfeited vessels disposed of ⁵	100%	100%	100%	100%	Five vessels were destroyed at AFMA land-based disposal facilities; four at Darwin and one at Gove in the Northern Territory.
Completion of annual domestic risk assessment	N/A	N/A	100%	0%	In September 2011, as a result of a review of the risk assessment program AFMA rephased the risk assessment review cycle period from 12 months to 24 months. As a result no risk assessment was conducted in 2011-12 for the 2012-13 period. The next risk assessment will be conducted in 2012-13 for the 2013-14 period.

¹ Includes only research projects where AFMA administers contracts with the research provider. It does not include research projects administered by other agencies for which AFMA co-invests.

² The reduction in 2010-11 reflects consolidation of four harvest strategies into one and one additional harvest strategy coming into effect.

³ Performance cannot be forecast reliably.

⁴ Proposed construction rephased from 2010-11 to 2011-12.

⁵ Expressed as a proportion of forfeited vessels brought to AFMA-commissioned caretaking and disposal facilities. The actual numbers depend on the number apprehended and brought to the disposal facilities through the Civil Maritime Surveillance and Response Program (Customs and Border Security Program 1.4), and cannot be forecast reliably.

⁶ Includes one vessel that was apprehended in 2009-10.

Electronic logbooks save AFMA and fishers time and money

E-logs allow fishers to submit their catch records and fishing data electronically rather than having to fill out paper logbooks.

Since 2008 AFMA has developed and refined electronic logbook reporting, or e-logs, as an alternative to paper-based reporting of catch and effort data by fishing operators.

AFMA collects information about the location, time, gear and method of fishing as well as the catch amount for each fishing operation.

E-logs allow fishers to send this data to AFMA over the internet or by e-mail, either on return to port or while at sea, in place of paper log sheets.

This method is faster and more efficient, and means that AFMA can reduce its data processing costs.

First introduced in the Northern Prawn Fishery in 2009, the e-logs system is now used by approximately 80 per cent of operators in the fishery. Fishers in the Great Australian Bight

sector of the Southern and Eastern Scalefish and Shark Fishery are also comprehensive users of e-log software. Operators in other fisheries are currently exploring the benefits of e-logs and AFMA is considering incentives to promote further uptake.

This information provided from logbooks assists AFMA to monitor and deduct catch quota from operators' quota holdings and to ensure compliance with fisheries regulations.

Accurate logbook data helps fishery scientists provide AFMA with better information, which in turn leads to better informed catch limits due to reduced uncertainty about the quality of data. Logbook data is also used by AFMA for harvest strategies, ecological risk assessments and monitoring of interactions with threatened, endangered and protected species.



Report against key performance indicators

The Commonwealth Harvest Strategy Policy 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.

AFMA and the Australian Bureau of Agricultural and Resource Economics and Sciences are reviewing and testing harvest strategies to assess their effectiveness at meeting the objectives of the Commonwealth Harvest Strategy Policy over 2009–12.

The effectiveness of AFMA's harvest strategies in meeting the objectives of the Commonwealth Harvest Strategy Policy

Key Performance Indicators	2011-12 Forecast	2011-12 Actual
For economically significant stocks¹		
a) Maximise the number of key commercial stocks with harvest strategy targets based on maximum economic yield or the best available proxy ²	18	18
b) Improve the number of stocks in (a) assessed as being on target	11	11
c) For those stocks in (a) that are assessed as not on target, improve the number that are heading towards their target reference point	7	6

1 The top 32 fish stocks contributing to the gross value of production of Commonwealth fisheries.

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

In addition to AFMA's success in meeting the objectives of the Commonwealth Harvest Strategy Policy, the following indicators:

Key Performance Indicators	2011-12 Forecast	2011-12 Actual	Comment
Minimise the number of fish stocks subject to overfishing ¹	0	3	Six stocks were subject to overfishing (from eight the previous year), three of which were solely AFMA-managed stocks and the other three were jointly managed stocks.
Minimise the number of species assessed as remaining at high risk after mitigation ²	90	69	The groups at high risk from fishing are: <ul style="list-style-type: none"> • sharks/rays 18 • invertebrates 9 • marine reptiles 1 • bony fish 4 • marine mammals 33 (28 whales/dolphins and 5 seals/sea lions)

Key Performance Indicators	2011-12 Forecast	2011-12 Actual	Comment
Maximise the disposal of apprehended foreign illegal unregulated and unreported vessels and suspected illegal entry vessels.	100%	100%	All foreign illegal unregulated and unreported fishing vessels apprehended were disposed of in accordance with agreed government protocols. AFMA received no suspected illegal entry vessels to be disposed of during 2011-12.
Percentage of treatment targets for priority domestic compliance risks met.	90%	87.5%	Five key priority risks were identified during the 2011-12 domestic compliance risk assessment. AFMA established compliance risk management teams for each and intervention treatment measures were applied to minimise the risks associated with; <ul style="list-style-type: none"> • failure to have an operational Vessel Monitoring System fitted. • fishing or navigation in closed areas • failure to reconcile excess of allocated quota within required timeframes • failure to report interaction with protected or prohibited species quota evasion. AFMA met 14 of the 16 treatment objectives associated with the five key priority risks. Activities to monitor and treat quota evasion will continue in 2012-13.

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

2 Ecological Risk Assessments for 30 Commonwealth-managed fisheries and sub-fisheries have been completed covering 1184 species. The number of species estimated at high risk has decreased from that reported in 2009-10 due to the completion of higher level assessments and the application of residual risk guidelines. All species identified as being at high risk are the subject of mitigation measures. Further assessments are scheduled during the reporting period which may identify additional high risk species – because of the use of more precautionary reference points for shark species. Later assessments should reflect the outcome of mitigation measures.



MANAGEMENT AND ACCOUNTABILITY – PART 3

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Our agency

History and establishment

AFMA was established as a statutory authority in February 1992.

The *Fisheries Administration Act 1991* established AFMA to manage Australia's Commonwealth fisheries, mainly by applying 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 fisheries.

Our portfolio department, the Australian Government Department of Agriculture, Fisheries and Forestry retained responsibility for strategic fisheries policy advice and leading international and inter-jurisdictional negotiations.

The AFMA Commission is responsible for domestic fisheries management and the Chief Executive Officer is responsible for foreign compliance and assisting the commission. The Chief Executive Officer is also a commissioner. AFMA is also governed by the *Financial Management and Accountability Act 1997* and the *Public Service Act 1999*.

During 2011-12 our Minister was Senator the Hon. Joe Ludwig, Minister for Agriculture, Fisheries and Forestry.

In addition, the Hon. Dr Mike Kelly AM MP, was the Parliamentary Secretary for Agriculture, Fisheries and Forestry until December 2011. The Hon. Sid Sidebottom MP was the Parliamentary Secretary for Agriculture, Fisheries and Forestry from that date.

Role and functions

Our role is to manage Australia's Commonwealth fisheries on behalf of the Australian community and people with an interest in Commonwealth fisheries.

AFMA manages commercial fisheries from three nautical miles offshore to the boundary of the Australian Fishing Zone. State and territory governments manage fisheries within their borders and inside three nautical miles from shore, except where Offshore Constitutional Settlements exist between AFMA and state governments to rationalise management arrangements for straddling stocks.

The Commonwealth is also responsible for international fisheries matters, including preventing illegal foreign fishing in the Australian Fishing Zone and managing high seas fishing by Australian operators. We have an increasing involvement in managing fish stocks on the high seas. Since ratifying the United Nations Fish Stocks Agreement, Australia has been actively involved in negotiating regional arrangements to manage a range of highly migratory, straddling stocks and international stocks.

We act as a resource manager, making sure we manage our fisheries efficiently and cost effectively in a way that takes into account the impact of fishing activities and encourages ecologically sustainable development. At the same time, we regulate the use of these fisheries with the aim of maximising their economic value. We are accountable to stakeholders and the broader Australian community.

Australia's Commonwealth fisheries are managed in accordance with government 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 community. Costs are recovered on a fishery-by-fishery basis.

AFMA's stakeholders include the commercial fishing industry, researchers, environment/conservation organisations, recreational fishing and Indigenous interests and other government agencies. We have built a co-management approach with our stakeholders, particularly industry, involving them in developing policies and actions and encouraging them to share responsibility for fisheries management. Stakeholders and stakeholder consultation are discussed further on page 45.

In December 2005, the then Minister for Fisheries, Forestry and Conservation issued a formal direction to AFMA to take decisive action to ensure the sustainability of our fish stocks and to secure the Australian fishing industry's future.

The Direction aimed to:

- 1 Cease overfishing and enable the recovery of overfished stocks to a level in the near future that ensures long term sustainability and productivity
- 2 Avoid further species from becoming overfished in the short and long term
- 3 Manage the broader environmental impacts of fishing, including threatened, endangered and protected species.

A full report on AFMA's progress in implementing the Direction is on pages 131-133.

AFMA's objectives

The objectives AFMA must pursue in performing our functions are set out in the *Fisheries Administration Act 1991* and are in essence:

- **efficient and cost-effective fisheries management:**
 - Implement efficient and cost-effective fisheries management arrangements, and
 - Ensure such arrangements and related activities implement Australia's obligations under relevant international agreements.
- **ecologically sustainable development:** Ensure fishing and related activity is consistent with the principles of ecologically sustainable development, including exercise of the precautionary principle, with regard to the long term sustainability of the marine environment.
- **maximise net economic returns:** Maximise net economic returns to the Australian community from the management of Australian fisheries.
- **accountability:** Ensure accountability to the fishing industry and to the Australian community in AFMA's management of fisheries resources.
- **cost recovery:** Achieve government targets in relation to recovery of AFMA's costs.

Our values

AFMA underpins its service, partnerships and accountability to stakeholders by adhering to the principles of public sector governance:

- accountability
- transparency/openness
- integrity
- stewardship
- leadership
- efficiency

As part of the Australian Public Service (APS), AFMA and its staff are guided by the APS Values and Code of Conduct.

Organisational structure

Table 3 - Organisational structure

Minister for Agriculture Fisheries and Forestry		Parliamentary Secretary for Agriculture Fisheries and Forestry	
AFMA Commission			
Dr James Findlay, Chief Executive Officer			
Fisheries Management Branch		Fisheries Operations Branch	
Dr Nick Rayns Executive Manager		Mr Peter Venslovas General Manager	
Senior Manager Demersal & Midwater Trawl Fisheries		Senior Manager National Compliance Strategy (Canberra)	
Senior Manager Tuna & International Fisheries		Senior Manager Foreign Compliance Policy	
Senior Manager Northern Fisheries and Co-management		Senior Manager Compliance Operations (Darwin)	
Senior Manager Service One		Senior Manager Compliance Operations (Canberra)	
Senior Manager Economics, Environment, Research and Policy			
		Mr John Bridge General Manager	
		Chief Finance Officer Finance	
		Executive Secretary Executive Secretariat and Communications	
		Senior Manager Human Resources	
		Senior Manager Enterprise Risk	
		Senior Manager Legal Services	
		Senior Manager IT Operations	
		Senior Manager IT Applications	

AFMA has offices at three locations - Canberra, Darwin and Thursday Island.

The largest of these is the Canberra office, employing 142 people and managing most of AFMA's functions including fisheries management, licensing, environment and research, national compliance operations, foreign compliance policy, and corporate governance.

The Darwin office employs 35 staff, with a focus on AFMA's foreign compliance and international engagement functions.

The Thursday Island office manages the Torres Strait fisheries and employs 6 staff. We also employed 22 casual field observers.

AFMA office locations

Canberra office

Street address	Postal address	Enquiries
Level 6 73 Northbourne Ave 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, NT House 22 Mitchell 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

Corporate governance practices

Governing body

As provided in the *Fisheries Administration Act 1991*, AFMA is established to manage Commonwealth fisheries. AFMA is a body corporate which can sue and be sued, however it cannot hold money and all financial liabilities are taken to be liabilities of the Commonwealth.

AFMA's domestic fisheries management functions and powers are the responsibility of the Commission. The Chief Executive Officer is responsible for assisting the Commission, including giving effect to its decisions.

The Chief Executive Officer is separately responsible for exercising AFMA's foreign compliance functions and powers, and the Chief Executive's responsibilities under the *Financial Management and Accountability Act 1997* and *Public Service Act 1999*. The Chief Executive Officer and staff constitute a Statutory Agency under the *Public Service Act 1999*.

The minister appoints the chair, part-time commissioners and the chief executive officer. Following advice from the chair, the minister appoints a part-time commissioner as deputy chair.

The Commission is subject to limited government policy direction as stated in the *Fisheries Administration Act 1991* section 91. The minister is the approving authority for AFMA's corporate plan, annual operational plan and all fishery management plans determined by AFMA.

The Chief Executive Officer is subject to ministerial direction with regard to AFMA'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 and senior management committees, see Appendix 3 on page 134-138.

Conflicts of interest

Commissioners cannot hold an executive position in a fishing industry association or a fishing concession granted under AFMA legislation or an executive position in a body corporate that holds a fishing concession, licence or permit or the majority of the voting share in a company that holds a fishing concession.

Commissioners must disclose to the minister any financial or other interest that may relate to their AFMA functions, both prior to appointment and whenever such interests arise during their terms of office. Disclosures of interests are kept on a register of interests held by the Commission, and a commissioner must not take part in any deliberation or decision in which he/she has such an interest.

Performance review

The Commission reviews its performance at every meeting. Issues reviewed may include its success in pursuing AFMA's objectives; strategic direction; committee effectiveness; procedural matters including meeting frequency and detail, conduct of meetings, protocol and clarity of roles; and individual performance including attendance, contribution and knowledge of briefs. The Commission also holds a public meeting annually in different port areas.

Internal scrutiny

Risk management

AFMA's corporate risk management has been in place in its present form since 2008 and its processes are embedded in agency planning, project management and fraud control. The risk management framework and corporate risk register are reviewed twice annually, with the last review conducted in February 2012.

Changes to risk registers are communicated through the Risk Management Committee and updated registers are ratified by the Executive as part of the six-monthly review. The risk management process is monitored by the Audit

and Risk Committee, while AFMA Commission meetings have a standing agenda item to consider significant and current risks that potentially affect AFMA operations or reputation.

Business continuity

The AFMA Business Continuity Management Plan identifies essential business activities and provides alternate arrangements in the event of unexpected disruption to normal service delivery. The plan allows the priority allocation of resources to critical business processes to ensure that AFMA continues to function effectively following a disaster. In doing this it incorporates cyclone response procedures for the Darwin and Thursday Island offices, information and communications technology disaster recovery and the AFMA pandemic plan.

The Business Continuity Management Plan was implemented in May 2010 and is updated annually to take account of organisational and functional changes. The AFMA Audit and Risk Committee monitors the production, maintenance and testing of the plan.

Fraud control

During 2011-12 AFMA detected and investigated 151 external fraud related matters primarily associated with breaches of the domestic quota management arrangements and unauthorised fishing in the Australian Fishing Zone.

In addition AFMA carried over a further 15 fraud related matters from the previous year. Of the 151 fraud matters investigated AFMA finalised 131 as a result of instituting either administrative or prosecution action. Twenty matters are still in the process of being finalised.

There were no reported external fraud issues associated with AFMA contractors or internal fraud matters detected during 2011-12.

In accordance with the Commonwealth Fraud Control Guidelines 2011, AFMA produced the Fraud Control Plan 2012-14 in 2012. This plan incorporates information relating to AFMA's approach to fraud control, the updated fraud risk assessment and strategies for fraud minimisation arising from the risk treatment recommendations.

Audit and Risk Committee

The Audit and Risk Committee was established under the *Financial Management and Accountability Act 1997* by the Chief Executive Officer. The purpose of

the committee is to provide independent assurance and assistance to the Chief Executive Officer and the Commission (where relevant) on AFMA's risk, control and compliance framework, and its external accountability responsibilities.

For further information on the Audit and Risk Committee see page 136.

External scrutiny

In May 2011, the Australian National Audit office commenced a follow-up audit of AFMA's Domestic Fishing Compliance Program. The objective of the audit is to assess the effectiveness of the Domestic Fishing Compliance Program. The final report is expected to be tabled in parliament in February 2013.

There were no reports made to the Attorney General or Parliamentary Committee in relation to AFMA, however one complaint was made to the Commonwealth Ombudsman and has since been resolved.

In relation to external scrutiny involving judicial tribunals and decisions of administrative tribunals please refer to Appendix 1: Civil litigation outcomes on page 130.

Purchasing and asset management

Purchasing

Purchasing is conducted by each branch in accordance with our Chief Executive Instructions on procurement, having specific regard for the AFMA Procurement Guidelines which complement the Commonwealth Procurement Guidelines.

The AFMA Procurement Guidelines set out two major thresholds:

- Major procurements over \$80 000 in value must be undertaken through a request for tender unless there is a specific exemption
- Procurements under \$80 000 must be undertaken in accordance with the minimum quotation and documentation rules set out in the guidelines as they apply to the value and risk of a proposed procurement.

In some cases, major procurements were undertaken through panel arrangements established by other agencies where the contractual provisions allowed. Major procurements undertaken during the year included calls for

research proposals, illegal foreign fishing related arrangements, and data service provisions.

AFMA has revised its guidelines to comply with the new Commonwealth Procurement Rules which came into effect on 1 July 2012.

Asset management

AFMA manages its assets in accordance with the relevant *Financial Management and Accountability Act* requirements, accounting standards and Chief Executive Instructions.

Departmental assets of \$24.0m include cash, receivables, land, buildings, property plant and equipment, intangibles and other assets. Administered assets of \$1.1m include vessel disposal facilities and receivables.

An asset register is maintained in our Financial Management Information System for all software and equipment valued at more than \$2000, or where the equipment is of material balance as a group (for example, computer equipment).

Contracts

During the financial year, we entered into contracts with a range of suppliers for the provision of goods and services. These contracts are reported in accordance with government policy:

- all contracts over \$10 000 are listed on our internal contracts register
- all contracts over \$10 000 are reported on the Austender website
- all contracts over \$100 000 are listed on our website twice a year

During the year, we entered into 34 consultancy contracts valued at \$3.1m where specialised or professional skills were not available internally or where we identified a need for independent research or assessment.

Further information on consultancy contracts is available on the Austender website <https://www.tenders.gov.au/?event=public.CN.search>.

Advertising and market research

During the financial year we spent \$7000 on advertising. Most of this expenditure related to recruitment, fishery notices and media monitoring. There were no individual payments over \$2338.

Discretionary grants

AFMA does not administer discretionary grants.

Corporate and operational planning and review

AFMA's planning and reporting framework consists of obligations under the *Fisheries Administration Act 1991*, whole-of-government requirements, and internal documents we produce for the purpose of good governance.

The key elements are:

Corporate plan

This plan identifies factors in AFMA's operating environment that may affect AFMA's operations, and sets out AFMA's principal goals for the next three, four or five years. The plan also outlines the strategies AFMA will use to pursue those goals and key performance indicators for measuring our performance. We have reported against the goals and strategies identified in our *Corporate Plan 2011-16* on pages 11 to 24.

Annual operational plan

The annual operational plan covers 12 months and gives detail to the strategies identified in the relevant corporate plan. We have reported against the key performance indicators described in our *Annual Operational Plan 2011-12* on pages 12 to 24.

Portfolio budget statements

AFMA contributes to the Department of Agriculture, Fisheries and Forestry portfolio statements. The purpose of the portfolio budget statements is to inform Senators and Members of Parliament of the proposed allocation of resources to government outcomes. Within this document, AFMA sets out its broad strategic direction, budget estimates against specific outputs and key performance indicators.

Internal reporting

Each quarter, AFMA reports to its Chief Executive Officer and Commission against the key result areas, strategies and key performance indicators identified in its corporate and annual operational plans. This ensures that progress is on track and simplifies the process of annual reporting.

Annual report

The annual report provides information on AFMA's operations and performance, including reporting against the measures set out in the corporate plan, annual operational plan and portfolio budget statements.

People Management

Our staff

At 30 June 2012, AFMA employed 205 staff (177 ongoing and 28 non-ongoing). The majority of staff were located in the Canberra office, with 35 staff located in the Darwin office, 6 on Thursday Island, and 22 casual field observers undertaking duties on commercial fishing vessels around Australia. The total of 205 also included 8 employees on long-term leave or on temporary transfer to other APS agencies.

AFMA's employment profile has not changed significantly from 2010-11. The proportion of part-time staff has decreased slightly to 12.8 per cent in 2011-12 from 13.7 per cent in 2010-11.

The proportion of females has slightly reduced from 35 per cent in 2010-11 to 30 per cent in 2011-12. However the percentage of women at EL1-2 levels declined from 29.5 per cent in 2010-11 to 15 per cent in 2011-12.

In 2011-12 there were seven staff who were born overseas and whose first language spoken was a language other than English. The number of staff where both parents came from a non-English speaking background was twelve. The number of Aboriginal and Torres Strait Islander staff members was three down from six in the previous year. We had four employees who identified as having a disability slightly down from six 2010-2011.

Table 4: Equal opportunity profile of AFMA staff as at 30 June 2012

Level	NESB1	NESB2	People with disability	Aboriginal and Torres Strait Islander	Women	Men	Total staff at level
APS 2-4	2	4	3	2	26	45	71
APS 5-6	5	6	0	1	26	50	76
EL1	0	2	0	0	9	30	39
EL2	0	0	1	0	6	9	15
SES	0	0	0	0	0	4	4
Total	7	12	4	3	67	138	205

NESB1: Non-English Speaking Background (NESB1)—is based on an employee's who were born overseas whose First Language spoken was Language other than English

NESB2: Persons where both parents came from a non-English speaking background

Correction to the Equal Opportunity Profile figures provided on page 56 in the 2010-11 Annual Report.

The figure recorded for NESB1 included all employees born overseas. This NESB1 figure should only include employees born overseas whose first language was a language other than English. The correct figure is 9. Due to a reporting error the figure recorded for NESB2 was reported as 30. The actual figure was 11.

Table 5: Ongoing staff employed by location, gender and employment status as at 30 June 2012

Level	Location	Female		Male		Total staff at level
		Part time	Full time	Part time	Full time	
APS 1-2	Canberra	4	0	0	1	5
	Darwin	2	0	0	0	2
	Thursday Island	0	0	0	0	0
APS 3-4	Canberra	6	9	0	13	28
	Darwin	0	2	0	9	11
	Thursday Island	0	0	0	0	0
APS 5-6	Canberra	6	17	2	31	56
	Darwin	0	2	0	15	17
	Thursday Island	0	0	0	1	1
EL1	Canberra	1	6	2	23	32
	Darwin	0	1	0	3	4
	Thursday Island	0	1	0	1	2
EL2	Canberra	3	3	0	9	15
	Darwin	0	0	0	0	0
	Thursday Island	0	0	0	0	0
SES	Canberra	0	0	0	3	3
	Darwin	0	0	0	1	1
	Thursday Island	0	0	0	0	0
Total		22	41	4	110	177

* This figure includes staff on long-term leave staff on temporary transfer to other Australian Public Service agencies.



Table 6: Non-ongoing staff employed by location, gender and employment status as at 30 June 2012

Level	Location	Female		Male		Total staff at level
		Part time	Full time	Part time	Full time	
APS 1-2	Canberra	1	1	18	0	20
	Darwin	0	0	0	0	0
	Thursday Island	0	1	0	0	1
APS 3-4	Canberra	0	0	3	1	4
	Darwin	0	0	0	0	0
	Thursday Island	0	0	0	0	0
APS 5-6	Canberra	0	0	0	1	1
	Darwin	0	1	0	0	1
	Thursday Island	0	0	0	0	0
EL1	Canberra	0	0	0	1	1
	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		1	3	21	3	28

*These figures include 21 observers who are engaged as intermittent/irregular (casual) employees.

Our human resource management

AFMA's Enterprise Agreement 2011 commenced on 7 November 2011 and has a nominal end date of 30 June 2014. The agreement provides improvements in conditions for staff and is offset against a number of efficiencies. This agreement was negotiated in good faith and consistent with the government's direction through the APS Bargaining Framework. The agreement includes a nine per cent salary increase over three years and additional improvements to terms and conditions for employees. The additional improvements included paid leave for NAIDOC purposes, increase

in the at sea allowance for observers, inclusion of paid community service leave for emergency service volunteers, changes to adoption and foster care leave provisions, changes to bereavement/compassionate provisions and increase in overtime arrangements for employees on restricted duty.

A new Workplace Consultative Committee has been established to promote discussion and interaction between management and staff in relation to employment terms and conditions.

In May 2011, we conducted a staff survey to gather staff opinions about its work culture, management, systems and processes. Some of

the key issues identified in the survey included the health and wellbeing of staff, fairness in staff selection and promotion, timely recruitment, managing underperformance and recognising good performance.

Since 2009 AFMA has had a People's Initiatives Committee as a forum for staff to provide feedback to the AFMA Executive and identify initiatives that assist in the running of the organisation. The People's Initiatives Committee undertook a range of activities during 2011-12 including reviewing and monitoring responses to the staff survey.

During 2011-12, we implemented some key programs and processes to address these areas which included the implementation of a 45 day rule for all recruitment processes to be finalised and training for all Executive Level 1 and Executive Level 2 staff in selection panel processes and continued a focus on health and wellbeing program including health seminars, vaccinations and annual health checks.

A new Performance Recognition Scheme was also introduced, with an additional focus on managing underperformance and promotion of a rewards and recognition program to help recognise good performance.

During 2011-12 we implemented an enhancement to E-Recruitment (our online job application system). The new interview scheduler streamlines the process for scheduling interviews via an online booking system.

A new Performance Development Scheme was implemented on 1 July 2011. The new scheme was designed after extensive staff consultation through focus groups at several stages of the process. The new scheme has provided a greater focus on linking learning and development to individual needs, and on regular feedback and improvement advice.

We implemented an online training program for staff, with the inaugural online training to raise staff awareness about information security.

In the Canberra office staff were relocated across three floors rather than the previous four floors. A relocation working group was established with representatives from areas impacted by the move. The group ensured regular and ongoing

communication and consultation with staff and management to address the issues faced with the move. The accommodation move was completed on 1 February 2012.

Our high performing staff members were acknowledged through a number of rewards and recognition programs throughout the year. Each year AFMA offers staff the opportunity to nominate for a Development Award. The award recognises and rewards performance on the part of the individual whilst at the same time providing an opportunity for personal development that will ultimately benefit both the individual and AFMA. The annual achievement awards were presented in December to the team/s and individual/s who had made a significant contribution to AFMA during the year.

In 2011 the individual outstanding achievement award went to Glen Salmon, Manager National Compliance Operations for his commitment to achieving sustainable fisheries management both within and outside the Australian Fishing Zone.

The team outstanding achievement award was presented to members of staff responsible for the implementation of JADE, a case management and intelligence system that has significantly improved AFMA's ability to accurately manage investigations and track and manage up to date intelligence information from the field.

AFMA conducted an internal audit review by Oakton Accounting and Assurance and we are using these recommendations in conjunction with Australian Public Service Workforce Planning guidance to ensure we have a coherent, enterprise-wide workforce planning framework in place, and that the workforce planning process will assist AFMA in meeting its business objectives.

The staff turnover rate for AFMA is similar to other small agencies of comparable size. In 2011-12, 40 staff left AFMA; 42.5 per cent to another APS agency; 12.5 per cent to the private sector; and 20 per cent to state, territory or other non-APS Commonwealth government agencies. The remaining 25 per cent retired or left for personal or other reasons.

Our terms and conditions of employment

The conditions of employment for all AFMA staff, except senior executives, are covered by AFMA's Enterprise Agreement 2011 and associated policies. Senior executive salaries are determined through individual agreements.

Under the new enterprise agreement, staff may make an individual flexibility agreement with the agency head to vary the effect of terms of the agreement if the arrangement deals with one or more of the following matters: arrangements about when work is performed; overtime rates; penalty rates; allowances; remuneration; and/or leave and the arrangement meets the genuine needs of the agency and employee.

AFMA made 14 Individual Flexibility Agreements during 2011-12. The details of the agreements made since the new enterprise came into effect are shown in table 7.

Table 7: Individual Flexibility Agreements 2011-12

Classification	Number
APS 1-2	1
APS 3-4	3
APS 5-6	5
EL1-2	5

AFMA made eight individual determinations under section 24(1) of the *Public Service Act 1999*. These determinations were in relation to SES employment.

Remuneration

AFMA's salary ranges are contained in AFMA's Enterprise Agreement 2011. The salary minimum and maximum amounts at each classification as at 30 June 2012 are shown in table 8.

Table 8: Enterprise agreement salary ranges as at 30 June 2012

Classification	Minimum	Maximum
APS 1	\$35 656	\$45 506
APS 2	\$48 788	\$52 074
APS 3	\$53 403	\$58 039
APS 4	\$60 356	\$64 531
APS 5	\$66 517	\$70 451
APS 6	\$74 382	\$82 254
EL1	\$91 501	\$101 698
EL2	\$107 350	\$125 153

In accordance with AFMA's Enterprise Agreement, the Agency Head may approve additional salary of up to 20 per cent.

Eleven staff members received performance bonuses averaging \$3685.29. These bonuses were paid in July 2011 and related to performance during 2010-11. AFMA no longer has performance bonuses.

AFMA's salary ranges for senior executive staff are contained in AFMA's Executive Remuneration Policy. The salary amounts as at 30 June 2012 are shown in table 9.

Table 9: AFMA Senior Executive Remuneration Policy salary ranges as at 30 June 2012

Classification	Minimum	Maximum
SES Band 1	\$152,967	\$173,213
SES Band 2	\$193,828	\$214,883



AFMA settles on a new enterprise agreement

During 2011-12, AFMA successfully negotiated and passed a new enterprise agreement with a majority of staff voting yes to the agreement at the first vote.

The Enterprise Agreement 2011 came into effect on 7 November 2011 after intensive negotiations from late April through to September. The agreement will continue through to mid-2014.

The negotiating format differed from previous years. The Australian Public Service Commission imposed guidelines as the first step in a long-term process to bring all Commonwealth agencies under a standard set of employment conditions.

The Community and Public Sector Union was an integral part of the bargaining process. Employees could also select any person to represent them and a number of staff members joined the bargaining table representing themselves and/or other employees.

Overall negotiations were very positive and the resulting agreement provides a set of employment conditions that not only fit with the whole-of-government framework but also complement AFMA's culture.

Some of the changes include paid leave for National Aborigines and Islanders Day Observance Committee (NAIDOC) purposes, increase in the at-sea allowance for observers, inclusion of paid community service leave for emergency service volunteers, changes to adoption and foster care leave provisions, changes to bereavement/compassionate provisions and increase in overtime arrangements for employees on restricted duty.

The agreement also provides pay increases of nine per cent over the three years.

Where additional benefits were offered, the agency identified cost savings elsewhere to offset the additional costs.

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 a bonus amount after a performance assessment by the Chief Executive Officer. This component was rolled into salary effective 1 July 2011. In addition to the salary ranges above, and as part of their total remuneration package, senior executive officers are also eligible to access additional 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 are 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 generally make use of any non-salary benefits in 2011-12.

Training and development

AFMA is highly committed to providing opportunities for staff development to ensure we have a capable workforce, and to encourage continuous learning. In 2011-12 we had a particular focus on training in the following areas:

- Leadership and management
- Policy and ministerial writing
- Sea safety training
- First Aid and fire warden training
- Using Microsoft Excel – introductory to advanced
- Selection panel training
- Providing feedback
- Workstation assessment training
- Respect and courtesy in the workplace
- Project management
- Applying for promotion

Training needs are identified by annual performance capability plans which identify essential and desirable training for each staff member. The needs identified in the plans are compiled to assess agency training requirements.

Individuals can also self-nominate or be nominated by a manager for any specific training. This system has worked well for AFMA in determining training priorities and ensuring individuals are given opportunities they require for their roles and responsibilities and for self-development.

AFMA also offers a studies assistance program to staff wanting to pursue formal recognised qualifications. Assistance can be in the form of funding and/or study leave. In 2011-12, 14 staff members were granted studies assistance for studies in various areas including fisheries policy, law, marine science, public administration, project management and public policy.



Students from Tagai College learn about fisheries careers on 'Careers Day' on Thursday Island with AFMA Senior Management Officer Adam Leatherbarrow.

Work health and safety performance

For details on AFMA's work health and safety performance see Appendix 6.

Ethical standards

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

- APS Code of Conduct
- APS Values
- AFMA Code of Conduct
- Respect: ensuring a positive workplace culture free from bullying and harassment.

Stakeholder satisfaction

Our stakeholders

When developing and implementing fisheries management arrangements, AFMA works in partnership with key stakeholders including Indigenous interests, commercial fishing operators and associations, charter fishing, researchers, recreational and environment/conservation organisations and where appropriate, others who have an interest in how Australia's Commonwealth fisheries are managed.

AFMA engages with stakeholder groups through a variety of avenues, including management advisory committees, liaison officers, port visits, newsletters, AFMA Update and direct mail across all major Commonwealth fisheries. These mechanisms provide an important advisory function and maintain an open dialogue between AFMA and those with an interest in the management of the fisheries.

As part of the multi-agency Border Protection Command, we provide specialist fisheries advice to the maritime security community and are on-call 24 hours a day, 365 days a year.

The Border Protection Command delivers an integrated approach to Australia's maritime security threats and a key part of its success is the progress made by a number of Australian Government agencies in working with countries to develop their capacity in maritime security.

With these agencies, AFMA is building strategic partnerships with countries to exchange information, provide training support and facilitate officer exchange programs that enhance our region's capacity to maximise fisheries resources sustainably.

Communication channels

The *Fisheries Management Act 1991* contains specific provisions on the communication and consultation processes and channels for communicating information about regulation. This is particularly important when management plans for the different fisheries under the control of the Commonwealth are being developed or amended by AFMA.

AFMA communicates formally in writing with all Commonwealth fishing concession holders regarding regulation of their access to Commonwealth fisheries.

In addition to statutory processes, AFMA consults extensively with stakeholders on management decisions. The main point of contact with stakeholders is through management advisory committees for each of the major fisheries. For further information on management advisory committees see pages 139-141.

Stakeholders are regularly updated about changes to regulations, Commission decisions and other changes via the AFMA website, and through our fortnightly newsletter AFMA Update which is sent directly to subscribers and also made available on the website.

AFMA also conveys information about regulation at port visits and public meetings. Open port meetings are a regular occurrence in fisheries and are always held to discuss proposed new management plans.

AFMA also has the ability to use Integrated Computer Vessel Monitoring Systems (ICVMS), a satellite based system, to communicate with fishing vessels via text message and email anywhere in the world.

Management advisory committees

AFMA's management advisory committees are established under the *Fisheries Administration*

Act 1991 to assist AFMA in the management of its fisheries.

They comprise a chair, an AFMA fisheries manager, up to seven other members and, in some instances, additional invited participants.

Members generally have experience as commercial fishers, processors, environmentalists, marine researchers, recreational fishers, charter boat operators and representatives from relevant state and Australian Government agencies.

The committees that operated throughout 2011-12 are as follows:

- Tropical Tuna Management Advisory Committee (TTMAC)
- Great Australian Bight Management Advisory Committee (GABMAC)
- Northern Prawn Fishery Management Advisory Committee (NORMAC)
- Southern Bluefin Tuna Management Advisory Committee (SBTMAC)
- Bass Strait Central Zone Scallop Management Advisory Committee (ScallopMAC)
- South East Management Advisory Committee (SEMAC)
- Sub-Antarctic Management Advisory Committee (SouthMAC)

AFMA will work closely with the Great Australian Bight Management Advisory Committee and the South East Management Advisory Committee on transitioning these two management advisory committees to a single management advisory committee by 1 July 2013.

For information on specific management advisory committees, their memberships and meetings held during 2011-12, see appendix 4.

Client service charter

AFMA's Client Service Charter sets out the services and standards that all clients or stakeholders can expect from AFMA. It applies to all of AFMA's fisheries administration and corporate services, including our licensing function. The Client Service

Charter is available on AFMA's website at www.afma.gov.au.

We have performed well against the customer service standards in our Client Service Charter this year. We are continuing to streamline processes to improve our customer service. In the 2011-12 financial year, GOFish, AFMA's electronic licensing system, has assisted in improving the timeliness of responses for licensing transactions. GOFish allows concession holders to lease transfer concessions and nominate a selected boat without the assistance of AFMA licensing staff.

Around 69 per cent of fishing concession holders used GOFish during 2011-12. AFMA is aiming for a target of 80 per cent. We will be implementing a range of strategies in 2012-13 to increase the use of GOFish, including introducing a fee-for-service policy, which will allow concession holders to pay for the service they use.

Of the licensing transactions completed manually, 97 per cent were within the timeframes provided in the client service charter. This figure relates to manual transactions submitted by concession holders and responses to correspondence and information requests.

AFMA used MinCor4, an internal executive and ministerial correspondence tracking system, for the tracking of all key correspondence received by AFMA.

During 2011-12 a complaint to the Commonwealth Ombudsman was resolved.



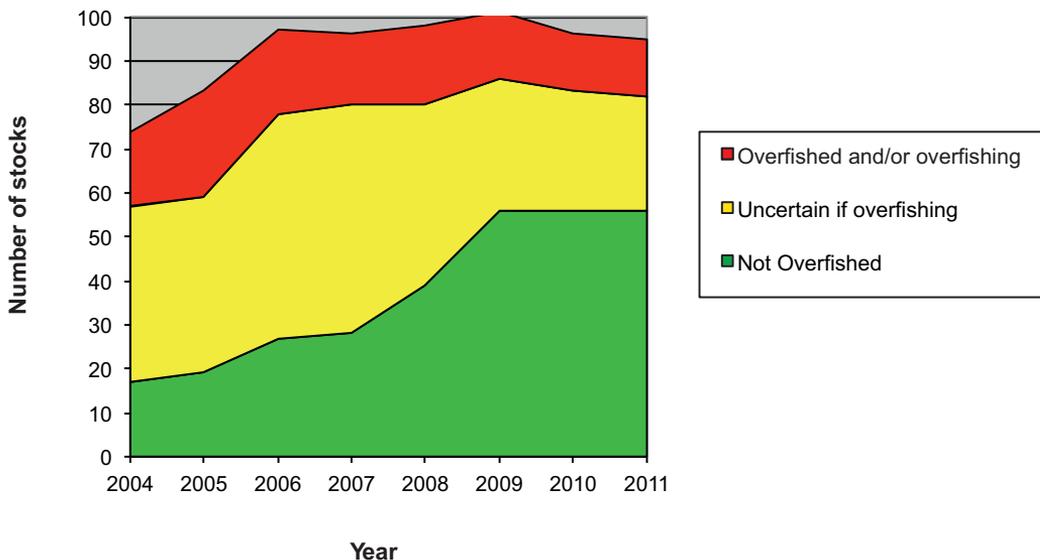
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Figure 1: Map of Commonwealth fisheries



Figure 2: Fish stocks status (source: ABARES Status Reports 2011)





Quick reference guide to domestic fisheries performance in 2011-12

- ✓ Performance target met or exceeded for 2011-12
- ✔ Performance target partially met for 2011-12
- ✗ Performance target not met for 2011-12

Fishery	Fisheries management		Science based decision making				Research and information	
	Effectiveness of management arrangements	Management plan	Bycatch action plan	Harvest strategy	Ecological risk assessment	Strategic assessment	Strategic research plan	Data acquisition plan
Bass Strait Central Zone Scallop Fishery	✓	✓	✓	✓	✓	✓	✓	✓
Coral Sea Fishery	✓	n/a	✓	✓	✔	✔	✔	✔
Eastern Tuna and Billfish Fishery	✓	✓	✓	✓	✓	✓	✓	✓
Heard Island and McDonald Islands Fishery	✓	✓	n/a	✓	✓	✓	✓	✓
Macquarie Island Toothfish Fishery	✓	✓	n/a	✓	✓	✓	✓	✓
Norfolk Island Fisheries	✓	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Northern Prawn Fishery	✓	✓	✓	✓	✓	✓	✓	✓
North West Slope Trawl Fishery	✓	n/a	✓	✓	✓	✓	n/a	✓
Skipjack Tuna Fishery	✓	n/a	n/a	✓	✓	✓	n/a	n/a
Small Pelagic Fishery	✓	✓	✓	✓	✓	✓	✓	✓
Southern Bluefin Tuna Fishery	✓	✓	✓	n/a	✓	✓	✓	✓
Southern and Eastern Scafish and Shark Fishery	✓	✓	✓	✓	✔	✓	✓	✓
Southern Squid Jig Fishery	✓	✓	✓	✓	✓	✓	✔	✓
Western Deepwater Trawl Fishery	✓	n/a	✓	✓	✓	✓	n/a	✓
Western Tuna and Billfish Fishery	✓	✓	✓	n/a	✓	✓	✓	✓

Stock status of target species

■ No overfishing/not overfished
 ■ Uncertain
 ■ Overfishing/overfished

(Australian Bureau of Agricultural and Resource Economics and Sciences *Fishery Status Report 2011*)

Fishery	Overfishing	Overfished	Stock status of target species
Bass Strait Central Zone Scallop Fishery			Commercial Scallop.
Coral Sea Fishery			Other sea cucumber species (11 species), demersal and mid-water fish and crustaceans (Trawl and Trap Sector), Black Teatfish, Surf Redfish.
			Prickly Redfish, White Teatfish, and mixed reef fish (Line and Trap Sector). <i>See AFMA Footnote 1</i>
			Aquarium species, Tropical Rock Lobster and Trochus.
Eastern Tuna and Billfish Fishery			Swordfish, Albacore Tuna, Yellowfin Tuna. <i>See AFMA Footnote 2</i>
			Striped Marlin. <i>See AFMA Footnote 2</i>
			Bigeye Tuna. <i>See AFMA Footnote 2</i>
Heard Island and McDonald Islands Fishery			Mackerel Icefish, Patagonian Toothfish. <i>See AFMA Footnote 2</i>
Macquarie Island Toothfish Fishery			Patagonian Toothfish. <i>See AFMA Footnote 2</i>
Norfolk Island Fisheries			Not assessed.
Northern Prawn Fishery			White Banana Prawn, Red Legged Banana Prawn, Brown Tiger Prawn, Grooved Tiger Prawn, Blue Endeavour Prawn.
			Red Endeavour Prawn.
North West Slope Trawl Fishery			Scampi (3 species).
Skipjack Tuna Fishery			Skipjack Tuna, Pacific Ocean and Skipjack Tuna, Indian Ocean. <i>See AFMA Footnote 2</i>
Small Pelagic Fishery			Australian Sardine, Blue Mackerel (east), Blue Mackerel (west), Jack Mackerel (east; 2 species); Jack Mackerel (west; 2 species) and Redbait (east).
			Redbait (west).
Southern Bluefin Tuna Fishery			Southern Bluefin Tuna. <i>See AFMA Footnote 2</i>

Fishery	Overfishing	Overfished	Stock status of target species
Southern and Eastern Scalefish and Shark Fishery	Green	Green	Blue Eye Trevalla, Blue Grenadier, Eastern School Whiting, Flathead (5 species), John Dory, Mirror Dory, Orange Roughy (Cascade Plateau), Oreo Dory – Smooth (Cascade Plateau), Oreo Dory – Smooth (non Cascade Plateau), Oreo Dory – other (4 species), Royal Red Prawn, Silver Trevally, Silver Warehou, Alfonsino, Bight Redfish, Deepwater Flathead, Elephant Fish, Gummy Shark, Ocean Jacket (eastern), Ocean Jacket (western), Gemfish (western) and Jackass Morwong.
	Yellow	Red	Blue Warehou .
	Green	Red	Orange Roughy (eastern zone), Orange Roughy (southern zone), Orange Roughy (western zone) and Orange Rough (South Tasman Rise Fishery). See AFMA Footnote 3
	Red	Red	Gulper Sharks (3 species), School Shark and Gemfish (eastern).
	Yellow	Yellow	Ribaldo, Sawshark, Ocean Perch (2 species) and Pink Ling.
	Green	Yellow	Orange Roughy (Great Australian Bight Trawl Sector), Deepwater Sharks (western; 18 species), Deepwater Sharks (eastern; 18 species) and Redfish (eastern).
Southern Squid Jig Fishery	Green	Green	Gould's Squid.
Western Deepwater Trawl Fishery	Green	Yellow	Bugs, Orange Roughy and Ruby Snapper.
Western Tuna and Billfish Fishery	Yellow	Yellow	Striped Marlin and Longtail Tuna. See AFMA Footnote 2
	Green	Green	Yellowfin Tuna, Swordfish and Bigeye Tuna. See AFMA Footnote 2
	Red	Green	Albacore Tuna. See AFMA Footnote 2

AFMA Footnote 1: Historically, low levels of effort in this fishery have precluded investment in data collection and research.

AFMA Footnote 2: Species in this fishery are not the sole responsibility of AFMA, they are subject to international agreements managed through a Regional Fisheries Management Organisation (RFMO).

AFMA Footnote 3: The South Tasman Rise Fishery is subject to an international agreement with New Zealand and continues to be closed to fishing. The last analysis of catches by CSIRO was conducted in 2003.

All Australia's Antarctic fisheries now sustainably certified



The view from a fishing vessel operating in the sub-Antarctic region. Marine Stewardship Council Certification has now been given to all target species in Australia's sub-Antarctic fisheries.

Heard Island and McDonald Islands and Macquarie Island toothfish fisheries have been certified as sustainable by the Marine Stewardship Council in an independent assessment against rigorous standards, marking a significant achievement for Australia's sub-Antarctic fisheries.

All target species in Australia's sub-Antarctic fisheries have now received Marine Stewardship Council certification as sustainable and well-managed fisheries after the 2006 certification of Mackerel Icefish in the Heard Island and McDonald Islands Fishery.

The Marine Stewardship Council assessments show that fish stocks are healthy, that fishing practices are having a minimal impact on the marine ecosystem and that overall the fishery is well-managed.

The Australian Fisheries Management Authority are responsible for the management of Australia's Antarctic fisheries and work closely with the fishing industry to develop sustainable management arrangements.

AFMA CEO Dr James Findlay congratulated the industry members on their achievement.

"This is a significant accomplishment as the MSC process is a rigorous one and the operators

involved have put significant work into achieving accreditation", Dr Findlay said.

"The certification also recognises the best practice management arrangements the authority and industry have in place in these fisheries."

Management of Australia's sub-Antarctic fisheries involves a close collaboration with industry, environmental groups and other government agencies, particularly the Australian Antarctic Division and CSIRO.

The Macquarie Island environment is unique and Australian management of fishing in this area is world-leading. Each vessel fishing off Macquarie Island carries two scientific observers to collect data and ensure fishing operations do not damage the environment.

The Department of Sustainability, Environment, Water, Population and Communities has given both fisheries the highest accreditation under the Environment Protection and Biodiversity Conservation Act.

All product from these fisheries can now be marketed using the Marine Stewardship Council 'blue tick' logo.

Antarctic fisheries

Major species:

- Patagonian Toothfish
- Mackerel Icefish

Estimated catch 2010-11:

2274 tonnes

Gross value of production 2010-11:

Not available

Developments in 2011-12

Heard Island and McDonald Islands Fishery

The *Heard Island and McDonald Islands Fishery Management Plan 2002* was amended to provide industry with the flexibility to maximise their catch by non-trawl fishing methods, principally longlining.

In March 2012 the independent certification body the Marine Stewardship Council certified the Heard Island and McDonald Islands Toothfish Fishery as sustainable and well-managed.

Macquarie Island Toothfish Fishery

A single total allowable catch was set for the 2012-13 season for the first time following the amalgamation of the two sectors of the fishery into a single area. Previously separate total allowable catches applied to each sector.

In May 2012 the Marine Stewardship Council certified the Macquarie Island Toothfish Fishery as sustainable and well-managed.

Report against Management Plans

Heard Island and McDonald Islands Fishery

The Heard Island and McDonald Islands Fishery continued to be 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.

Three vessels (two longliners and one trawler) operated in 2011-12.

Macquarie Island Toothfish fishery

The Macquarie Island Toothfish Fishery continued to be managed in accordance with the *Macquarie Island Toothfish Fishery Management Plan 2006*.

An amendment to the management plan was made on 22 March 2012 to formally allow longlining in the fishery following a successful trial.

All operations conducted in the fishery were in compliance with the performance criteria outlined in the management plan.

One longline vessel operated in 2011-12.



Coral Sea Fishery

The Coral Sea Fishery includes 16 fishing concessions, catching a wide range of species with a variety of fishing techniques including aquarium, line, trap, trawl, and hand collection. Catch composition varies considerably between years and reflects the exploratory nature of the fishery.

Major species:

Line and Trap Sector

- tropical finfish
- sharks

Trawl and Trap Sector

- tropical finfish
- crustaceans

Sea Cucumber Sector

- white teatfish
- surf redfish
- prickly redfish
- black teatfish
- sandfish
- other sea cucumber species.

Lobster and Trochus Sector

- tropical rock lobsters belonging to the genus *Panulirus* except *P. Cygnus*.
- No trochus have been caught over the past five years.

Aquarium sector

- Chondrichthys(cartilaginous fishes)
- Osteichthyes(bony fishes)
- invertebrates
- live rock (limestone encrusted with organisms).

NB. The collection of live coral is prohibited in this fishery.

Estimated catch 2010-11:

59 tonnes (excluding the Aquarium Sector).

Gross value of production 2010-11:

Not available

Developments in 2011-12

Further progress has been made during 2011-12 to progress individual sector environmental risk assessments and the review of the harvest strategy.

These developments include:

- implementing arrangements for the take of Humphead Maori Wrasse to meet Convention on International Trade in Endangered Species (CITES) requirements which came into effect on 1 July 2011; and
- commencing a process in March 2012 to determine the risks to species taken by the Aquarium Sector in fishery based on Australian Bureau of Agricultural and Resource Economics and Sciences advice.

Report against Management Plans

AFMA has made a determination under the *Fisheries Management Act 1991* that a management plan for the Coral Sea Fishery is not warranted. The principal legal framework for the management of the fishery is specified in the Act and the *Fisheries Management Regulations 1992*.

A limited number of fishing permits are granted each year under the Act; these permits are subject to conditions set out in section 32(5), as well as conditions specified on the permits. Each permit includes conditions specific to the sector to which it relates and may also contain conditions specific to the particular permit. Conditions may include limits on the number of persons able to fish under the permit at any time, gear restrictions, species size limits, trigger limits and total allowable catch limits, as well as spatial controls.

Norfolk Island fisheries

Major species:

Inshore fishery

- Red Throat Emperor

Offshore Demersal Finfish Fishery

- n/a

Estimated catch 2010-11:

No commercial catch, recreational and charter fishing only.

Gross value of production 2010-11:

Nil

Developments in 2011-12

Inshore fishery:

The Norfolk Island Inshore Fishery is a recreational and charter based fishery operating predominantly in shelf waters around Norfolk Island using handlines, winches, rods and reels. The fishery is managed by the Norfolk Island Government in accordance with the *Norfolk Island Inshore Fishery Policy 2009* developed by the Norfolk Island Government, with input from AFMA and other Australian Government agencies. The associated memorandum of understanding has enabled AFMA to provide management expertise and guidance to the Norfolk Island Government and the Norfolk Island Fishing Association in implementing appropriate management arrangements and assisting with the collection and analysis of fisheries catch data.

To meet the intent of the Norfolk Island Inshore Fishery Management Policy, the Norfolk Island Government is developing its own legislation to regulate boat safety, registration and data gathering. The Norfolk Island Government will continue this work in 2012-13 in consultation with Australian Government agencies.

AFMA also agreed to explore the development of a small scale commercial fishery in the area of the inshore fishery following the AFMA Commission's in-principle agreement to the proposal in 2010. The scale and nature of the fishery are still under consideration with AFMA participating in a whole of government process exploring the matter. In 2012-13 AFMA will continue to explore opportunities for a commercial fishery in consultation with the Norfolk Island Government. Any management arrangements developed will need to consider the financial and legislative reforms being applied on Norfolk Island by the Australian Government.

Offshore Demersal Finfish Fishery:

The fishery is currently closed. In February 2008 the then AFMA Board determined that a management plan was not warranted for the fishery at the time. A strategic approach to managing all small, developing and exploratory Commonwealth fisheries, including this fishery, is underway.

Report against Management Plans

Not applicable.

Northern Prawn Fishery

Major species:

- Brown and grooved Tiger Prawns
- White and red-legged Banana Prawns
- Endeavour Prawns
- King Prawns

Estimated catch 2010-11:

9673 tonnes

Gross value of production:

\$94.8 million

Developments in 2011-12

AFMA undertakes an annual stock assessment for the Northern Prawn Fishery which is used in the harvest strategy to determine the allowable level of fishing effort. The 2011 stock assessment indicated a stock size that would allow additional fishing effort in the 2011 tiger prawn season. In line with the harvest strategy, AFMA increased the amount of fishing net by 8.19 per cent for the 2011 fishing season.

The 2011 tiger prawn season ran from 1 August to 20 November 2011. Due to low average catch rates across the fleet towards the end of the season, decision rules were applied to close the fishery ten days early. The total catch for the season was approximately 2100 tonnes.

The 2012 Banana Prawn season ran from 1 April to 9 June 2012. Due to low average catch rates across the fleet towards the end of the season, decision rules were applied to close the fishery one week early. Night fishing targeting Tiger Prawns west of 138° was permitted up until 15 June 2012. The total catch for the 2012 Banana Prawn season was approximately 4100 tonnes.

In consultation with the Northern Prawn Resource Assessment Group and Management Advisory Committee AFMA decreased the minimum size limit for bugs. The new minimum legal size limit for

bugs is 60 mm carapace width, replacing the old size limit of 75 mm.

AFMA continues to work closely with the Northern Prawn Fishery Industry Pty Ltd under co-management arrangements. The industry organisation directly manages catch and effort data, the crew member observer program and coordinates pre-season briefings for the fishery. AFMA liaises with the industry organisation directly on matters relating to management costs, spatial closures and other operational matters in the fishery.

Report against Management Plans

The fishery is currently managed through a combination of input controls (limited entry, spatial closures, gear restrictions and operational controls) which are implemented under the *Northern Prawn Fishery Management Plan 1995*.

AFMA continues working towards implementation of quota management in the fishery. The draft Northern Prawn Fishery Management Plan under output controls was distributed for public comment in late 2011. AFMA and the Northern Prawn Fishery Management Advisory Committee developed responses to all submissions received through this process. AFMA is currently working on minor amendments to the draft Northern Prawn Fishery Management Plan under output controls based on comments received.

AFMA is working closely with stakeholders, including Northern Prawn Fishing Industry Pty Ltd, Northern Prawn Fishery Management Advisory Committee and Northern Prawn Resource Assessment Group to develop a cost-effective and robust system for setting total allowable catches in the fishery. It is anticipated that the fishery will be operating under output controls at the commencement of the 2013 Banana Prawn fishing season.

North West Slope and Western Deepwater Trawl fisheries

Major species:

North West Slope Trawl

- Scampi
- Deepwater Prawns

Western Deepwater Trawl

- Bugs
- Snapper
- Deepwater Flathead
- mixed finfish

Estimated catch 2010-11:

North West Slope Trawl

38 tonnes

Western Deepwater Trawl

13 tonnes

Gross value of production 2010-11:

Not available

Developments in 2011-12

A revised harvest strategy for the North West Slope and Western Deepwater Trawl fisheries was implemented on 1 October 2011.

A voluntary closure in the Kimberley region of the North West Slope Trawl Fishery expired on 30 September 2011 allowing the targeting of finfish species in this area.

New permit conditions relating to mandatory observer coverage and reporting of interactions with vulnerable marine ecosystems (such as coral and sponge) were implemented in the North West Slope Trawl Fishery.

The Australian and Western Australian governments continued to discuss the potential re-alignment of the boundary descriptions of the North West Slope and Western Deepwater Trawl fisheries, in line with an updated definition of the 200 metre depth contour off Western Australia.

Report against Management Plans

The fisheries were managed in accordance with the 2011 harvest strategy, the Statement of Management Arrangements and a series of permit conditions.



Southern and Eastern Scalefish and Shark Fishery

Major species:

Great Australian Bight Trawl Sector

- Deepwater Flathead
- Bight Redfish

Gillnet, Hook and Trap Sector

- Gummy Shark
- Pink Ling
- Blue Eye Trevalla

South East Trawl Sector

- Blue Grenadier
- Silver Warehou
- Tiger Flathead

Victorian Inshore Trawl Sector

- School Whiting
- Tiger Flathead

East Coast Deepwater Trawl Sector

- Alfonsino

Great Australian Bight Sector

\$11.1 million

Gillnet, Hook and Trap Sector

\$ 23.8 million

East Coast Deepwater Sector

\$0

Developments in 2011-12

We are developing a management strategy to reduce the ecological risk of fishing on Southern and Harrison's dogfish to maintain viable stocks of the species and to rebuild populations. AFMA has gathered information on catch rates and areas of historical occurrence of these species to assist in developing protection measures.

AFMA and industry have jointly implemented individual seabird management plans for all otter board trawl boats in the fishery. These plans stipulate devices to reduce or avoid seabird interactions and contain offal management protocols.

A Blue Warehou survey was conducted in 2011 in eastern and western Bass Strait. The purpose of the survey was to provide catch information and help develop an improved index of abundance for this species. A Blue Grenadier survey was undertaken on the winter spawning fishery off western Tasmania. Results from this survey are used in the species stock assessment.

AFMA completed acoustic and genetic studies of Orange Roughy in conjunction with the South East Trawl Fishing Industry Association in the eastern and southern Orange Roughy zones. Information from these studies will inform stock structure questions and be used in future stock assessments.

Estimated catch 2010-11:

South East Trawl Sector (includes Victorian Coastal Waters Permit)

14 677 tonnes

Great Australian Bight Sector

2215 tonnes

Gillnet, Hook and Trap Sector

4055 tonnes

East Coast Deepwater Sector

0 tonnes

Gross value of production 2010-11:

South East Trawl Sector (includes Victorian Coastal Waters Permit)

\$48.8 million

AFMA and the South East Trawl Fishing Industry Association in conjunction with industry have also collaborated on a code of conduct to increase awareness and modify fishing practices to improve fishers' avoidance of Eastern Gemfish, which is under a Commonwealth rebuilding strategy. Adoption of the code by operators has resulted in a large decline in the amount of Eastern Gemfish landed during 2011-12.

Improved seal exclusion devices continue to be evaluated in the freezer boat sector of the Commonwealth Trawl Fishery. Variations in net designs to reduce seal interactions are currently being trialled in the wet (non-freezer) boat sector.

A fishery independent survey was successfully completed in the Great Australian Bight Trawl Sector in 2011 and the Commonwealth Trawl Sector in 2011 and 2012 respectively. The surveys provide a fishery independent index of abundance for main target species including bycatch and byproduct species in the fishery.

Measures were introduced in the Commonwealth Gillnet Sector to protect dolphins and sea lions. A 27 000 km² closure for gillnets in waters adjacent to the Coorong region of South Australia is in place until to 23 September 2012 to protect dolphins.

The Australian Sea Lion Management Strategy was revised on 1 May 2011 with increased area closures and observer requirements for gillnets off South Australia. The strategy was further refined in January 2012 with lower maximum bycatch trigger limits for each management zone. Since implementation of the management strategy three zones have been closed for 18 months.

We have increased the maximum length of gillnets that can be used to 6000m. These nets are able to be used in the Commonwealth waters of the Southern and Eastern Scalefish and Shark Fishery except for Tasmanian coastal waters and waters adjacent to South Australia. The use of longer nets is designed to allow for improved efficiency of operators and will be subject to a monitoring and evaluation strategy to assess the differences resulting from their use.

AFMA issued temporary permits to allow South Australian gillnet operators affected by Australian Sea Lion and dolphin closures to fish using hooks (without the use of automatic baiting equipment).

An auto-longline hook trial is being conducted in the gillnet sector to investigate the potential use of hook fishing methods to target Gummy Shark. The trial will consider catch rate, catch composition, and length frequency distribution of all target, bycatch and byproduct species. In addition the trial is collecting data on all interactions with threatened endangered and protected species.

Measures to prevent targeting of School Shark were continued under permit arrangements for the gillnet sector. The measures support the School Shark Stock Rebuilding Strategy.

Report against Management Plans

The *Southern and Eastern Scalefish and Shark Fishery Management Plan* was determined in 2003. Relevant Commission decisions relating to measures to implement the Direction and the *Southern and Eastern Scalefish and Shark Fishery Management Plan* include:

- To reduce seabird interactions in the Commonwealth Trawl Sector individual seabird management plans have been introduced for all otter trawl boats in the sector.
- Some commercial species in the Southern and Eastern Scalefish and Shark Fishery are considered overfished and require focused management. AFMA, in conjunction with other stakeholders, has developed stock rebuilding strategies to manage and monitor the recovery of School Shark, Blue Warehouse, Eastern Gemfish and Orange Roughy.

Total allowable catch limits for the fishing season commencing 1 May 2012 increased for Bight Redfish, Blue-eye Trevalla, Blue Grenadier, Deepwater shark west, Gemfish west, Jackass Morwong, Mirror Dory and Silver Trevally.

Reduced catch limits were implemented for Blue Warehouse, Deepwater Flathead, Ocean Perch, Smooth Oreo (non-Cascade Plateau), Pink Ling and School Shark. Total allowable catch for the remaining 19 species remain unchanged.

Multi year catch limits are in place for five species due to ecologically robust nature of the stock assessments. These species are Bight Redfish, Blue Grenadier, Flathead, John Dory, and Spotted Warehouse.

Bass Strait Central Zone Scallop Fishery

Major species:

Commercial Scallops

Estimated catch 2010-11:

2032 tonnes

Gross value of production 2010-11:

\$2.9 million

Developments in 2011-12

A fishery-wide pilot survey was conducted in January 2011 biomass to estimate scallop bed. This survey identified two commercially viable areas, with biomass estimates of 2444 tonnes and 578 tonnes.

Based on the survey results and the application of the harvest strategy a total allowable catch of 2000 tonnes was set for the 2011 season from 27 July to 20 December, to be fished in the area containing the larger biomass estimate. Four areas which were known to hold scallops but which are not yet open to fishing were designated as 'no navigation areas', protecting them for future potential fishing.

The 2011 season was generally considered poor, yielding 362 tonnes (18 per cent) of the 2000 tonne Commercial Scallop catch limit and 92 tonnes of the 260 tonne Commercial Scallop research catch allowance for 2012. A range of exploratory and target surveys were undertaken during October and November to provide information for management arrangements.

A two stage process for review of the harvest strategy was adopted in 2011. This allowed initial changes to the harvest strategy for the 2012 season and a more comprehensive review for the 2013 season which will be informed by new research as it becomes available.

A steering committee comprised of government and industry representatives met during 2011-12 to consider the future management of the South-East Australian Scallop fishery which includes areas managed by AFMA and the Victorian and Tasmanian governments. The steering committee reviewed existing management arrangements in the Bass Strait scallop fishery and identified opportunities for improvement. Further work will be commissioned during 2012 to consider economic issues that may arise in moving to a future integrated regime.

Report against Management Plans

The fishery continued to be managed under the arrangements in the *Bass Strait Central Zone Scallop Fishery Management Plan 2002* during 2011-12. A key management tool is the fishery's harvest strategy, which involves a detailed spatial management system which keeps the fishery closed unless surveys indicate that decision rules relating to biomass, shell length, discard rate and fishing area have been met.

The total allowable catch of 2000 tonnes for the 2011 season was based on the assessment and application of the harvest strategy decision rules.

A revision of the 2007 harvest strategy for the 2012 season was undertaken to clarify the operation of the 2007 harvest strategy and incorporates AFMA and industry member experiences in the fishery since it reopened in 2009.

Southern Squid Jig Fishery

Major species:

Arrow Squid

Estimated catch 2010-11:

650 tonnes

Gross value of production 2010-11:

\$1.7 million

Developments in 2011-12

Activity in the fishery remained low due to low market prices and competition from cheaper imported squid product. However the 2011-12 season saw an increase in catch and improved returns to squid fishers.

The final report from the Fisheries Research and Development Corporation project 'Improving the efficiency of Southern Squid Jig Fisheries' (McKenna et al 2011) was released in 2011. This report will be an input to discussions between AFMA and industry on potential measures to improve profitability in the fishery.

Report against Management Plans

The fishery continued to be managed under the arrangements in the *Southern Squid Jig Fishery Management Plan 2005* during 2011–12. Based on the harvest strategy and the provisions of the management plan the total allowable effort limit for the 2012 season was continued at 560 standard squid jigging machines.

Skipjack Tuna Fishery

Major species:

Skipjack Tuna

Estimated catch:

0 tonnes

Gross value of production:

nil

Developments in 2011-12

Effort in the Skipjack Tuna Fishery has remained low.

The fishery was re-accredited for five years as a wildlife trade operation under the *Environment Protection and Biodiversity Conservation Act 1999* to allow export of product from this fishery.

Holders of an Eastern Skipjack Fishery permit were granted 455 quota statutory fishing rights for each of the five Eastern Tuna and Billfish Fishery quota species, in recognition of their right to take those species as by-product under their current permit conditions.

After the grant of the quota statutory fishing rights the fishery operators are required to cover any catch of those species with quota. These species are Albacore Tuna, Bigeye Tuna, Yellowfin Tuna, Broadbill Swordfish and Striped Marlin.

Report against management plans

Not applicable.

Small Pelagic Fishery

Major species:

- Australian Sardine
- Blue Mackerel
- Jack Mackerel
- Redbait

Estimated catch 2010-11:

418 tonnes

Gross value of production 2010-11:

\$357 700

Developments in 2011-12

The major development in the Small Pelagic Fishery during 2011-12 was the introduction of statutory fishing rights on 1 May 2012. Total allowable catch is now allocated between operators through individually transferable quota.

The fishing season was changed to start on 1 May and end on 30 April the following year. This aligns with the Southern and Eastern Scafish and Shark Fishery season.

Fishing effort in 2011-12 was low. This was likely due to a number of factors including the loss of processing facilities in Eden, New South Wales, in late 2010 and the difficulty in finding fish aggregations off Triabunna in Tasmania and operators waiting for statutory fishing rights to take effect.

The Australian Bureau of Agricultural and Resource Economics and Sciences *Fishery Status Reports 2011* assessed Redbait west as 'uncertain' because of limited information available to assess its status; however low catches indicate that overfishing is not occurring. The remaining stocks of Small Pelagic Fishery were all listed as not overfished and not subject to overfishing.

A *Daily Egg Production Method Survey* was published by the Institute of Marine and Antarctic Studies in 2011. It estimated that the biomass of Jack Mackerel and Yellowtail Scad in the eastern zone of the fishery was higher than previously thought. On that basis the total allowable catch of Jack Mackerel east was increased for the 2012-13 season.

Report against Management Plans

The transitional provisions of the *Small Pelagic Fishery Management Plan 2009* ceased on 1 May 2012 when statutory fishing rights took effect and the 2012-13 season began. Under the management plan, operators are now required to hold quota to cover their catch of each of the four quota species.

This is a change from the competitive total allowable catch that previously existed in the fishery where there were no limits on individual operators but AFMA closed fishing if the total allowable catch for the season was reached.



Vessel operators in the Small Pelagic Fishery were required to hold quota to fish for small pelagic species from 1 May 2012.

Eastern Tuna and Billfish Fishery

Major species:

- Albacore Tuna
- Yellowfin Tuna
- Bigeye Tuna
- Broadbill Swordfish
- Striped Marlin

Estimated catch 2010-11:

5169 tonnes

Gross value of production 2010-11:

\$30.9 million

Developments in 2011-12

The Eastern Tuna and Billfish Fishery commenced its second fishing season under quota management.

The harvest strategy was used for recommending the total allowable commercial catch of Broadbill Swordfish and Striped Marlin.

The total allowable commercial catch limits for the 2012-13 fishing season were set at;

- 2500 tonnes for Albacore Tuna
- 1056 tonnes for Bigeye Tuna
- 2200 tonnes for Yellowfin Tuna
- 1396 tonnes for Broadbill Swordfish
- 370 tonnes for Striped Marlin

The *Australian Tuna and Billfish Longline Fishery Bycatch and Discard Workplan 2011-13* was agreed and has been implemented.

Seabird bycatch mitigation requirements changed to allow 40g weights at hook to be used with non-live bait. This will increase effectiveness and crew safety.

The ecological risk management strategy was updated to reflect the move to individual transferable quota management.

Report against Management Plans

The fishery continued 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.

All operations conducted in the fishery were in compliance with the performance criteria outlined in the management plan.

During May to November each year, AFMA implements core and buffer zones in the fishery to ensure that any Southern Bluefin Tuna caught was covered by quota. To enter the core and buffer zones, operators must hold a certain amount of Southern Bluefin Tuna quota and meet a certain level of observer coverage.

The zones were updated fortnightly using a model from CSIRO, sea surface temperatures and industry information.



Southern Bluefin Tuna Fishery

Major species:

Southern Bluefin Tuna

Estimated catch 2010-11:

3900 tonnes

Gross value of production 2010-11:

\$30.6 million

Developments in 2011-12

At its eighteenth annual meeting, in October 2011, the Commission for the Conservation of Southern Bluefin Tuna agreed that a management procedure would be used. The management procedure would guide the setting of the Southern Bluefin Tuna global total allowable catch to ensure that the spawning stock biomass achieves the interim rebuilding target of 20 per cent of the original spawning stock biomass.

In adopting the management procedure, the Commission for the Conservation of Southern Bluefin Tuna emphasised the need to take a precautionary approach to increase the likelihood of the spawning stock rebuilding in the short term and to provide industry with more stability in the total allowable catch (that is to reduce the probability of future decreases). Under the adopted management procedure, the total allowable catch will be set in three year periods.

In 2011 Commission for the Conservation of Southern Bluefin Tuna established a procedure for limited carry-forward (undercatch) of members' unfished annual total allowable catch from one year to the next. The procedure would apply within, but not between, the three year quota blocks agreed under the management procedure.

A report on the commercial trial of stereo video technology was presented to Commission for the Conservation of Southern Bluefin Tuna in October 2011.

Report against Management Plans

Southern Bluefin Tuna is the only species covered by the *Southern Bluefin Tuna Fishery Management Plan 1995* and globally the species is considered overfished. The Commission for the Conservation of Southern Bluefin Tuna Extended Scientific Committee noted in 2011 that while the current spawning biomass remains very low (about 5 per cent of historic levels), the outlook for the stock is positive with a more optimistic view of the future recovery rate.

Following the final transfer of the 2011 season, one company exceeded its quota by approximately 19 tonnes. In accordance with the requirements of the *Southern Bluefin Tuna Fishery Management Plan 1995* the corresponding amount was deducted from the company's 2012 quota holdings.

In 2012 AFMA commenced the process of amending the *Southern Bluefin Tuna Fishery Management Plan 1995* to allow for the inclusion of undercatch arrangements as agreed by Commission for the Conservation of Southern Bluefin Tuna. Other proposed changes to the management plan include provision for changes to the monitoring arrangements in the fishery, changes to the way the season date is set and the streamlining of some aspects of the total allowable catch setting process.

Western Tuna and Billfish Fishery

Major species:

- Bigeye Tuna
- Yellowfin Tuna
- Broadbill Swordfish
- Striped Marlin

Estimated catch 2010-11:

352 tonnes

Gross value of production 2010-11:

\$3.3 million

Developments in 2011-12

The Western Tuna and Billfish Fishery has continued to operate at low levels of effort (compared to the early 2000s) due to economic conditions.

The fishery commenced its second fishing season under quota management for Bigeye Tuna, Yellowfin Tuna, Broadbill Swordfish and Striped Marlin.

The total allowable commercial catch limits for the 2012-13 fishing season were set at 2000 tonnes for Bigeye Tuna, 5000 tonnes for Yellowfin Tuna, 3000 tonnes for Broadbill Swordfish and 125 tonnes for Striped Marlin.

The *Australian Tuna and Billfish Longline fishery Bycatch and Discard Workplan 2011-13* was agreed and has been implemented.

Seabird bycatch mitigation requirements changed to allow 40g weights at hook to be used with non-live bait. This will increase effectiveness and crew safety.

Australia hosted the sixteenth session of the Indian Ocean Tuna Commission in Perth during April 2012. The Indian Ocean Tuna Commission is an intergovernmental organisation that manages tuna and tuna-like species in the Indian Ocean and adjacent seas.

The ecological risk management strategy was updated to reflect the move to individual transferable quota management.

AFMA closed an area to protect Bigeye Tuna spawning stocks.

Report against Management Plans

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.

All operations conducted in the fishery were in compliance with the performance criteria outlined in the management plan.



AFMA working with industry on levies



Levies are charged to Commonwealth licensed operators to contribute to the costs directly associated with managing each Commonwealth fishery.

In early 2012, AFMA faced criticism from some industry members when their levies for 2011-12 increased.

While twelve fisheries saw a reduction in their 2011-12 levies from the previous year, six had increases. Most of the variations were due to changes in the cost of managing that particular fishery. For example, in the Gillnet Hook and Trap sector of the Southern and Eastern Scalefish and Shark Fishery, levies almost doubled in some cases because of the extra work we had to do to manage the sector's impact on sea lions and dolphins.

We charge levies to Commonwealth-licensed operators to contribute to the costs directly associated with managing each Commonwealth fishery. These include the costs of running management advisory committees, logbook programs, licensing registers and transactions, quota management and research costs. Our Cost Recovery Impact Statement sets out which costs the government pays for and those that are recovered from industry and is available on the AFMA website.

While the overall increase in levies was only very slight, there were large increases in a small

number of fisheries. In 2011-12 we introduced an instalment system of payment so that levy payment can be spread over a number of months. We also offer special consideration for those having difficulty paying.

To further improve the process we are reviewing the allocation formula in the Southern and Eastern Scalefish and Shark Fishery to better align costs with management activity. We will also endeavour to better communicate the reasons for changes in levy costs and what services fishers receive in return for levies.

We will continue working hard to keep our cost-recovered budget at a reasonable level. Despite inflation, AFMA's cost-recovered budgets for fisheries management have remained relatively consistent since 2005. For 2011-12, the total AFMA budget that is subject to cost recovery is \$13.97 million. This amount is an increase of 3.2 per cent from the previous year's cost-recovered budget of \$13.54 million.

AFMA works closely with fishing industry associations through its Cost Efficiency Working Group which meets regularly to find ways to improve the cost-effectiveness and efficiency of fisheries management.



FINANCIAL STATEMENTS
– PART 5





INDEPENDENT AUDITOR'S REPORT

To the Minister for Agriculture, Fisheries and Forestry

I have audited the accompanying financial statements of the Australian Fisheries Management Authority for the year ended 30 June 2012, which comprise: a Statement by the Chief Executive and Chief Finance Officer; Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Administered Schedule of Comprehensive Income; Administered Schedule of Assets and Liabilities; Administered Reconciliation Schedule; Administered Cash Flow; Schedule of Administered Commitments; and Notes to and forming part of the financial statements comprising a Summary of Significant Accounting Policies.

Chief Executive's Responsibility for the Financial Statements

The Chief Executive of the Australian Fisheries Management Authority is responsible for the preparation of the financial statements that give a true and fair view in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards, and for such internal control as is necessary to enable the preparation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Australian Fisheries Management Authority's preparation of the financial statements that give a true and fair view 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 Australian Fisheries Management Authority's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Chief Executive of the Australian Fisheries Management Authority, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Opinion

In my opinion, the financial statements of the Australian Fisheries Management Authority:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Australian Fisheries Management Authority's financial position as at 30 June 2012 and its financial performance and cash flows for the year then ended.

Australian National Audit Office



Peter Kerr

Executive Director

Delegate of the Auditor-General

Canberra

12 September 2012

**AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
FINANCIAL STATEMENTS**

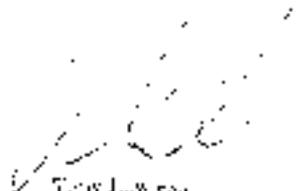
for the period ended 30 June 2012

STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCE OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2012 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Reporting Act 1997* as amended.



Frances Pengelly
Chief Executive
12 September 2012



Tony Lawrence
Acting Chief Finance Officer
12 September 2012

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 June 2012

	Notes	2012 \$'000	2011 \$'000
EXPENSES			
Employee benefits	3A	21,182	20,083
Supplier	3B	15,483	19,494
Depreciation and amortisation	3C	1,713	1,861
Write-down and impairment of assets	3D	-	3
Total expenses		38,378	41,441
LESS:			
OWN-SOURCE INCOME			
Own-source revenue			
Sale of goods and rendering of services	4A	2,727	1,449
Rental income	4B	345	204
Total own-source revenue		3,072	1,653
Gains			
Sale of assets	4C	5	8
Other gains	4D	34	33
Total gains		39	41
Total own-source income		3,111	1,694
Net cost of services		35,267	39,747
Revenue from Government	4E	35,897	35,989
Surplus (Deficit) attributable to the Australian Government		630	(3,758)
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation reserve		-	-
Total other comprehensive income		-	-
Total comprehensive income (loss) attributable to the Australian Government		630	(3,758)

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

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY

BALANCE SHEET

as at 30 June 2012

	Notes	2012 \$'000	2011 \$'000
ASSETS			
Financial Assets			
Cash and cash equivalents	5A	415	608
Trade and other receivables	5B	13,742	11,351
Total financial assets		14,157	11,959
Non-Financial Assets			
Land and buildings	6A,C	5,805	6,195
Property, plant and equipment	6B,C	1,171	1,236
Intangibles	6D,E	2,554	2,989
Other non-financial assets	6F	291	419
Total non-financial assets		9,821	10,839
Total assets		23,978	22,798
LIABILITIES			
Payables			
Suppliers	7A	207	362
Other payables	7B	3,392	3,970
Total payables		3,599	4,332
Provisions			
Employee provisions	8A	4,215	3,390
Total provisions		4,215	3,390
Total liabilities		7,814	7,722
Net assets		16,164	15,076
EQUITY			
Contributed equity		9,874	9,416
Reserves		3,854	3,854
Retained surplus		2,436	1,806
Total equity		16,164	15,076

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

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
STATEMENT OF CHANGES IN EQUITY
for the period ended 30 June 2012

	Retained earnings		Asset revaluation surplus		Contributed equity/capital		Total equity	
	2012	2011	2012	2011	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance								
Balance carried forward from previous period	1,806	5,564	3,854	3,854	9,416	9,216	15,076	18,634
Adjustment for errors	-	-	-	-	-	-	-	-
Adjusted opening balance	1,806	5,564	3,854	3,854	9,416	9,216	15,076	18,634
Comprehensive income								
Surplus (Deficit) for the period	630	(3,758)	-	-	-	-	630	(3,758)
Total comprehensive income	630	(3,758)	-	-	-	-	630	(3,758)
Transactions with owners								
Departmental capital budget	-	-	-	-	458	200	458	200
Sub-total transactions with owners	-	-	-	-	458	200	458	200
Closing balance as at 30 June attributable to the Australian Government	2,436	1,806	3,854	3,854	9,874	9,416	16,164	15,076

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

**AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
CASH FLOW STATEMENT**

for the period ended 30 June 2012

	Notes	2012 \$'000	2011 \$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations		32,844	41,182
Sales of goods and rendering of services		3,123	2,339
Net GST received		1,842	1,708
Total cash received		37,809	45,229
Cash used			
Employees		20,172	20,748
Suppliers		17,670	23,230
Total cash used		37,842	43,978
Net cash from (used by) operating activities	9	(33)	1,251
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment		11	25
Total cash received		11	25
Cash used			
Purchase of property, plant and equipment		829	1,083
Total cash used		829	1,083
Net cash (used by) investing activities		(818)	(1,058)
FINANCING ACTIVITIES			
Cash received			
Appropriations – departmental capital budget		658	-
Total cash received		658	-
Net cash from financing activities		658	-
Net increase (decrease) in cash held		(193)	193
Cash and cash equivalents at the beginning of the reporting period		608	415
Cash and cash equivalents at the end of the reporting period	5A	415	608

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

**AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
SCHEDULE OF COMMITMENTS**

as at 30 June 2012

	2012	2011
	\$'000	\$'000
BY TYPE		
Commitments receivable		
Sublease rental income ¹	1,705	62
Net GST recoverable on commitments	1,579	2,171
Total commitments receivable	<u>3,284</u>	<u>2,233</u>
Commitments payable		
Capital commitments		
Property, plant and equipment	187	-
Total capital commitments	<u>187</u>	<u>-</u>
Other commitments		
Operating leases ²	14,361	14,819
Research and development	4,822	3,802
Other ³	1,431	5,266
Total other commitments	<u>20,614</u>	<u>23,887</u>
Total commitments payable	<u>20,801</u>	<u>23,887</u>
Net commitments by type	<u>17,517</u>	<u>21,654</u>
BY MATURITY		
Commitments receivable		
Operating lease income		
One year or less	1,117	62
From one to five years	588	-
Over five years	-	-
Total operating lease income	<u>1,705</u>	<u>62</u>
Net GST recoverable on commitments		
One year or less	485	827
From one to five years	826	865
Over five years	268	479
Total net GST recoverable on commitments	<u>1,579</u>	<u>2,171</u>
Commitments payable		
Capital commitments		
One year or less	187	-
From one to five years	-	-
Over five years	-	-
Total capital commitments	<u>187</u>	<u>-</u>
Operating lease commitments		
One year or less	2,284	2,252
From one to five years	8,865	8,180
Over five years	3,212	4,387
Total operating lease commitments	<u>14,361</u>	<u>14,819</u>

**AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
SCHEDULE OF COMMITMENTS (CONTINUED)**

as at 30 June 2012

	2012	2011
	\$'000	\$'000
Research and development and other commitments		
One year or less	4,569	6,848
From one to five years	1,684	1,336
Over five years	-	884
Total research and development and other commitments	<u>6,253</u>	<u>9,068</u>
Total commitments payable	<u>20,801</u>	<u>23,887</u>
Net commitments by maturity	<u>17,517</u>	<u>21,654</u>

Note: Commitments are GST inclusive where relevant.

¹ AFMA in its capacity as a lessor. Sub-leases office accommodation on Thursday Island and in Canberra.

² AFMA in its capacity as a lessee leases office accommodation in Canberra (11 years) and Darwin (4 years).

Lease payments are subject to fixed annual increases. The initial lease term in Canberra is still current and the Darwin lease was renewed for five years. Canberra may be renewed for up to three years.

³ The nature of other commitments is for the purchase of ongoing services, including fishery management research.

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

**AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME**

for the period ended 30 June 2012

	Notes	2012 \$'000	2011 \$'000
EXPENSES			
Suppliers	15A	2,818	3,951
Depreciation and amortisation	15B	35	35
Write-down and impairment of assets	15C	361	-
Total expenses administered on behalf of Government		3,214	3,986
LESS:			
OWN-SOURCE INCOME			
Own-source revenue			
Taxation revenue			
Levies and charges	16A	14,374	13,136
Total taxation revenue		14,374	13,136
Non-taxation revenue			
Sale of goods and rendering of services	16B	-	6
Fees and fines	16C	481	128
Interest	16D	60	39
Other revenue	16E	10	4
Total non-taxation revenue		551	177
Total own-source revenue administered on behalf of Government		14,925	13,313
Gains			
Reversal of previous asset write-downs and impairments	16F	-	9
Total gains administered on behalf of Government		-	9
Total own-source income administered on behalf of Government		14,925	13,322
Net (contribution by) services		(11,711)	(9,336)
Surplus		11,711	9,336
Total Comprehensive Income		11,711	9,336

**AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
ADMINISTERED SCHEDULE OF ASSETS AND LIABILITIES**

as at 30 June 2012

	Notes	2012 \$'000	2011 \$'000
ASSETS			
Financial assets			
Cash and cash equivalents	17A	4	7
Trade and other receivables	17B	520	584
Total financial assets		<u>524</u>	<u>591</u>
Non-financial assets			
Land and buildings	18A	526	561
Other non-financial assets	18C	32	38
Total non-financial assets		<u>558</u>	<u>599</u>
Total assets administered on behalf of Government		<u>1,082</u>	<u>1,190</u>
LIABILITIES			
Payables			
Suppliers	19A	23	310
Other	19B	216	490
Total payables		<u>239</u>	<u>800</u>
Total liabilities administered on behalf of Government		<u>239</u>	<u>800</u>
Net assets		<u>843</u>	<u>390</u>

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

**AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
ADMINISTERED RECONCILIATION SCHEDULE**

for the period ended 30 June 2012

	2012	2011
	\$'000	\$'000
Opening administered assets less administered liabilities as at 1 July	390	911
Plus: Administered income	14,925	13,322
Less: Administered expenses	(3,214)	(3,986)
Administered transfers to/from Australian Government:		
Appropriation transfers from OPA:		
Annual appropriations for administered expenses	3,252	3,680
Transfers to OPA	(14,510)	(13,537)
Closing administered assets less administered liabilities as at 30 June	843	390

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
ADMINISTERED CASH FLOW
for the period ended 30 June 2012

	Notes	2012 \$'000	2011 \$'000
OPERATING ACTIVITIES			
Cash received			
Levies and charges		13,958	13,365
Interest		60	39
Fees		84	96
Fines		407	42
Net GST received		341	366
Total cash received		<u>14,850</u>	<u>13,908</u>
Cash used			
Suppliers		3,595	4,045
Total cash used		<u>3,595</u>	<u>4,045</u>
Net cash flows from operating activities		<u>11,255</u>	<u>9,863</u>
Net increase in Cash Held		<u>11,255</u>	<u>9,863</u>
Cash and cash equivalents at the beginning of the reporting period		7	1
Cash from Official Public Account for:			
-Appropriations		3,252	3,680
		<u>3,252</u>	<u>3,680</u>
Cash to Official Public Account for:			
- Appropriations		(14,510)	(13,537)
Cash and cash equivalents at the end of the reporting period	17A	<u>4</u>	<u>7</u>

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

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
SCHEDULE OF ADMINISTERED COMMITMENTS

as at 30 June 2012

	2012	2011
BY TYPE	\$'000	\$'000
Commitments receivable		
Net GST recoverable on commitments	<u>1,088</u>	<u>1,095</u>
Total commitments receivable	<u>1,088</u>	<u>1,095</u>
Commitments payable		
Capital commitments		
Property, plant and equipment	<u>45</u>	<u>-</u>
Total capital commitments	<u>45</u>	<u>-</u>
Other commitments		
Project Commitments ¹	<u>13,016</u>	<u>10,946</u>
Total other commitments	<u>13,016</u>	<u>10,946</u>
Total commitments payable	<u>13,061</u>	<u>10,946</u>
Net commitments by type	<u>11,973</u>	<u>9,851</u>
BY MATURITY		
Commitments receivable		
Net GST recoverable on commitments		
One year or less	732	442
From one to five years	356	653
Over five years	-	-
Total net GST recoverable on commitments	<u>1,088</u>	<u>1,095</u>
Commitments payable		
Capital commitments		
One year or less	45	-
From one to five years	-	-
Over five years	-	-
Total capital commitments	<u>45</u>	<u>-</u>
Other commitments		
One year or less	8,742	4,414
From one to five years	4,274	6,532
Over five years	-	-
Total other commitments	<u>13,016</u>	<u>10,946</u>
Total commitments payable	<u>13,061</u>	<u>10,946</u>
Net commitments by maturity	<u>11,973</u>	<u>9,851</u>

Note: Commitments are GST inclusive where relevant.

¹ The nature of other commitments is retainers and other agreements for the caretaking and disposal of illegal foreign fishing vessels. Agreements also include costs for the caretaking and disposal of vessels on a per unit basis.

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

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

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AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Note 1: Summary of Significant Accounting Policies

1.1 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.

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.

Agency 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.

AFMA conducts the following administered activities: Collection of levies and charges from the commercial fishing industry (revenue) and caretaking and disposal of illegal foreign fishing vessels (expense).

1.2 Basis of Preparation of the Financial Statements

The financial statements are general purpose financial statements and are required by section 49 of the *Financial Management and Accountability Act 1997*.

The Financial Statements have been prepared in accordance with:

- Finance Minister's Orders (or FMOs) for reporting periods ending on or after 1 July 2011; and
- Australian Accounting Standards and Interpretations 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 an alternative treatment is specifically required by an accounting standard or the FMOs, assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow to AFMA or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executory contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the schedule of commitments or Note 10: Departmental Contingent Liabilities and Assets or Note 21: Administered – Contingent Assets and Liabilities.

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.

Administered revenues, expenses, assets and liabilities and cash flows reported in the Schedule of Administered Items and related notes are accounted for on the same basis and using the same policies as for departmental items, except where otherwise stated at Note 1.18.

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

1.3 Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, AFMA has made the following judgements that have the most significant impact on the amounts recorded in the financial statements:

- The fair value of land and buildings has been taken to be the market value of similar properties as estimated by an independent valuer.
- Long service leave liability has been valued using the short hand method as permitted by the Finance Minister's Orders for financial reporting.

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.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date as stated in the standard.

No new standards, revised standards, interpretations and amending standards that were issued prior to the signoff date and were applicable to the current reporting period had a material financial impact on AFMA.

Future Australian Accounting Standard Requirements

No new standards, revised standards, interpretations or amending standards that were issued by the Australian Accounting Standards Board prior to signoff data and applicable to the future reporting period are expected to have a material financial impact on AFMA for future reporting periods.

1.5 Revenue

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- AFMA retains no managerial involvement or effective control over the goods;
- the revenue and transaction costs incurred can be reliably measured; and
- 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:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- 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.

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.

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

Resources Received Free of Charge

Resources received free of charge are recognised as revenue 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.

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

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

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government agency or authority as a consequence of a restructuring of administrative arrangements (refer to Note 1.7).

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.

Parental Leave Payments Scheme

Amounts received under the Parental Leave Payments Scheme by the entity not yet paid to employees were presented gross as cash and a liability (payable). The total amount received under this scheme was \$48,354 (2011: \$0).

1.6 Gains

Resources Received Free of Charge

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.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government entity as a consequence of a restructuring of administrative arrangements (Refer to Note 1.7).

Sale of Assets

Gains from disposal of assets are recognised when control of the asset has passed to the buyer.

1.7 Transactions with the Government as Owner

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.

Restructuring of Administrative Arrangements

Net assets received from or relinquished to another Government entity under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

Other Distributions to Owners

The FMOs require that distributions to owners be debited to contributed equity unless it is in the nature of a dividend.

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

1.8 Employee Benefits

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits 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. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of AFMA is estimated to be less than the annual entitlement for sick 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.

The liability for long service leave has been determined by reference to the shorthand method as permitted in the FMOs. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation, and is discounted using Commonwealth Government bond rates.

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 by the Department of Finance and Deregulation as an administered item.

AFMA makes employer contributions to the employee's superannuation scheme at rates estimated by an actuary to be sufficient to meet the current cost to the Government. AFMA 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.

1.9 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.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

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 2012

AFMA currently has no Finance leases.

1.10 Cash

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

- cash on hand;
- 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;
- cash held by outsiders; and
- cash in special accounts.

1.11 Financial Assets

AFMA classifies its financial assets as 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 receivables, 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.

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

1.12 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities.

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

Financial Liabilities at Fair Value Through Profit or Loss

Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

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.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

1.13 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the balance sheet but are reported in the relevant schedules and 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.

1.14 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.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

1.15 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 \$2,000, 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 makegood requirements.

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Revaluations

Fair values for each class of asset are determined as shown below:

<i>Asset Class</i>	<i>Fair value measured at</i>
Land	Market selling price
Buildings exc. leasehold improvements	Market selling price
Leasehold improvements	Depreciated replacement cost
Property, plant and equipment	Market selling price

Following initial recognition at cost, property plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

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

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

All leasehold improvement assets including property, plant and equipment were formally valued as at 30 June 2010 by a qualified independent valuer.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to AFMA 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:

	<u>2012</u>	<u>2011</u>
Buildings on freehold land	40 years	40 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 2012. 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.

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

1.16 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 are 3 to 10 years (2010-11: 3 to 7 years).

All software assets were assessed for indications of impairment as at 30 June 2012.

1.17 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:

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

1.18 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 and Deregulation. 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 the course of ordinary activities performed by AFMA on behalf of the Australian Government. As such, administered appropriations are not revenues of AFMA, but oversee the distribution of expenditure of the funds as directed.

Revenue is generated from the collection of fishing levies, fines and the proceeds of apprehended catch and vessels on behalf of the Commonwealth as provided by Sections 7 and 8 of the *Fisheries Administration Act 1991* when the proceeds of apprehended catch or vessels become the property of the Commonwealth. Administered fee revenue is recognised when invoiced to the fee payer.

Note 2: 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 2012.

A review of Australian fisheries policy and legislation was announced on 11 September 2012.

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Note 3: Expenses

	2012	2011
	\$'000	\$'000
Note 3A: Employee Benefits		
Wages and salaries	16,088	16,256
Superannuation:		
Defined contribution plans	1,510	1,616
Defined benefit plans	1,351	1,115
Leave and other entitlements	2,233	1,096
Total employee benefits	21,182	20,083
Note 3B: Suppliers		
Goods and services		
Research	4,376	5,410
Surveillance and compliance	346	557
Consultants and contractors	3,126	4,329
Travel and meetings	1,683	2,072
Information technology and communications	1,195	1,287
Training and development	321	459
Building repairs and outgoings	711	526
Contributions to QLD State Government for Compliance Activities	135	104
General administrative	1,257	2,198
Total goods and services	13,150	16,942
Goods and services are made up of:		
Goods and services - related entities	3,422	3,964
Goods and services - external parties	9,728	12,978
Total goods and services	13,150	16,942
Other supplier expenses		
Operating lease rentals – external parties:		
Minimum lease payments	2,078	2,318
Workers compensation expenses	255	234
Total other supplier expenses	2,333	2,552
Total supplier expenses	15,483	19,494
Note 3C: Depreciation and Amortisation		
Depreciation:		
Property, plant and equipment	449	401
Buildings	684	617
Total depreciation	1,133	1,018
Amortisation:		
Computer software purchased	166	159
Computer software internally developed	414	684
Total amortisation	580	843
Total depreciation and amortisation	1,713	1,861
Note 3D: Write-Down and Impairment of Assets		
Asset write-downs and impairments from:		
Write-down of property, plant and equipment	-	3
Total write-down and impairment of assets	-	3

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Note 4: Income

	2012	2011
REVENUE	\$'000	\$'000

Note 4A: Sale of Goods and Rendering of Services

Rendering of services - related entities	201	766
Rendering of services - external parties	2,526	683
Total sale of goods and rendering of services	2,727	1,449

Represented by:

Observer fees	437	484
Other charges to the fishing industry	95	669
Other revenue	2,195	296
Total sale of goods and rendering of services	2,727	1,449

Note 4B: Rental Income

Operating lease:

Sublease - Canberra office	195	-
Sublease - Thursday Island office	36	-
Sublease - staff housing	-	55
Employee car parking	114	149
Total rental income	345	204

GAINS

Note 4C: Sale of Assets

Property, plant and equipment:

Proceeds from sale	11	25
Carrying value of assets sold	(6)	(17)
Net gain from sale of assets	5	8

Note 4D: Other Gains

Resources received free of charge

	34	33
Total other gains	34	33

REVENUE FROM GOVERNMENT

Note 4E: Revenue from Government

Appropriations:

Departmental appropriation	22,527	23,028
Special Appropriation1 (Levies and licensing charges)	13,370	12,961
Total revenue from Government	35,897	35,989

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 2012

Note 5: Financial Assets

	2012 \$'000	2011 \$'000
Note 5A: Cash and Cash Equivalents		
Special Accounts	415	608
Total cash and cash equivalents	415	608
Note 5B: Trade and Other Receivables		
Good and Services:		
Goods and services - related entities	101	39
Goods and services - external parties	221	286
Total receivables for goods and services	322	325
Appropriations receivable:		
Departmental Capital Budget	-	200
For existing programs - Special Account	13,200	10,147
Total appropriations receivable	13,200	10,347
Other receivables:		
GST receivable from the Australian Taxation Office	220	679
Total other receivables	220	679
Total trade and other receivables	13,742	11,351
Receivables are expected to be recovered in:		
No more than 12 months	542	1,004
More than 12 months	13,200	10,347
Total trade and other receivables	13,742	11,351
Receivables are aged as follows:		
Not overdue	13,448	11,321
Overdue by:		
0 to 30 days	148	-
31 to 60 days	48	29
61 to 90 days	8	-
More than 90 days	90	1
Total receivables	13,742	11,351

Credit terms for Goods and Services were within 30 days for 2012 (2011: 30 Days)

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Note 5: Financial Assets (Continued)

Reconciliation of the Impairment Allowance Account:

Movements in relation to 2012

	Goods and services \$'000	Total \$'000
Opening balance	-	-
Amounts written off	-	-
Closing balance	-	-

Movements in relation to 2011

	Goods and services \$'000	Total \$'000
Opening balance	(1)	(1)
Amounts written off	1	1
Closing balance	-	-

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Note 6: Non Financial Assets

	2012 \$'000	2011 \$'000
<u>Note 6A: Land and Buildings</u>		
Freehold land at fair value	229	229
Buildings on freehold land:		
Fair value	1,658	1,567
Accumulated depreciation	<u>(129)</u>	<u>(89)</u>
Total buildings on freehold land	<u>1,529</u>	<u>1,478</u>
Leasehold improvements:		
Fair value	5,281	5,078
Accumulated depreciation	<u>(1,234)</u>	<u>(590)</u>
Total leasehold improvements	<u>4,047</u>	<u>4,488</u>
Total land and buildings	<u>5,805</u>	<u>6,195</u>

Land and buildings may only be sold with the approval of the Minister for Agriculture, Fisheries and Forestry.

No indicators of impairment were found for land and buildings.

No land or buildings are expected to be sold or disposed of within the next 12 months.

Note 6B: Property, Plant and Equipment

Property, plant and equipment:

Fair value	2,582	2,214
Accumulated depreciation	<u>(1,411)</u>	<u>(978)</u>
Total property, plant and equipment	<u>1,171</u>	<u>1,236</u>

All revaluations were conducted in accordance with the revaluation policy stated at Note 1.

FINANCIAL STATEMENTS PART 5

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the period ended 30 June 2012

Note 6: Non Financial Assets (Continued)

Note 6C: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment 2012

	Land \$'000	Buildings \$'000	Leasehold Improvements \$'000	Total land and buildings \$'000	Property, plant & equipment \$'000	Total \$'000
As at 1 July 2011						
Gross book value	229	1,567	5,078	6,874	2,214	9,088
Accumulated depreciation and impairment	-	(89)	(590)	(679)	(978)	(1,657)
Net book value 1 July 2011	229	1,478	4,488	6,195	1,236	7,431
Additions:						
By purchase	-	91	203	294	390	684
Depreciation expense	-	(40)	(644)	(684)	(449)	(1,133)
Disposals	-	-	-	-	(6)	(6)
Net book value 30 June 2012	229	1,529	4,047	5,805	1,171	6,976
Net book value as of 30 June 2012 represented by:						
Gross book value	229	1,658	5,281	7,168	2,582	9,750
Accumulated depreciation and impairment	-	(129)	(1,234)	(1,363)	(1,411)	(2,774)
	229	1,529	4,047	5,805	1,171	6,976

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Note 6: Non Financial Assets (Continued)

Note 6C (Cont'd): Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment 2011

	Land \$'000	Buildings \$'000	Leasehold Improvements \$'000	Total land and buildings \$'000	Property, plant & equipment \$'000	Total \$'000
As at 1 July 2010						
Gross book value	229	1,422	4,603	6,254	1,839	8,093
Accumulated depreciation and impairment	-	(51)	(12)	(63)	(623)	(686)
Net book value 1 July 2010	229	1,371	4,591	6,191	1,216	7,407
Additions:						
By purchase	-	145	476	621	316	937
Impairments recognised in the operating result	-	-	-	-	(3)	(3)
Depreciation expense	-	(38)	(579)	(617)	(401)	(1,018)
Other movements	-	-	-	-	125	125
Disposals	-	-	-	-	(17)	(17)
Net book value 30 June 2011	229	1,478	4,488	6,195	1,236	7,431
Net book value as of 30 June 2011 represented by:						
Gross book value	229	1,567	5,078	6,874	2,214	9,088
Accumulated depreciation and impairment	-	(89)	(590)	(679)	(978)	(1,657)
	229	1,478	4,488	6,195	1,236	7,431

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Note 6: Non Financial Assets (Continued)

	2012	2011
	\$'000	\$'000
Note 6D: Intangibles		
Computer software:		
Internally developed - in use	4,354	4,293
Internally developed - accumulated amortisation	(2,009)	(1,595)
Purchased	765	681
Purchased - accumulated amortisation	(556)	(390)
Total computer software	2,554	2,989

No indicators of impairment were found for intangible assets.

No intangibles are expected to be sold or disposed of within the next 12 months.

Note 6E: Reconciliation of the Opening and Closing Balances of Intangibles 2012

	Computer software internally developed	Computer software purchased	Total
	\$'000	\$'000	\$'000
As at 1 July 2011			
Gross book value	4,293	681	4,974
Accumulated amortisation and impairment	(1,595)	(390)	(1,985)
Net book value 1 July 2011	2,698	291	2,989
Additions:			
By purchase or internally developed	61	84	145
Amortisation	(414)	(166)	(580)
Net book value 30 June 2012	2,345	209	2,554
Net book value as of 30 June 2012 represented by:			
Gross book value	4,354	765	5,119
Accumulated amortisation and impairment	(2,009)	(556)	(2,565)
	2,345	209	2,554

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Note 6: Non Financial Assets (Continued)

Note 6E (Cont'd): Reconciliation of the Opening and Closing Balances of Intangibles 2011

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
As at 1 July 2010			
Gross book value	4,293	534	4,827
Accumulated amortisation and impairment	(911)	(230)	(1,141)
Net book value 1 July 2010	3,382	304	3,686
Additions:			
By purchase or internally developed	-	146	146
Amortisation	(684)	(159)	(843)
Net book value 30 June 2011	2,698	291	2,989

Net book value as of 30 June 2011 represented by:

Gross book value	4,293	681	4,974
Accumulated amortisation and impairment	(1,595)	(390)	(1,985)
	<u>2,698</u>	<u>291</u>	<u>2,989</u>

Note 6F: Other Non-Financial Assets

	2012 \$'000	2011 \$'000
Prepayments	134	334
Accrued revenue	157	85
Total other non-financial assets	291	419

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.

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Note 7: Payables

	2012	2011
	\$'000	\$'000
Note 7A: Suppliers		
Trade creditors and accruals	207	362
Total supplier payables	<u>207</u>	<u>362</u>
Supplier payables expected to be settled within 12 months:		
Related entities	159	312
External parties	48	50
Total Supplier Payables	<u>207</u>	<u>362</u>

Settlement is usually made within 30 days.

Note 7B: Other Payables

Accrued expenses	1,377	1,932
Lease incentives	264	304
Operating lease rentals	939	1,032
Wages and salaries	635	391
Superannuation	-	59
Unearned revenue	177	252
Total other payables	<u>3,392</u>	<u>3,970</u>
Total other payables are expected to be settled in:		
No more than 12 months	2,189	2,673
More than 12 months	1,203	1,297
Total other payables	<u>3,392</u>	<u>3,970</u>

Note 8: Provisions

	2012	2011
	\$'000	\$'000
Note 8A: Employee Provisions		
Leave	4,215	3,390
Total employee provisions	<u>4,215</u>	<u>3,390</u>
Employee provisions are expected to be settled in:		
No more than 12 months	3,161	2,957
More than 12 months	1,054	433
Total employee provisions	<u>4,215</u>	<u>3,390</u>

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Note 9: Cash Flow Reconciliation

	2012 \$'000	2011 \$'000
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement		
Cash and cash equivalents as per:		
Cash flow statement	415	608
Balance sheet	<u>415</u>	<u>608</u>
Difference	<u>-</u>	<u>-</u>
Reconciliation of net cost of services to net cash from operating activities:		
Net cost of services	(35,267)	(39,747)
Add revenue from Government	35,897	35,989
Adjustments for non-cash items		
Depreciation / amortisation	1,713	1,861
Net write down of non-financial assets	-	3
Gain on disposal of assets	(5)	(8)
Changes in assets / liabilities		
(Increase) / decrease in net receivables	(2,663)	5,357
(Increase) / decrease in prepayments	200	(150)
Increase / (decrease) in unearned revenue	(75)	248
Increase / (decrease) in employee provisions	825	(698)
Increase / (decrease) in supplier payables	(155)	130
Increase / (decrease) in other payable	<u>(503)</u>	<u>(1,734)</u>
Net cash from operating activities	<u>(33)</u>	<u>1,251</u>

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Note 10: Contingent Liabilities and Assets

AFMA has no quantifiable contingent liabilities and assets.

Unquantifiable Contingencies

AFMA is responsible for the caretaking and disposal of apprehended foreign fishing vessels on behalf of the Commonwealth. These activities expose AFMA to significant potential security, environmental and other risks that cannot be quantified.

Significant Remote Contingencies

AFMA has indemnified current and former Directors, Commissioners and staff of the organisation for matters arising from or in connection with people being detained in exercise of powers conferred by the *Fisheries Management Act 1991*. AFMA considers the likelihood of costs being incurred in relation to these indemnities to be remote.

Note 11: Senior Executive Remuneration

	2012	2011
	\$	\$
Short-term employee benefits:		
Salary	782,245	772,249
Annual leave accrued	72,556	57,464
Total short-term employee benefits	854,801	829,713
Post-employment benefits:		
Superannuation	279,963	127,391
Total post-employment benefits	279,963	127,391
Other long-term benefits:		
Long-service leave	31,029	26,924
Total other long-term benefits	31,029	26,924
Total	1,165,793	984,028

Notes:

- Note 11A was prepared on an accrual basis (so the performance bonus expenses disclosed above differ from the cash 'Bonus paid' in Note 11B).
- Note 11A excludes acting arrangements and part-year service where remuneration expensed was less than \$150,000.
- No allowances or bonus were paid to Senior Executive staff during the 2011-12 period.

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Note 11: Senior Executive Remuneration (Continued)

Note 11B: Average Annual Reportable Remuneration Paid to Substantive Senior Executives During the Reporting Period

Average annual reportable remuneration ¹	2012			2011			
	Senior Executives No.	Reportable salary ² \$	Contributed superannuation ³ \$	Senior Executives No.	Reportable salary ² \$	Contributed superannuation ³ \$	Total \$
Total remuneration (including part-time arrangements):							
less than \$150,000	-	-	-	2	107,123	28,004	135,127
\$210,000 to \$239,999	1	170,786	55,431	-	-	-	226,217
\$240,000 to \$269,999	1	193,215	57,261	1	149,985	97,692	247,677
\$270,000 to \$299,999	1	175,620	105,417	1	233,978	53,723	287,701
\$300,000 to \$329,999	1	242,624	61,854	-	-	-	304,478
Total	4			4			

Notes:

1. This table reports substantive senior executives who received remuneration during the reporting period. Each row is an averaged figure based on headcount for individuals in the band.
2. 'Reportable salary' includes the following:
 - a) gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column); and
 - b) reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax).
3. The 'contributed superannuation' amount is the average actual superannuation contributions paid to senior executives in that reportable remuneration band during the reporting period, including any salary sacrificed amounts.
4. No allowances or bonus were paid to Senior Executive staff during the 2011-12 period.

FINANCIAL STATEMENTS PART 5

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the period ended 30 June 2012

Note 11: Senior Executive Remuneration (Continued)

Note 11C: Other Highly Paid Staff

Average annual reportable remuneration ¹	2012			2011				
	Senior Executives No.	Reportable salary ² \$	Contributed superannuation ³ \$	Senior Executives No.	Reportable salary ² \$	Contributed superannuation ³ \$	Bonus paid ⁴ \$	Total \$
Total remuneration (including part-time arrangements):								
\$150,000 to \$179,999	4	134,686	28,256	-	-	-	-	-
\$210,000 to \$239,999	-	-	-	1	182,280	44,074	8,501	234,855
Total	4			1				

Notes:

- This table reports staff:
 - who were employed by the entity during the reporting period;
 - whose reportable remuneration was \$150,000 or more for the financial period; and
 - were not required to be disclosed in Tables A, B or director disclosures.
 Each row is an averaged figure based on headcount for individuals in the band.
- 'Reportable salary' includes the following:
 - gross payments; and
 - reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits);
- The 'contributed superannuation' amount is the average actual superannuation contributions paid to staff in that reportable remuneration band during the reporting period, including any salary sacrificed amounts.
- In 2012 no allowances or bonus were paid. In 2011 bonus was paid to one highly paid staff and no allowances were paid.

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Note 12: Remuneration of Auditors

	2012 \$'000	2,011 \$'000
Financial statement audit services were provided free of charge to AFMA by the Australian National Audit Office (ANAO).		
Fair value of the services provided		
Financial statement audit services	34	33
Total	<u>34</u>	<u>33</u>

No other services were provided by the auditors of the financial statements.

Note 13: Financial Instruments

	2012 \$'000	2011 \$'000
<u>Note 13A: Categories of Financial Instruments</u>		
Financial Assets		
Receivables:		
Cash and cash equivalents	415	608
Receivables for goods and services	322	325
Carrying amount of financial assets	<u>737</u>	<u>933</u>
Financial Liabilities		
Trade creditors	207	362
Carrying amount of financial liabilities	<u>207</u>	<u>362</u>

Note 13B: Fair Value of Financial Instruments

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 2012

Note 13: Financial Instruments (Continued)

Note 13C: Credit Risk

AFMA is exposed to minimal credit risk as the majority of financial assets are cash and appropriations made under law (which guarantees fixed amounts of funding that AFMA can drawdown on as required). The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of trade receivables (2012: \$322,000 and 2011: \$325,000). AFMA has assessed the risk of default as nil in 2012 (2011: nil) to an allowance for impairment account.

AFMA manages its credit risk through policies and procedures that guide employees on the debt recovery techniques that are to be applied.

AFMA holds no collateral to mitigate against credit risk.

Credit quality of financial instruments not past due or individually determined as impaired

	Not past due nor impaired	Not past due nor impaired	Past due or impaired	Past due or impaired
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	415	608	-	-
Receivables for goods and services	28	295	294	30
Total	443	903	294	30

Ageing of financial assets that were past due but not impaired for 2012

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Receivables for goods and services	148	48	8	90	294
Total	148	48	8	90	294

Ageing of financial assets that were past due but not impaired for 2011

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Receivables for goods and services	-	29	-	1	30
Total	-	29	-	1	30

The debts considered to be impaired consist of fee for service invoices for observer coverage.

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Note 13: Financial Instruments (Continued)

Note 13D: Liquidity Risk

AFMA's financial liabilities are trade creditors. The exposure to liquidity risk is based on the notion that AFMA will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to appropriation funding and mechanisms available to AFMA (eg Advance to the Finance Minister) and internal policies and procedures put in place to ensure there are appropriate resources to meet its financial obligations. AFMA's trade creditors for 2012 were \$207,000 (2011: \$362,000) and were all payable within one year.

AFMA is appropriated funding from the Australian Government. AFMA manages its budgeted funds through the AFMA Special Account to ensure it has adequate funds to meet payments as they fall due. In addition, AFMA has policies in place to ensure timely payments are made when due and has no past experience of default.

Maturities for non-derivative financial liabilities 2012

	On demand \$'000	within 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	Total years \$'000
Trade creditors and accruals	-	207	-	-	207
Total	-	207	-	-	207

Maturities for non-derivative financial liabilities 2011

	On demand \$'000	within 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	Total years \$'000
Trade creditors and accruals	-	362	-	-	362
Total	-	362	-	-	362

AFMA has no derivative financial liabilities in both the current and prior year.

Note 13E: Market Risk

AFMA does not have the authority to invest surplus funds or hold financial instruments that expose it to market risk. AFMA is not exposed to 'currency risk', 'interest rate risk' or 'other price risk'.

Note 14: Financial Assets Reconciliation

	Notes	2012 \$'000	2011 \$'000
Financial assets			
Total financial assets as per balance sheet		14,157	11,959
Less: non-financial instrument components:			
Appropriations receivable	5B	13,200	10,347
GST Receivable from the Australian Taxation Office	5B	220	679
Total non-financial instrument components		13,420	11,026
Total financial assets as per financial instruments note		737	933

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Note 15: Administered Expenses

	2012	2011
	\$'000	\$'000
EXPENSES		
<u>Note 15A: Suppliers</u>		
Goods and services		
Surveillance and compliance	2,736	3,829
Consultants & contractors	7	16
General administration	15	-
Total goods and services	2,758	3,845
Goods and services are made up of:		
Rendering of services – related entities	-	38
Rendering of services – external parties	2,758	3,807
Total goods and services	2,758	3,845
Operating lease rentals - external parties:		
Minimum lease payments	60	106
Total other supplier expenses	60	106
Total suppliers expenses	2,818	3,951
<u>Note 15B: Depreciation and Amortisation</u>		
Depreciation:		
Buildings	35	35
Total depreciation and amortisation	35	35
<u>Note 15C: Write-Down and Impairment of Assets</u>		
Asset write-downs and impairments from:		
Impairment of levies and charges receivable	361	-
Total write-down and impairment of assets	361	-

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Note 16: Administered Income

	2012 \$'000	2011 \$'000
OWN-SOURCE REVENUE		
Taxation Revenue		
<u>Note 16A: Other Taxes</u>		
Levies and charges	14,374	13,136
Total other taxes	14,374	13,136
Non-Taxation Revenue		
<u>Note 16B: Sale of Goods and Rendering of Services</u>		
Provision of goods – external parties	-	6
Total sale of goods and rendering services	-	6
<u>Note 16C: Fees and Fines</u>		
Other fees from regulatory services	74	86
Fines	407	42
Total fees and fines	481	128
<u>Note 16D: Interest</u>		
Interest on overdue levies	60	39
Total interest	60	39
<u>Note 16E: Other Revenue</u>		
Other	10	4
Total other revenue	10	4
GAINS		
<u>Note 16F: Reversal of Previous Asset Write-Downs and Impairments</u>		
Reversal of impairment losses	-	9
Total reversals of previous asset write-downs and impairments	-	9

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Note 17: Administered – Financial Assets

	2012	2011
	\$'000	\$'000
FINANCIAL ASSETS		
<u>Note 17A: Cash and Cash Equivalents</u>		
Cash on hand or on deposit	4	7
Total cash and cash equivalents	4	7
<u>Note 17B: Trade and Other Receivables</u>		
Levies and charges:		
Levies and charges receivable - external parties	884	509
Total receivables levies and charges	884	509
Other receivables:		
GST receivable from Australian Taxation Office	90	215
Total other receivables	90	215
Total trade and other receivables (gross)	974	724
Less: impairment allowance account:		
Levies and charges	(454)	(140)
Total impairment allowance account	(454)	(140)
Total trade and other receivables (net)	520	584
Receivables are expected to be recovered within 12 months.		
Receivables were aged as follows:		
Not overdue	69	223
Overdue by:		
0 to 30 days	-	5
31 to 60 days	-	1
61 to 90 days	24	243
More than 90 days	881	252
Total receivables (gross)	974	724
The impairment allowance account is aged as follows:		
Not overdue	-	-
Overdue by:		
0 to 30 days	-	-
31 to 60 days	-	-
61 to 90 days	-	-
More than 90 days	(454)	(140)
Total impairment allowance account	(454)	(140)

Credit terms for goods and services were within 30 days (2011: 30 days).

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Note 17: Administered – Financial Assets (Continued)

Reconciliation of the Impairment Allowance Account:		
Movements in relation to 2012		
	Levies and charges \$'000	Total \$'000
Opening balance	(140)	(140)
Amounts written off	47	47
Movement recognised in net surplus	(361)	(361)
Closing balance	(454)	(454)
Movements in relation to 2011		
	Levies and charges \$'000	Total \$'000
Opening balance	(149)	(149)
Movement recognised in net surplus	9	9
Closing balance	(140)	(140)

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Note 18: Administered – Non Financial Assets

	2012 \$'000	2011 \$'000
NON-FINANCIAL ASSETS		
<u>Note 18A: Land and Buildings</u>		
Leasehold improvements:		
Fair value	699	699
Accumulated depreciation	(173)	(138)
Total leasehold improvements	526	561
Total land and buildings	526	561

No indicators of impairment were found for land and buildings.

No land or buildings are expected to be sold or disposed of within the next 12 months.

Note 18B – Reconciliation of Property, Plant and Equipment (2011-12)

	Leasehold Improvements \$'000	Total \$'000
As at 1 July 2011		
Gross book value	699	699
Accumulated depreciation and impairment	(138)	(138)
Net book value 1 July 2011	561	561
Depreciation expense	(35)	(35)
Net book value 30 June 2012	526	526

Net book value as of 30 June 2012 represented by:

Gross book value	699	699
Accumulated depreciation and impairment	(173)	(173)
	526	526

Reconciliation of Property, Plant and Equipment (2010-11)

	Leasehold Improvements \$'000	Total \$'000
As at 1 July 2010		
Gross book value	699	699
Accumulated depreciation/amortisation and impairment	(103)	(103)
Net book value 1 July 2010	596	596
Depreciation expense	(35)	(35)
Net book value 30 June 2011	561	561

Net book value as of 30 June 2011 represented by:

Gross book value	699	699
Accumulated depreciation and impairment	(138)	(138)
	561	561

Note 18C: Other Non-Financial Assets

Accrued revenue	32	38
Total other non-financial assets	32	38

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

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Note 19: Administered Payables

	2012 \$'000	2011 \$'000
PAYABLES		
<u>Note 19A: Suppliers</u>		
Trade creditors and accruals	23	310
Total suppliers	<u>23</u>	<u>310</u>
Supplier payables expected to be settled within 12 months:		
Related entities	-	310
External parties	23	-
Total	<u>23</u>	<u>310</u>
Settlement was usually made within 30 days.		
<u>Note 19B: Other Payables</u>		
Accrued expenses	138	330
GST payable	78	160
Total other payables	<u>216</u>	<u>490</u>
Total other payables are expected to be settled in:		
No more than 12 months	216	490
More than 12 months	-	-
Total other payables	<u>216</u>	<u>490</u>

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Note 20: Administered – Cash Flow Reconciliation

	2012 \$'000	2011 \$'000
Reconciliation of cash and cash equivalents as per Administered Schedule of Assets and Liabilities to Administered Cash Flow Statement		
Cash and cash equivalents as per:		
Schedule of administered cash flows	4	7
Schedule of administered assets and liabilities	4	7
Difference	<u>-</u>	<u>-</u>
Reconciliation of net contribution by services to net cash flows from operating activities		
Net contribution by services	11,711	9,336
Adjustments for non-cash items		
Depreciation / amortisation	35	35
Net write down of non-financial assets	361	(9)
Changes in assets / liabilities		
(Increase) / decrease in net receivables	(297)	97
Increase / (decrease) in unearned revenue	6	(38)
Increase / (decrease) in supplier payables	(287)	310
Increase / (decrease) in other payable	(274)	132
Net cash flows from operating activities	<u>11,255</u>	<u>9,863</u>

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Note 21: Administered Contingent Assets and Liabilities

	Guarantees		Total	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Contingent assets				
Balance from previous period	-	-	-	-
New	987	-	987	-
Total contingent assets	987	-	987	-

Quantifiable Administered Contingencies

The Schedule of Contingencies contains contingent assets in respect to two bank guarantees for the use of vessels seized for illegal fishing of \$987,000 (2011: \$0). These two cases are presently before the court and could result in potential assets being transferred to AFMA.

Unquantifiable Administered Contingencies

AFMA is responsible for the caretaking and disposal of apprehended foreign fishing vessels on behalf of the Commonwealth. These activities expose AFMA to significant security, environmental and other risks that cannot be quantified. AFMA is presently involved in a court case that could result in a liability for the agency.

Significant Remote Administered Contingencies

There were no significant remote contingencies as at 30 June 2012.

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Note 22: Administered Financial Instruments

	2012 \$'000	2011 \$'000
<u>Note 22A: Categories of Financial Instruments</u>		
Financial Assets		
Receivables:		
Cash and cash equivalents	4	7
Carrying amount of financial assets	4	7
Financial Liabilities		
Trade creditors	23	310
Carrying amount of financial liabilities	23	310

The fair value of financial instruments approximates their carrying amounts.

Note 22B: Credit Risk

The administered activities of AFMA are not exposed to a high level of credit risk as the majority of financial assets are statutory receivables. AFMA manages its credit risk through its power to suspend fishing concessions under s38(1) of the *Fisheries Management Act 1991* if any fee, levy, charge or other money relating to the concession is not paid as it becomes due. In addition, AFMA has policies and procedures that guide employees on debt recovery techniques that are to be applied.

AFMA did not hold any non-statutory administered receivables at 30 June 2012.

Note 22C: Liquidity Risk

AFMA's financial liabilities are limited to the value of accounts payable. The exposure to liquidity risk is based on the notion that AFMA will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to appropriation funding and mechanisms available to AFMA (eg Advance to the Finance Minister (AFM)) and internal policies and procedures put in place to ensure there are appropriate resources to meet its financial obligations.

Maturity of non-derivative financial liabilities for 2012 are all within one year.

Note 22D: Market Risk

AFMA does not have the authority to invest surplus funds or hold financial instruments that expose it to market risk. AFMA is not exposed to 'currency risk', 'interest rate risk' or 'other price risk'.

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Note 23: Administered Financial Assets Reconciliation

		2012 \$'000	2011 \$'000
<u>Financial assets</u>	Notes		
Total financial assets as per schedule of administered assets and liabilities		524	591
Less: non-financial instrument components			
GST Receivable from the Australian Taxation Office	17B	90	215
Net receivables levies and charges	17B	430	369
Total non-financial instrument components		520	584
Total financial assets as per financial instruments note		4	7

FINANCIAL STATEMENTS PART 5

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the period ended 30 June 2012

Note 24: Appropriations

Table A: Annual Appropriations ('Recoverable GST exclusive')

	2012 Appropriations					Appropriation applied in 2012 (current and prior years) \$'000	Variance \$'000
	Appropriation Act		FMA Act				
	Annual Appropriation \$'000	Annual Appropriations reduced ¹ \$'000	Section 30 \$'000	Section 31 \$'000	Section 32 \$'000		
DEPARTMENTAL							
Ordinary annual services	22,985	0.00	0.00	0.00	0.00	22,985	(200)
Total departmental	22,985	0.00	0.00	0.00	0.00	22,985	(200)
ADMINISTERED							
Ordinary annual services Administered items	5,693	(2,864)	0.00	0.00	0.00	2,829	(423)
Total administered	5,693	(2,864)	0.00	0.00	0.00	2,829	(423)

Notes:

1. Appropriations reduced under Appropriation Acts (Nos. 1,3&5) 2011-12: sections 10, 11, and 12 and under Appropriation Acts (Nos. 2,4&6) 2011-12: sections 12, 13, 14 and 17. Departmental appropriations do not lapse at financial year-end. However, the responsible Minister may decide that part or all of a departmental appropriation is not required and request the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament.

As with departmental appropriations, the responsible Minister may decide that part or all of an administered appropriation is not required and request that the Finance Minister reduce that appropriation. For administered appropriations reduced under section 11 of Appropriation Acts (Nos. 1,3&5) 2011-12 and section 12 of Appropriation Acts (Nos. 2,4&6) 2011-12, the appropriation is taken to be reduced to the required amount specified in Table E of this note once the annual report is tabled in Parliament. All administered appropriations may be adjusted by a Finance Minister's determination, which is disallowable by Parliament.

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Note 24: Appropriations (Continued)

Table A (Cont'd): Annual Appropriations ('Recoverable GST exclusive')

	2011 Appropriations					Appropriation applied in 2011 (current and prior years) \$'000	Variance \$'000
	Appropriation Act		FMA Act				
	Annual Appropriation \$'000	Appropriations reduced ¹ \$'000	Section 30 \$'000	Section 31 \$'000	Section 32 \$'000		
DEPARTMENTAL							
Ordinary annual services	22,974	(16)	0.00	0.00	270	23,228	200
Total departmental	22,974	(16)	0.00	0.00	270	23,228	200
ADMINISTERED							
Ordinary annual services Administered items	6,900	(2,949)	0.00	0.00	0.00	3,951	273
Total administered	6,900	(2,949)	0.00	0.00	0.00	3,951	273

Notes:

1. Appropriations reduced under Appropriation Acts (No. 1,3) 2010-11; sections 10, 11 and 12 and under Appropriation Acts (No. 2,4) 2010-11; sections 12, 13 and 14. Departmental appropriations do not lapse at financial year-end. However, the responsible Minister may decide that part or all of a departmental appropriation is not required and request the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament.

On 30 June 2011, the Finance Minister determined a reduction in departmental appropriations following a request by the Minister for Agriculture, Fisheries and Forestry. The amount of the reduction determined under Appropriation Act (No. 1) 2010-11 was: \$15,890.

As with departmental appropriations, the responsible Minister may decide that part or all of an administered appropriation is not required and request that the Finance Minister reduce that appropriation. For administered appropriations reduced under section 11 of Appropriation Acts (Nos. 1,3&5) 2010-11 and section 12 of Appropriation Acts (Nos. 2,4&6) 2010-11, the appropriation is taken to be reduced to the required amount specified in Table E of this note once the annual report is tabled in Parliament. All administered appropriations may be adjusted by a Finance Minister's determination, which is disallowable by Parliament.

Administered items for 2010-11 were reduced by: \$1,800,000 for the movement of funds for illegal foreign fishing vessel caretaking and disposal; \$1,000,000 for reduced costs in responding to illegal foreign fishing in northern waters; and \$149,182 for appropriations not required in 2010-11.

FINANCIAL STATEMENTS PART 5

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the period ended 30 June 2012

Note 24: Appropriations (Continued)

Table B: Departmental Capital Budgets ('Recoverable GST exclusive')

	2012 Capital Budget Appropriations			Capital Budget Appropriations applied in 2012		
	<i>Appropriation Act</i>	<i>FMA Act</i>	Total Capital Budget Appropriations \$'000	Payments for non financial assets ³ \$'000	Payments for other purposes \$'000	Total payments \$'000
	Annual Capital Budget \$'000	Appropriations reduced ² \$'000				
DEPARTMENTAL Departmental Capital Budget ¹	458	0.00	458	658	0.00	658
						Variance \$'000 (200)

Notes:

1. Departmental and Administered 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. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations.
2. Appropriations reduced under Appropriation Acts (No.1,3,5) 2011-12: sections 10, 11, 12 and 15 or via a determination by the Finance Minister.
3. Payments made on non-financial assets include purchases of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition, and the capital repayment component of finance leases.

	2011 Capital Budget Appropriations			Capital Budget Appropriations applied in 2011		
	<i>Appropriation Act</i>	<i>FMA Act</i>	Total Capital Budget Appropriations \$'000	Payments for non financial assets ³ \$'000	Payments for other purposes \$'000	Total payments \$'000
	Annual Capital Budget \$'000	Appropriations reduced ² \$'000				
DEPARTMENTAL Ordinary annual services - Departmental Capital Budget ¹	200	0.00	200	0.00	0.00	0.00
						Variance \$'000 200

Notes:

1. Departmental and Administered 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. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations.
2. Appropriations reduced under Appropriation Acts (No.1,3,5) 2010-11: sections 10, 11, 12 and 15 or via a determination by the Finance Minister.
3. Payments made on non-financial assets include purchases of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition, and the capital repayment component of finance leases.

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Note 24: Appropriations (Continued)

Table C: Unspent Annual Appropriations ('Recoverable GST exclusive')

Authority	2012	2011
DEPARTMENTAL	\$'000	\$'000
Appropriation Act (No. 1) 2010-11	0.00	200
Total	0.00	200

Table D: Special Appropriations ('Recoverable GST exclusive')

Authority	Type	Purpose	2012	2011
<i>Fisheries Administration Act 1991; Section 94C,</i>	Unlimited	To provide an appropriation for adjusted levy amounts and other receipts specified by s94C of the <i>Fisheries Administration Act 1991</i>	\$'000	\$'000
<i>Departmental</i>	Amount		13,370	12,961
<i>Financial Management and Accountability Act 1997</i>	Refund	To provide an appropriation where an Act or other law requires or permits the repayment of an amount received by the Commonwealth and apart from this section there is no specific appropriation for the repayment	22	99
<i>s28(2), Administered</i>				
Total			13,392	13,060

FINANCIAL STATEMENTS PART 5

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the period ended 30 June 2012

Note 24: Appropriations (Continued)

Table E: Reduction in Administered Items ('Recoverable GST exclusive')

2012 Ordinary Annual Services	Amount required ¹ - by		Amount required ¹ - as represented	Total amount required ¹	Total amount appropriated ²	Total reduction ³
	Appropriation Act (No.1)	Act (No.3)				
Outcome 1	\$2,829,017.98	0.00	\$157,606.13	\$2,829,017.98	\$5,693,000.00	\$2,863,982.02

Administered items for 2011-12 were reduced to these amounts when these financial statements were tabled in Parliament as part of the entity's 2011-2012 annual report. This reduction was effective in 2012-13, but the amounts were reflected in Table A in the 2011-12 financial statements in the column 'Appropriations reduced' as they were adjustments to 2011-12 appropriations.

1. Amount required as per Appropriation Act (Act 1 s. 11; Act 2 s. 12).
2. Total amount appropriated in 2011-12.
3. Total reduction effective in 2012-13.

2011 Ordinary Annual Services	Amount required ¹ - by		Amount required ¹ - as represented	Total amount required ¹	Total amount appropriated ²	Total reduction ³
	Appropriation Act (No.1)	Act (No.3)				
Outcome 1	\$3,950,817.74	0.00	\$272,973.06	\$3,950,817.74	\$6,900,000.00	\$2,949,182.26

Administered items for 2010-11 were reduced to these amounts when these financial statements were tabled in Parliament as part of the entity's 2010-11 annual report. This reduction was effective in 2011-12, but the amounts were reflected in Table A in the 2010-11 financial statements in the column 'Appropriations reduced' as they were adjustments to 2010-11 appropriations.

1. Amount required as per Appropriation Act (Act 1 s. 11; Act 2 s. 12).
2. Total amount appropriated in 2010-11.
3. Total reduction effective in 2011-12.

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2012

Note 25: Special Accounts

Section 83 of the Constitution provides that no amount may be paid out of the Consolidated Revenue Fund except under an appropriation made by law. The Department of Finance and Deregulation provided information to all agencies in 2011 regarding the need for risk assessments in relation to compliance with statutory conditions on payments from special appropriations, including special accounts. The possibility of this being an issue for the agency was reported in the notes to the 2010-11 financial statements and the agency undertook to investigate the issue during 2011-12.

During 2011-12, AFMA developed a plan to review exposure to risks of not complying with statutory conditions on payments from appropriations. The plan involved:

- identifying each special appropriation and special account;
- determining the risk of non-compliance by assessing the difficulty of administering the statutory conditions and assessing the extent to which existing payment systems and processes satisfy those conditions;
- determining procedures to confirm risk assessments in medium risk cases and to quantify the extent of non-compliance, if any, in higher risk situations; and
- obtaining legal advice as appropriate to resolve questions of potential non-compliance.

As at 30 June 2012, this work has been completed in relation to all of AFMA’s special appropriations and special accounts and no breaches of section 83 of the Constitution were identified. From the assessment performed, which included advice from the Department of Finance and Deregulation, AFMA is satisfied that its legislation is sufficiently broadly worded and no legislative or procedural changes were required.

AFMA Special Account (Departmental)	2012 \$'000	2011 \$'000
Appropriation: <i>Financial Management and Accountability Act 1997</i> ; section 21		
Establishing Instrument: <i>Fisheries Administration Act 1991</i> ; 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.		
Balance brought forward from previous period	10,755	15,755
Appropriation for reporting period	23,185	23,028
Special appropriation (<i>Fisheries Administration Act 1991</i> - Section 94C)	13,370	12,961
Other receipts	2,939	2,149
Total increase	50,249	53,893
Available for payments		
Employee payments	(20,172)	(20,748)
Supplier payments	(15,633)	(21,307)
Purchase of property, plant and equipment	(829)	(1,083)
Total decrease	(36,634)	(43,138)
Balance carried to next period and represented by:	13,615	10,755
Cash - held in the Official Public Account	13,200	10,147
Cash - held by the agency	415	608
Total balance carried to the next period	13,615	10,755

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Note 25: Special Accounts (Continued)

AFMA Services for Other Entities and Trust Moneys Special Account (Special Public Money)	2012 \$'000	2011 \$'000
Appropriation: <i>AFMA Services for Other Entities and Trust Moneys Special Account (Special Public Money)</i>		
Establishing Instrument: <i>Financial Management and Accountability Act 1997; section 20</i>		
Purpose: For amounts that are held on trust or otherwise for the benefit of a person other than the Commonwealth.		
Balance carried from previous period	114	119
Appropriation for reporting period	-	-
Costs recovered	-	-
Realised investments	-	-
Other receipts	117	88
Total increase	231	207
Available for payments		
Payments made - suppliers	-	(86)
Repayments debited from the special account	-	(7)
Total decrease	-	(93)
Total balance carried to the next period	231	114

Note 26: Compensation and Debt Relief

Departmental

No 'Act of Grace' expenses were made during the reporting period (2011: No payments made).

No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the Financial Management and Accountability Act 1997 (2011: No waiver made).

No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme during the reporting period (2011: No payments made).

No ex-gratia payments were provided for during the reporting period (2011: No payments made).

No payments were provided in special circumstances relating to APS employment pursuant to section 73 of the Public Service Act 1999 during the reporting period (2011: No payments made).

Administered

No 'Act of Grace' expenses were made during the reporting period (2011: No payments made).

No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the Financial Management and Accountability Act 1997 (2011: No waiver made).

No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme during the reporting period (2011: No payments made).

No ex-gratia payments were provided for during the reporting period (2011: No payments made).

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Note 27: Assets Held in Trust

Monetary assets

Financial assets held in trust were also disclosed in Note 25: Special Accounts in the table title AFMA Service for Other Entities and Trust Monies.

	2012	2011
	\$'000	\$'000
Cash at bank - monetary asset		
Total amount held at the beginning of the reporting period	114	119
Receipts	117	88
Payments	-	(93)
Total amount held at the end of the reporting period	<u>231</u>	<u>114</u>

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 2012

Note 28: Reporting of Outcomes

AFMA has a single outcome for the financial year: *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.*

Note 28A: Net Cost of Outcome Delivery

	Outcome 1		Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Expenses				
Administered	3,214	3,986	3,214	3,986
Departmental	38,378	41,441	38,378	41,441
Total	41,592	45,427	41,592	45,427
Income from non-government sector				
Administered				
Activities subject to cost recovery	14,374	13,136	14,374	13,136
less amounts credited to Special Account	(13,370)	(12,961)	(13,370)	(12,961)
Other	551	177	551	177
Total administered	1,555	352	1,555	352
Departmental				
Activities subject to cost recovery	13,902	14,114	13,902	14,114
Other	2,579	541	2,579	541
Total departmental	16,481	14,655	16,481	14,655
Total	18,036	15,007	18,036	15,007
Net cost of outcome delivery	23,556	30,420	23,556	30,420

Note 28B & 28C: Major Classes of Expense, Income, Assets and Liabilities by Outcome

AFMA has a single outcome and as such the Statement of Comprehensive Income, Balance Sheet, Administered Schedule of Comprehensive Income and Administered Schedule of Assets and Liabilities is representative of that outcome.

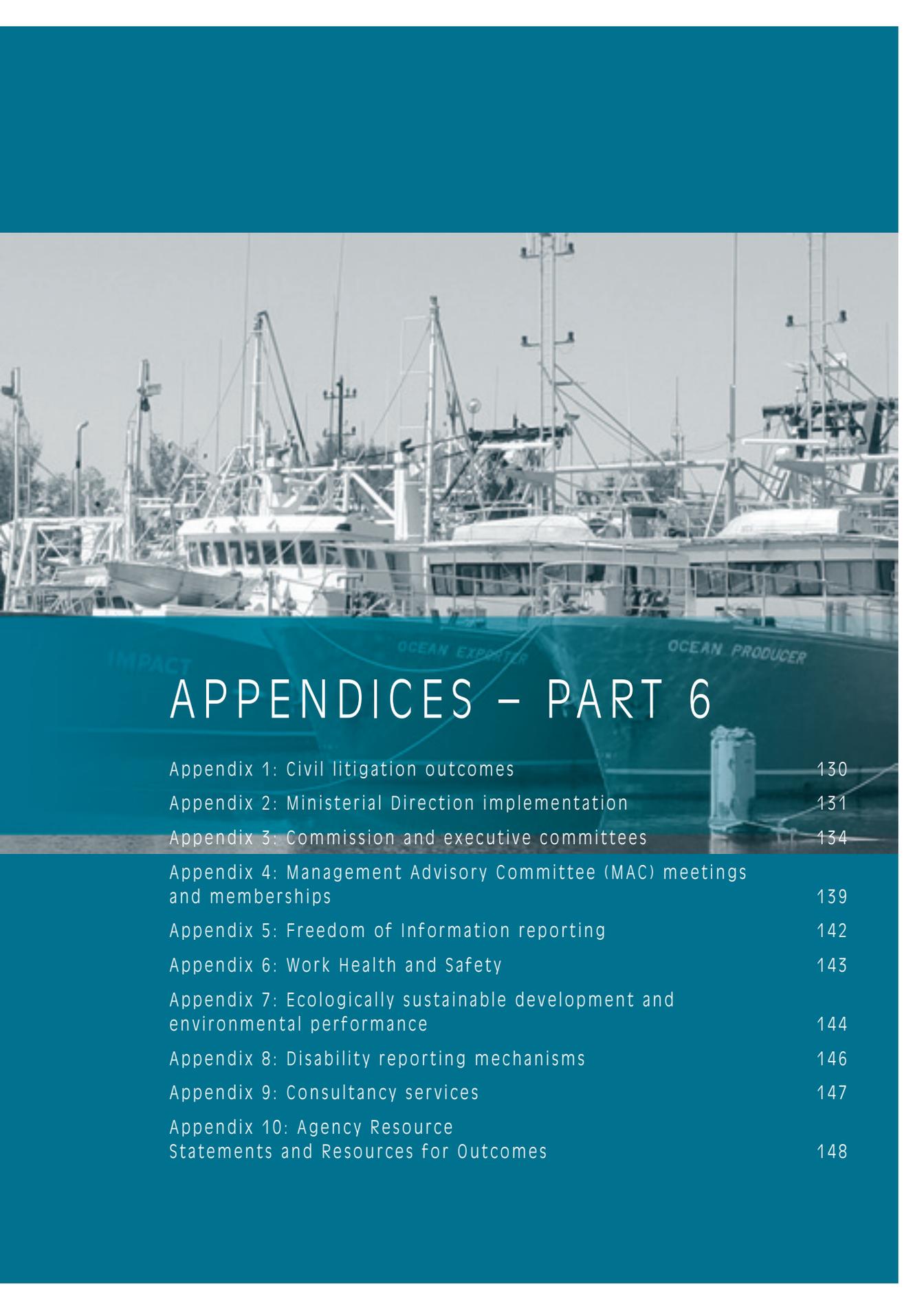
AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Note 29: Net Cash Appropriation Arrangements

	2012 \$'000	2011 \$'000
Total comprehensive income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations¹	1,664	(2,538)
Plus: depreciation/amortisation expenses previously funded through revenue appropriation	1,034	1,220
	<hr/>	<hr/>
Total comprehensive income (loss) - as per the Statement of Comprehensive Income	630	(3,758)

¹ From 2010-11, the Government introduced net cash appropriation arrangements, where revenue appropriations for depreciation/amortisation expenses ceased. Entities now receive a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.

² Depreciation and amortisation expenditure represented above refers to the government funded portion of AFMA's total depreciation and amortisation charges.



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Appendix 1: Civil litigation outcomes

Civil litigation outcomes

Matter	Fishery	Outcome/status
Sahring & Others v the Australian Fisheries Management Authority & the Commonwealth of Australia.	N/A	Proceedings have commenced

Significant outcomes

1. *Sahring & Others v AFMA & the Commonwealth*

The first applicant's case in *Sahring & Others v AFMA & the Commonwealth* was heard in the Federal Court in Darwin in April 2012. The case was adjourned to 30 August 2012.

Legal proceedings commenced against AFMA and the Commonwealth on 19 April 2011 when six applicants challenged the apprehension and forfeiture of nine Indonesian fishing vessels in April 2008. Applicants are seeking damages personally for the alleged unlawful detention of one of the applicants.

It is alleged that officers' actions were beyond their powers in the *Fisheries Management Act 1991*. The applicants all claim they were in the area lawfully and the officers deliberately, wrongfully and without authority, intervened destroying their vessels and depriving the applicants on board of their liberty.

The first applicant's case is being treated as a test case for the five other applicants involving the other eight vessels.

Appendix 2: Ministerial Direction implementation

Progress against actions required by the Ministerial Direction as at 30 June 2012

In December 2005, the then Minister for Fisheries, Forestry and Conservation issued a formal Direction to AFMA. The aim of this Direction was to initiate

key actions to ensure the sustainability of fish stocks and secure the future of the Australian fishing industry.

As part of the Direction, AFMA is required to report on the impact of the Direction on the operations of AFMA.

Component of the Direction	Specified Timeframe	Progress/Proposed Action
1. Take a more strategic, science-based approach to setting total allowable catch and/or effort levels in Commonwealth fisheries, consistent with the Commonwealth Harvest Strategy Policy.	1 January 2008	Thirteen harvest strategies covering 11 fisheries have been developed and implemented under the Harvest Strategy Policy. Harvest strategies are in place for all major domestic fisheries, with Southern Bluefin Tuna managed under an internationally-agreed procedure.
2. The total allowable catch for the Bass Strait Central Zone Scallop Fishery be set at zero for 2006-08.	Effectively 1 May 2006	The total allowable catch was set at zero for 2006-08. A significant stock rebuild occurred under the zero total allowable catch limit and a new harvest strategy for the fishery was implemented in 2009. Based on the application of the new harvest strategy the total allowable catch was set to 3000 tonnes and 2000 tonnes for the 2010 and 2011 fishing seasons respectively.
3. Implement the government policy of managing Commonwealth fisheries using output controls in the form of individual transferable quotas. Where quota or effort based statutory fishing rights have been granted, determine whether boat permits and/or boat statutory fishing rights are an impediment to autonomous adjustment or to efficient management.	Implementation of individual transferable quota where appropriate by 2010; determine whether boat statutory fishing rights could be phased out by 2010 if appropriate.	AFMA is continuing to implement the government's policy of managing Commonwealth fisheries using individual transferable quotas. Seven fisheries have individual transferable quotas implemented. Individual transferable quotas are expected to be implemented in the Northern Prawn Fishery in early 2013 once management plan amendments have taken place. Once this is achieved, all major Commonwealth fisheries will be managed using individual transferable quotas. In June 2008, the then AFMA Board approved recommendations set out in an independent report that boat statutory fishing rights and permits should remain and are generally not an impediment to autonomous adjustment or efficient management.

Component of the Direction	Specified Timeframe	Progress/Proposed Action
<p>4. Minimise incentives for discarding of quota species and manage the broader environmental impacts of fishing including minimising interactions with threatened or otherwise protected species.</p>	<p>Not specified</p>	<p>During 2011-12 AFMA, with the financial support of the Caring For Our Country program, worked with the fishing industries to improve awareness of the environmental impacts of fishing, and in particular to reduce interactions with threatened, endangered and protected species. AFMA made seabird management plans mandatory in the otter board trawl sector of the Southern and Eastern Scalefish and Shark Fishery.</p> <p>A review of Commonwealth quota management system arrangements has commenced and will explicitly consider management arrangements for discarding. This review will be completed in 2012-13.</p> <p>The principles for minimising discards and managing the environmental impacts of fishing are contained in AFMA's Program for Addressing Bycatch and Discarding in Commonwealth Fisheries: an Implementation Strategy, finalised in February 2008.</p> <p>Fishery-specific bycatch and discard workplans have been implemented in 10 fisheries.</p>
<p>5. Enhance monitoring of fishing activity, for example through increased use of vessel monitoring systems with daily reporting, and on-board cameras.</p>	<p>Not specified</p>	<p>Vessel monitoring systems are compulsory in all Commonwealth fisheries and monitoring programs are in place to ensure compliance with these requirements.</p> <p>Trials of e-monitoring in the Eastern Tuna and Billfish Fishery, Northern Prawn Fishery and Gillnet Hook and Trap Sector were concluded with final reports submitted to the Fisheries Research and Development Corporation.</p> <p>E-monitoring technology was fitted to 12 boats in the Gillnet Hook and Trap sector.</p> <p>AFMA has developed a draft fee-for-service policy that provides a financial incentive to operators who choose to install e-monitoring systems.</p> <p>Specific observer programs are operating in 12 fisheries.</p>
<p>6. Establish a system of fishery independent surveys.</p>	<p>Not specified</p>	<p>Fishery independent surveys have been developed and implemented in six major fisheries, which means that all major fisheries are covered. Fisheries independent surveys are not necessarily conducted every year – the frequency is assessed by AFMA and its resource assessment groups on a fishery-by-fishery basis.</p>

Component of the Direction	Specified Timeframe	Progress/Proposed Action
7. Identify and implement any required spatial closures in fisheries & coordinate closures with agencies implementing marine protected areas.	Not specified	<p>Spatial closures are now in place in a number of Commonwealth fisheries and spatial management is being used to reduce the number of high risk species identified in the ecological risk assessments.</p> <p>The <i>Fisheries Management Amendment Regulation 2010</i> No. 1 introduced in February 2010, enhanced AFMA's ability to monitor and enforce closures.</p> <p>AFMA has an engagement strategy for its involvement with the marine bioregional planning process being carried out by the Department of Sustainability, Environment, Water, Population and Communities.</p> <p>The marine bioregional planning process includes the identification of marine reserves to be included in Australia's National Representative System of Marine Protected Areas.</p> <p>AFMA holds membership on the National Marine Protected Area Working Group and works closely with the Department of Sustainability Environment, Water, Population and Communities for particular issues.</p> <p>During 2011-12, additional spatial closures have been implemented in the Southern and Eastern Scalefish and Shark Fishery to afford greater protection to Australian sea lions and some dogfish species.</p>
8. Strengthen advice to the Commission by engaging high-level expertise in economics and science.	Not specified	<p>A Senior Economist was appointed to AFMA in 2007 to provide high level advice to AFMA, the Commission, and management advisory committees on the pursuit of maximum economic yield and incorporating economic objectives into day-to-day fisheries management.</p> <p>A list of economic and biological experts from domestic and international research agencies and academic institutions has been established that can be called upon to provide the Commission with additional advice on key decisions, on a case by case basis. Scientific and economic advice on key issues for AFMA can also be sought from CSIRO and Australian Bureau of Agricultural and Resource Economics and Sciences under a memorandum of understanding.</p>
9. Reporting to the Minister on how AFMA is implementing the direction.	May 2006 Nov. 2006 May 2007 June 2008	<p>All reports were submitted on time.</p> <p>The requirements of the Ministerial Direction have been incorporated into the key strategies to be pursued by AFMA.</p> <p>These are outlined in AFMA's corporate planning and accountability documents such as the Corporate Plan 2011-16 and the Annual Operational Plan 2011-12.</p> <p>AFMA reports annually on its progress against both of these documents in the annual report.</p>

Appendix 3: Commission and executive committees

Our current Commissioners were appointed by our Minister on 1 March 2009, for five-year terms.



The Hon Michael Egan, FAICD – Chairman

Mr Egan is a Company Director, Chancellor of Macquarie University, Chairman of the Centenary Institute of Cancer Medicine and Chairman of the Newcastle Coal Infrastructure Group Pty

Ltd. He was previously Treasurer of New South Wales, Minister of State Development and Leader of the Government in the Legislative Council.



Dr James Findlay – Chief Executive Officer

Dr Findlay 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 change 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. Prior to joining the public service he also worked in the commercial and recreational/charter fishing industries in Queensland.



Mr Richard Stevens, OAM – Deputy Chair

Mr Stevens has a Bachelor of Economics, is a Director of the Fisheries Research and Development Corporation, Deputy Presiding Member of the Fisheries Council of South Australia and

chair/member of a number of state and territory fisheries committees. Mr Stevens's expertise covers natural resource management, fishing industry operations and economics.



Mr Ian Cartwright

Mr Cartwright has a Master of Science in Economics, is Chair of the Tasmanian Fisheries Research Advisory Board and chair of various fisheries committees. Mr Cartwright's expertise covers commercial fishing, fisheries science, natural

resource management, economics and business management.



Dr John Glaister

Dr Glaister is currently Director-General of the Queensland Government Department of National Parks, Recreation, Sport and Racing. He has previously held roles as Deputy Director General, Health Planning and

Infrastructure Division, Queensland Health, Chief Scientist of international construction company Laing O'Rourke; Deputy Director General of the Queensland Department of Transport; Chief

Executive, Ministry of Fisheries, New Zealand; Deputy Director-General, Queensland Department of State Development and Innovation and Director-General, New South Wales Fisheries.



Ms Jennifer Goddard

Economist and previously Deputy Secretary, Department of the Prime Minister and Cabinet (PM&C), Ms Goddard held a number of senior roles within PM&C and prior to that in the Department of the Treasury. She is

now the inaugural Chair of the Australian Solar Institute Limited, a Director of the Grains Research and Development Corporation and the ACTEW Corporation, and an economics and public policy consultant.



Ms Elizabeth Montano

Former private sector financial services lawyer and Chief Executive in the Commonwealth, Ms Montano is currently a Member of the Council (Board) of the Australian Institute of Marine Science (AIMS), member of the AIMS

Audit Committee, Chair of the audit committee of the Department of Sustainability Environment Water Population and Communities, a Member of the Audit Committees of the Department of Veterans Affairs and the Customs and Border Protection Service and Principal of a consultancy business working in governance, business strategy, risk and audit. She holds the qualifications of Bachelor of Arts, Bachelor of Laws and Fellow of the Australian Institute of Company Directors.



Ms Denise North

Ms North has a Bachelor of Economics, a Master of Business Administration and is a Fellow of the Australian Institute of Company Directors and the Australian Institute of Management. She is Chairman of Streetwize

Communications Ltd and of the Council of International House, University of Sydney. Denise has held diverse senior executive and consulting roles across a range of sectors, and is currently Chief Executive of the Insolvency Practitioners Association. Denise's expertise covers economics and business management, including corporate and business strategy development and organisational change.



Prof Keith Sainsbury

Prof Sainsbury is Director of SainSolutions, Professor of Marine Systems Science (University of Tasmania), Director of the Fisheries Research and Development Corporation and Vice-Chair of the Board of the Marine Stewardship

Council. Prof Sainsbury's internationally recognised expertise covers fisheries science, natural resource management and marine ecology.



AFMA Commissioners attendance at Commission Meetings

Commissioner	Commission	Research Committee	Audit and Risk Committee
The Hon Michael Egan FAICD (Chairman)	5 (5)		
Dr James Findlay (CEO)	4 (5)		
Mr Richard Stevens, OAM (Deputy Chair)	5 (5)		
Mr Ian Cartwright	5 (5)	1 (1)	
Dr John Glaister	4 (5)	1 (1)	
Ms Jennifer Goddard	4 (5)		
Ms Elizabeth Montano	5 (5)		4 (4)
Ms Denise North	5 (5)		3 (4)
Prof Keith Sainsbury	5 (5)		

() number of meetings the commissioner was eligible to attend within their term of office

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, Fisheries Operations Branch

Mr John Bridge, General Manager, Corporate Services Branch

Mr Ryan Murphy, Executive Secretary

Ms Tanya Howitt, Chief Finance Officer

Audit and Risk Committee

Role and function

The Audit and Risk Committee was established under the *Financial Management and Accountability Act 1997* by the Chief Executive Officer and met

six times during the financial year. The main items considered by the committee during the year were:

- the committee's charter, membership and relationship to the Commission
- review of the 2010-11 financial statements and certificate of compliance
- review of the internal audit program, internal audit reports, risk management arrangements and the fraud control plan
- financial reporting arrangements under the *Financial Management and Accountability Act 1997*
- review of the governance arrangements
- financial management information system improvements
- the risk management framework and Business Continuity Management Plan
- external accountability.

Membership

The committee comprises at least one commissioner, an AFMA senior executive member and at least one independent member.

The members during the reporting period were:

Ms Denise North, Chair (Commissioner)

Ms Elizabeth Montano (Commissioner)

Mr John Bridge (executive)

Mr Brian Macdonald (independent)

Ms Jenny Morison (independent)

A number of observers and advisers also attended meetings during the year, including the Chief Finance Officer and audit representatives from Oakton (internal audit providers), Price WaterhouseCoopers (contracted external auditors) and the Australian National Audit Office.

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

Research Committee

Role and function

The role of the 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.

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 two meetings in the 2011-12 financial year at the AFMA office in Canberra.

Membership

Mr Ian Cartwright, Chair (until March 2012) and Commissioner

Dr John Glaister, Chair (from March 2012) and Commissioner

Dr Keith Sainsbury, Commissioner

Dr James Findlay, Chief Executive Officer

Dr Nick Rayns, Executive Manager, Fisheries Management Branch

Ms Katie Scutt, Secretary to the Committee

The Committee also comprised the following advisers:

Mr David Galeano, Senior Manager Policy, Environment, Research and Economics

Ms Mandy Goodspeed, Manager Policy, Environment, Research and Economics

The Committee invites regular observers to attend to provide expert advice:

Mr Crispian Ashby, Fisheries Research and Development Corporation

Dr David Smith, CSIRO Marine and Atmospheric Research

Ms Trixi Madon, Commonwealth Fisheries Association

Mr Gordon Neil, Department of Agriculture Fisheries and Forestry

Environment Committee

Role and function

The Environment Committee provides advice to AFMA on strategies to address environmental issues including ecologically sustainable development, the precautionary principle and minimising the impact on non-target species.

The committee did not meet during 2011-12. The 34th meeting which was scheduled for 18 October 2011 was cancelled. The Commission resolved in February 2012 to put the operations of the Environment Committee on hold pending completion of a project on revitalisation of the ecological risk assessment / ecological risk management process.

Membership

In 2011-12, the committee comprised the following members:

Prof Keith Sainsbury, Chair and Commissioner

Dr James Findlay, AFMA Chief Executive Officer

Mr Ian Cartwright, Commissioner

Ms Jenny Goddard, Commissioner

Dr Nick Rayns, Executive Manager, Fisheries Management Branch

Mr Glenn Sant, TRAFFIC International

Ms Trixi Madon, Commonwealth Fisheries Association

Mr Nigel Routh, Department of Sustainability, Environment, Water, Population and Communities

Mr Gordon Neil, Department of Agriculture, Fisheries and Forestry

The Committee also comprised the following advisers:

AFMA Senior Manager Policy, Economics, Environment and Research

AFMA Manager Environment

AFMA Manager Ecological Risk

Information and Communications Technology (ICT) and Projects Governance Committee

Role and function

The role of the ICT and Projects Governance Committee is to provide advice on the strategic direction for ICT activities within AFMA.

Combined business knowledge and strategic understanding of the members contributes to an ICT environment that successfully supports business processes and business outcomes.

The committee provides high level governance and guidance on

1. The alignment of ICT activities with business objectives
2. ICT expenditure

3. Prioritisation of ICT service delivery

4. Review of project status

Membership

Dr James Findlay, Chief Executive Officer

Dr Nick Rayns, Executive Manager, Fisheries Management Branch

Mr Peter Venslovas, General Manager, Fisheries Operations Branch

Mr John Bridge, General Manager, Corporate Services Branch

Mr Ryan Murphy, Executive Secretary

Ms Tanya Howitt, Chief Finance Officer

Mr Graham Hill, Senior Manager Enterprise Risk and Business Continuity

Mr John Kozman, Corporate Services Branch representative

Ms Libby Jenkins, Corporate Services Branch representative

Mr Scott Connors, Corporate Services Branch representative

Ms Kerry Smith, Fisheries Operations Branch representative

Mr Tod Spencer, Fisheries Operations Branch representative

Mr John Davis, Fisheries Operations Branch representative

Mr John Andersen, Fisheries Operations Branch representative

Mr Malcolm Southwell, Fisheries Management Branch representative



Appendix 4: Management Advisory Committee (MAC) meetings and memberships

Tropical Tuna Management Advisory Committee

Membership

Ms Catherine Barnett, Chair (from 22 September 2011)

Mr Trent Timmiss, AFMA member

Dr Campbell Davies, research member

Mr Terry Romaro, industry member

Mr Geoff Binns, industry member

Mr Paul William, industry member

Mr Gary Heilmann, industry member

Mr Peter Trott, environment/conservation member

Mr Bill Edwards, recreational/charter fishing member

Mr Len Olyott, recreational/charter invited participant

Mr Cathal Farrell, industry invited participant

Ms Erica Starling, industry invited participant

Mr Brian Jeffriess, industry invited participant

Dr Brigid Kerrigan, state government invited participant

Meetings

The committee met twice during 2011–12, providing advice on the total allowable commercial catches for both the eastern and western tuna fisheries. Total allowable commercial catch recommendations were made unanimously by the committee for both fisheries.

The committee also considered various options to fine-tune management arrangements under the new quota systems in each fishery.

Great Australian Bight Trawl Management Advisory Committee

Membership

Mr Barry Windle, Chair

Mr Brad Milic, AFMA member

Dr Ian Knuckey, research member

Mr Patrick O'Callaghan, environment/conservation member

Mr Jim Raptis, industry member

Mr Jeff Moore, industry member

Mr Semi Skoljarev, industry member

Ms Marcia Valente, industry member

Ms Alice Fistr, state government member

Meetings

A committee meeting was planned for late 2011–12 but was delayed due to unavailability of some industry members. The meeting will now be held in July 2012.

Northern Prawn Management Advisory Committee

Membership

Mr Stuart Richey AM, Chair

Mr Steve Bolton, AFMA member (from 11 June 2012)

Ms Melissa Brown, AFMA member (until 10 June 2012)

Dr Ian Knuckey, research member

Mr David Carter, industry member

Mr Ronald Earle, industry member
 Mr Norman Peovitis, industry member
 Mr George Raptis, industry member
 Mr Gregory Albert, industry member
 Mr Eddie Hegerl, environment/conservation member
 Mr Eddie Jebreen, state government invited participant

Meetings

The Northern Prawn Fishery Management Advisory Committee (NORMAC) met four times during 2011-12.

NORMAC first met on 22 September 2011 to consider a revised draft of the Northern Prawn Fishery (NPF) harvest strategy and a range of papers relating to the proposed introduction of quota management in the Northern Prawn Fishery.

Two NORMAC teleconferences were also held on 10 February 2012 and 12 April 2012. The teleconferences were convened to consider specific topics related to the proposed introduction of quota management in the Northern Prawn Fishery.

The final NORMAC meeting for 2011-12 was held on 20 June 2012 to discuss a range of matters related to the proposed introduction of quota management in the fishery, including an industry proposal for an effort-based alternative to quota.

Southern Bluefin Tuna Management Advisory Committee

Membership

Mr Peter Neville, Chair
 Mr Trent Timmiss, AFMA member
 Dr Gavin Begg, research member (until 31 October 2011)
 Mr Glenn Sant, environment/conservation member
 Mr Greg Honeychurch, industry member (farm sector)
 Mr Michael Thomas, industry member (farm sector)
 Mr Andrew Wilkinson, industry member (farm sector)
 Mr Mario Valcic, industry member (farm sector)

Mr Terry Romaro, industry invited participant
 Mr John Brooker, recreational/charter invited participant
 Prof Mehdi Doroudi, state government invited participant

Meetings

The committee met once during 2011-12.

The key domestic management outcome of the meeting was the consideration of the outcomes of the trial of stereo video for monitoring the transfer of fish into farm pontoons.

Bass Strait Central Zone Scallop Fishery Management Advisory Committee

Membership

Mr John Pollock, Chair
 Mr George Day, AFMA member
 Mr Neil Hughes, AFMA member
 Mr Richard Martin, research member
 Mr Jon Bryan, environment/conservation member
 Mr Stuart Richey, industry member
 Mr Steve Mantzaris, industry member (from 1 January 2012)
 Mr Jim Anastos, industry member
 Mr Allan Barnett, industry member
 Mr John Hammond, industry member
 Mr Darren Fearnley, industry member (from 1 January 2012)
 Mr Tom Mellas, industry member
 Mr David Jarvis, Tasmanian state government invited participant
 Ms Melissa Schubert, Victorian state government invited participant

Meetings

The committee held two face-to-face meetings during 2011-12.

The key issues considered were;

- the costs of management and budget implications

- the review of the harvest strategy
- the assessment of the Scallop Resource Assessment Group advice concerning the setting of the total allowable catches
- fishing areas
- pre-season survey results
- management options for the 2012 fishing season.

South East Management Advisory Committee

Membership

Mr Steve McCormack, Chair

Ms Beth Gibson, AFMA member

Dr Sandy Morison, research member

Mr Simon Boag, industry member

Mr Les Scott, industry member

Mr Theophilos Toumazos, industry member

Mr Lisle Elleway, industry member (until September 2011)

Mr Gerry Geen, industry member

Ms Anissa Lawrence, environment/conservation member

Mr Anthony Cicone, industry invited participant (until March 2012)

Mr Brian Bailey, industry invited participant (from 26 April 2012)

Mr Louis Hatzimihalis, industry invited participant (from 26 April 2012)

Dr Ian Knuckey, research invited participant

Mr Malcolm Poole, recreational/charter invited participant

Ms Frances Seaborn, state government invited participant (from 26 April 2012)

Mr Andrew Sullivan, state government invited participant (until 23 April 2012)

Mr Jeff Moore, Great Australian Bight sector invited participant

Meetings

The committee held three face-to-face meetings in Canberra during 2011-12. In addition, there were three teleconferences during the year and a further two issues were resolved out of session.

The committee made recommendations to the AFMA Commission on total allowable catches and effort controls for the Southern and Eastern Scalegfish and Shark Fishery, the Small Pelagic Fishery and the Southern Squid Jig Fishery.

Additionally the committee dealt with measures to mitigate fishing impact on sea lions, dolphins and other protected species and considered updated information supporting a revised gulper shark management strategy.

Sub-Antarctic Fisheries Management Advisory Committee

Membership

Mr Bill Nagle, Chair

Mr Peter Neave, AFMA Member

Mr Jon Bryan, environment/conservation member

Ms Lihini Weragoda, Australian Antarctic Division member

Mr Martin Exel, industry member

Mr Les Scott, industry member

Prof Malcolm Haddon, research member

Meetings

The committee formally met once in 2011-12.

Key issues were:

- outcomes from the 30th meeting of the Commission for the Conservation of Antarctic Marine Living Resources, including recommendations on the total allowable catches for Patagonian Toothfish and Mackerel Icefish in the Heard Island and McDonald Islands Fishery.
- Proposed amendments to the *Heard Island and McDonald Islands Fishery Management Plan 2002* to remove the minimum quota-holding requirement for non-trawl fishing methods and moving the mechanism for setting the minimum quota holding for trawl fishing methods to a determination.

Appendix 5: 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 Act 1982* reporting can be found at www.afma.gov.au.



Appendix 6: Work Health and Safety

Work health and safety

The new *Workplace Health and Safety Act 2011* came into effect on 1 January 2012. The Act initiates harmonisation of health and safety for all Australian workers. Comcare provided an information session for AFMA staff in December 2011. AFMA's Health and Safety Management Arrangements were reviewed and amended to ensure compliance with the new legislation.

The Work Health and Safety Committee (previously the Occupational Health and Safety Committee) met four times during 2011-12. The Work Health and Safety Committee's role is to assist AFMA to develop, implement, review and update policies and procedures in relation to work health and safety, incident reporting and consequent prevention measures, improving the cooperation between AFMA and its staff on work health and safety issues and helping AFMA to distribute relevant information.

Health and safety initiatives

In June 2012 we again provided free on-site influenza vaccinations to staff as well as free health checks for all staff. We experienced a strong take-up rate for both of these opportunities.

Four workstation assessments were conducted in 2011-12 by an external assessor for those staff experiencing any sort of pain or discomfort at their workstation. As a result of these assessments a variety of measures were implemented, including purchasing of specialised chairs and desk and computer equipment. In addition members of the Human Resources Section were provided formal training in undertaking workstation assessments.

AFMA had an unplanned absence rate of 7.6 days per person which is lower than last year (8.1 days).

Health and safety outcomes achieved

AFMA's workers compensation premiums increased in 2011-12 to slightly above the Commonwealth average.

There were two injuries or incidents that fell within the definition of a dangerous occurrence under the Work Health and Safety Legislation. Comcare was notified of both incidents.

We successfully rehabilitated a number of staff who incurred injuries with the potential to become more serious.

Accident or dangerous occurrence statistics

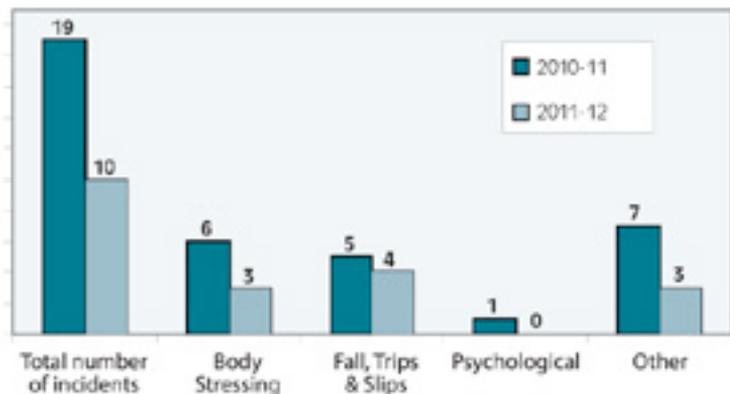
In 2011-12 we recorded 10 incidents, accidents or near-misses (see figure 2). This rate is well down from 2010-11 (17) and again dominated by minor incidents, with one serious personal injury involving two weeks or more absence.

Investigations conducted during the year

No investigations were conducted by Comcare under the *Workplace Health and Safety Act 2011*. In addition, there were no notices issued in relation to health and safety representatives and no prohibition notices issued.

Figure 3

AFMA WORK HEALTH & SAFETY, INCIDENT REPORTS COMPARISON



Appendix 7: Ecologically sustainable development and environmental performance

Legislation according with ecologically sustainable development principles

Our implementation of the ecological component of ecologically sustainable development is based on ecosystem elements relating to: target and byproduct species; bycatch; threatened, endangered and protected species; and community and habitat interactions.

To support and implement an ecologically sustainable development approach in our fisheries, 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 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 include:

- The Commonwealth Fisheries Harvest Strategy Policy and Guidelines;
- The Australian Sea Lion Management Strategy;
- The Upper-Slope Dogfish Management Strategy;
- A bycatch and discard program; and
- The Chondrichthyan Guide for Fisheries Managers.

All Commonwealth fisheries have completed and published their ecological risk management reports.

The number of species remaining at potential high risk across all Commonwealth fisheries is 5.8 per cent of all species assessed, and it is expected that this will reduce as the mitigation measures outlined in ecological risk management reports are implemented.

Outcome contributing to ecologically sustainable development

Our outcomes are directed at Commonwealth fisheries being both ecologically sustainable and economically efficient.

This approach reflects our 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 AFMA-managed fisheries are currently accredited or undergoing accreditation under three parts of the *Environment Protection and Biodiversity Conservation Act 1999*.

1. 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.

2. Part 13 of the Act defines a number of offences in relation to listed threatened species and ecological communities, but 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 those management plans or regimes. There is no requirement to remake the accreditation decisions unless the management plans or regimes change.
3. 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 product from all assessed Commonwealth and Torres Strait 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.

Actions to minimise impact on environment

The development of the various elements of ecological risk management is designed to minimise the impact of fisheries on the environment.

Species identified as high risk after the application of the various ecological risk assessment methods are combined with any identified protected species to form the priority list on which AFMA focuses its ecological risk management efforts.

Risk management strategies addressing species identified as at medium or low risk will be implemented at a later date.

Research has been commissioned to extend the ecological risk assessment methodology to habitats and communities. Extension to cumulative impacts has been identified as a priority for future research.

We purchase a proportion (currently 25 per cent) of green electricity as part of the Commonwealth energy contract and have four vehicles which are part of the Greenfleet program.

In 2011-12 we have undertaken energy audits for the Canberra and Thursday Island offices. Fine

tuning of the recommendations is continuing throughout 2012-13. We are also investigating the replacement of the existing Thursday Island office air conditioning system to provide better energy efficiency.

We use 100 per cent recycled paper in printers, copiers and fax machines.

Our premises at 73 Northbourne Avenue have an overall four-star energy rating and 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. Air conditioning is seasonally adjusted to minimise energy usage.

AFMA's environment committee, Greenfish, commenced an organic waste program in 2011-12.

We are currently investigating options to minimise general waste through the general cleaning services provided.

Mechanisms for reviewing

A number of mechanisms exist for reviewing the effect of fishing on the environment. AFMA will conduct regular reassessments of each ecological risk assessment for Commonwealth fisheries as part of AFMA's ecological risk management framework. AFMA also regularly reviews the other elements of the ecological risk management framework. For example the bycatch and discard workplans for each Commonwealth fishery are formally 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*.

Fisheries granted exemptions are reassessed every five years.

Fisheries granted wildlife trade operations are reassessed prior to the wildlife trade operations' expiries.

Appendix 8: Disability reporting mechanisms

Since 1994, Commonwealth departments and agencies 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 APS Statistical Bulletin. These reports are available at www.apsc.gov.au.

From 2010-11, departments and agencies have no longer been required to report on these functions.

The Commonwealth Disability Strategy has been overtaken by a new National Disability Strategy which sets out a ten year national policy framework

for improving life for Australians with disability, their families and carers. A high level report to track progress for people with disability at a national level will be produced by the Standing Council on Community, Housing and Disability Services to the Council of Australian Governments and will be available at www.fahcsia.gov.au.

The Social Inclusion Measurement and Reporting Strategy agreed by the Government in December 2009 will also include some reporting on disability matters in its regular How Australia is Faring report and, if appropriate, in strategic change indicators in agency annual reports. More detail on social inclusion matters can be found at www.socialinclusion.gov.au.



Appendix 9: Consultancy services

During 2011-12, 34 new consultancy contracts were entered into involving total actual expenditure of \$3.143 million. In addition, 28 ongoing consultancy contracts were active during the 2011-12 year, involving total actual expenditure of \$ 3.078 million. Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website www.tenders.gov.au

Selection and engagement of consultants

The majority of the consultancy services engaged during 2011-12 were for fisheries research purposes. The selection and engagement of

research consultants was primarily select tender process or direct sourcing. In direct source or select tender processes for research services, AFMA selected service providers with specialist areas of expertise or prior experience.

During the year we entered into 34 consultancy contracts valued at \$6.074 million where specialised or professional skills were not available internally or where we identified a need for independent research or assessment.

Total consultancy expenditure

2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
913	1,123	1,141

Appendix 10: Agency Resource Statements and Resources for Outcomes

		Actual available appropriation for 2011-12 \$'000	Payments made 2011-12 \$'000	Balance remaining 2011-12 \$'000
		(a)	(b)	(a) – (b)
Ordinary Annual Services¹				
Departmental appropriation ²		22,985	22,985	0
Total		22,985	22,985	0
Administered expenses³				
Outcome ¹		5,693	2,671	3,022
Total		5,693	2,671	3,022
Total ordinary annual services	A	28,678	25,656	3,022
Departmental non-operating Equity injections				
		200	200	0
Total		200	200	0
Total other services	B	200	200	0
Total Available Annual Appropriations and payments		28,878	25,856	3,022
Special Accounts⁴				
Opening balance		10,755		10,755
Appropriation receipts ⁵		23,185	23,185	0
Appropriation receipts -crediting right ⁶		13,370	13,370	0
Appropriation receipts -s. 31 Relevant Agency Receipts ⁷		2,939	79	2,860
Total Special Account	C	50,249	36,634	13,615
Total resourcing and payments				
A+B+C		79,127	62,490	16,637
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or CAC Act bodies through annual appropriations		-23,185	-23,185	0
Total net resourcing and payments for agency AFMA		55,942	39,305	16,637

1 Appropriation Bill (No.1) 2011-12.

2 Includes an amount of \$0.458m in 2011-12 for the Departmental Capital Budget. For accounting purposes this amount has been designated as 'contributions by owners'.

3 Appropriation Bill (No.2) 2011-12

4 Does not include 'Special Public Money' held in accounts like Other Trust Monies accounts (OTM), Services for other Government and Non-agency Bodies accounts (SOG), or Services for Other Entities and Trust Monies Special accounts (SOETM).

5 Annual appropriations and injections for 2011-12 included above

6 Crediting right for applicable levy and licence fee receipts banked to the CRF in accordance with s. 94C of the *Fisheries Administration Act 1991*

7 s. 31 of the *Financial Management and Accountability Act 1997* appropriates receipts prescribed under Regulation 15 of the *Financial Management and Accountability Regulations 1997*.

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Glossary

Annual appropriation

The amount of public monies authorised by parliament for expenditure from the Consolidated Revenue Fund for a particular year.

Australian Fishing Zone

Waters adjacent to Australia and its external territories (excluding Torres Strait and the Antarctic territories) which extend from defined baselines to 200 nautical mile zones of other nations. Within the Australian Fishing Zone, Australia exercises jurisdiction over all fishing by Australian and foreign boats.

Bilateral agreement

A government to government agreement between Australia and another nation allowing vessels of that nation to fish in the Australian Fishing Zone.

bycatch

In its broadest sense, all living and non-living material (except for the target species) that is caught while fishing, including by-product, discards and that part of the catch which does not reach the deck but is affected by interactions with the fishing gear. For the purposes of the Commonwealth bycatch policy, bycatch is defined more narrowly as discards and that part of the catch which does not reach the deck but is affected by interactions with the fishing gear.

by-product

Any part of the catch that is kept or sold by the fisher but is not the target species.

demersal trawl

Trawl gear designed to work on or near the sea bed, used to take demersal species of fish and prawns.

discard

Any part of the catch returned to the sea, whether dead or alive.

fishing capacity

The amount of fishing effort that a fishing boat, or a fleet of fishing boats, could exert if used to its full potential.

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.

fully fished

A term used to describe a fish stock for which current catches are close to sustainable levels, so that any increase in fishing may lead to overfishing.

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.

input controls

Restrictions placed on the amount of effort put into a fishery, for example by restricting types and size of fishing gear and boats and the amount of fishing time.

limited entry

Management arrangements restricting the number of operators allowed to fish in a particular fishery. New operators may only gain access to the fishery by purchasing an existing right.

longline fishing

A method of fishing that can be either surface-set (pelagic) or bottom-set (demersal) line fishing. Both methods use a mainline attached to branch lines, with each branch line fitted with one or more baited hooks or artificial lures.

memorandum of understanding (MOU) box

The area of the Australian Fishing Zone where traditional fishing by Indonesian nationals is permitted.

mid-water trawling

A form of trawling in which the net is off the sea bottom at all times. Such nets have large mouths and are used for targeting pelagic and semi-pelagic fish schools.

non-target species

See incidental catch.

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 term used to describe a fish stock for which levels of fishing or catches are excessive, or that still reflects the effects of earlier excessive fishing. In the former case, yields may be higher in the long term if the fishing level is reduced in the short term. A classification of 'overfished' may continue after fishing levels are reduced while the stock rebuilds to a desired level or until it is acceptable to resume fishing.

pelagic fish

Fish that are normally caught at or near the sea surface or in the water column.

pelagic longlining

A fishing method that targets pelagic fish species. A pelagic longline involves a mainline attached to branch lines, with each branch line fitted with one or more baited hooks or artificial lures. A pelagic longline is set so that the mainline, branch lines and hooks are suspended above the seabed by floats at the sea surface.

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 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.

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.

strategic assessment reports

Reports that consider the impacts of a fishery on target, by-product and bycatch species and the broader marine environment. They are required by the *Environment Protection and Biodiversity Conservation Act 1999*.

sustainable yield

The maximum catch that can be taken from a fishery over an indefinite period without causing the stocks to be depleted.

target species

The species being sought by fishers.

Torres Strait Protected Zone Joint Authority

An authority comprising the Commonwealth Minister for Agriculture, Fisheries and Forestry (Chairperson), the Queensland Minister for Primary Industries and Fisheries and the Chair of the Torres Strait Regional Authority. The authority is responsible for monitoring the condition of the jointly managed fisheries and for the formulation of policies and plans for their management.

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

A term used to describe a fish stock that's status is unknown because there is inadequate or inappropriate information to form a reliable assessment. The species may be underfished, fully fished or overfished.



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