



Australian Government

Australian Fisheries Management Authority

COST RECOVERY IMPLEMENTATION STATEMENT

2018-19

The Australian Government's overarching cost recovery policy¹ is that, where appropriate, non-government recipients of specific government activities should be charged some or all of the costs of those activities. This may include goods, services or regulation, or a combination of them. The Australian Government Charging Framework sets out the overarching framework under which government entities design, implement and review cost recovered activities.

¹ The cost recovery policies and framework are available on the [Department of Finance website](#).

Contents

1	INTRODUCTION	5
1.1	Purpose of the Cost Recovery Implementation Statement	5
1.2	Description of the activity being cost recovered	5
2	POLICY AND STATUTORY AUTHORITY TO COST RECOVER	12
2.1	Government policy approval to cost recover the activity	12
2.2	Statutory authority to charge	12
3	COST RECOVERY MODEL	13
3.1	Outputs and business processes of the activity.....	13
3.2	Costs of the activities	14
3.3	Cost drivers for allocation of costs to fisheries.....	15
3.4	Design of cost recovery charges	15
4	RISK ASSESSMENT	16
5	STAKEHOLDER ENGAGEMENT	17
6	FINANCIAL ESTIMATES	17
7	PERFORMANCE REPORTING.....	17
7.1	Financial Performance	17
7.2	Non-financial performance	18
8	KEY FORWARD DATES AND EVENTS.....	18
9	CRIS APPROVAL AND CHANGE REGISTER	18
	Attachments.....	19
	Attachment A: <i>Management of Domestic Commercial Fisheries</i>	19
	Attachment B: <i>Data collection and management</i>	21
	Attachment C: <i>Licensing administration and revenue collection</i>	23
	Attachment D: <i>Domestic fisheries compliance enforcement</i>	24
	Attachment E: <i>Research</i>	25
	Attachment F: <i>Policy support</i>	26
	Attachment G: <i>Input into defining international treaty standards and developing regulation</i>	27

Attachment H: <i>Foreign fisheries compliance enforcement and capacity building</i>	28
Attachment I: <i>Management of traditional, indigenous and non-commercial fisheries</i>	29
Attachment 1: <i>Direct, indirect and overhead costs of activities</i>	30
Attachment 2: <i>Activity output allocation to fisheries</i>	31
Attachment 3: <i>Summary of stakeholder engagement in the development of this CRIS</i>	33
Attachment 4: <i>Summary of the AFMA's budget estimates from the 2018-19 Portfolio Budget Statements</i>	34
Attachment 5: <i>AFMA's historical financial performance</i>	35
Attachment 6: <i>Summary of key dates and events in the development of this CRIS</i>	36
Attachment 7: <i>CRIS approval process and change register</i>	37

1 INTRODUCTION

1.1 Purpose of the Cost Recovery Implementation Statement

The purpose of this Cost Recovery Implementation Statement (CRIS) is to outline what cost recoverable activities the Australian Fisheries Management Authority (AFMA) provides and how they are implemented in managing Commonwealth fisheries according to the *Australian Government Cost Recovery Guidelines* (CRGs).

This CRIS reports financial and non-financial performance information regarding the delivery of these activities and contains financial forecasts for 2018-19 and three forward years. Each financial year this CRIS will be reviewed in order to reflect any changes to AFMA's cost recovery model and provide updated revenue and financial estimates.

1.2 Description of the activity being cost recovered

1.2.1 Background

The underlying principle of cost recovery policy is that AFMA should set fees and charges to recover all the costs of services provided where it is efficient and effective to do so, where the beneficiaries are an identifiable group and where charging is consistent with Australian Government policy objectives.

AFMA's policy outcome is to deliver on behalf of the Australian Government:
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 Commonwealth commercial fishing industry pays for those costs directly attributable to the fishing industry while the Australian Government pays for any costs identified as more directly benefiting the broader community. Determination of priorities and availability of funding may impact if and when a particular activity occurs.

1.1.1 Key Activity Groups

Managing Commonwealth fisheries and deterring illegal foreign fishing requires a number of key activities to be conducted. In accordance with the Australian Government Charging Framework and the CRGs, a review and analysis of the activities undertaken by AFMA was conducted to determine which of those should be cost recovered.

AFMA's activity-based approach has enabled the agency to determine the costs associated with each activity within the defined key activity groups. However, it has also been identified that not all costs identified for particular activities will be cost

recovered. In addition, for some activities AFMA will only recover a percentage of associated costs to a point where it is administratively efficient to do so.

The following explanations of each of the key activity groups provides an overview of the activities included, the beneficiaries of those activities and who is responsible for the costs associated with each activity.

A. Management of Domestic Commercial Fisheries

Australia's fisheries resources are community-owned. AFMA is responsible for the day-to-day management of those fisheries resources within the Australian Fishing Zone and regulating the commercial exploitation of those resources. AFMA is also responsible for managing Australian commercial fisheries extending onto the high seas.

This activity group involves assessing the risks Commonwealth fisheries may pose to the marine environment, developing management arrangements and regulatory policies, implementing those arrangements and policies and monitoring the performance of domestic commercial fisheries.

Examples of these types of activities include determining catch levels to maximise net economic returns to the community and making directions, determinations and conditions on fishing concessions to regulate specific fishing activities and catch levels.

This activity group also includes AFMA's engagement with its stakeholders. The primary means of consulting with and advising all stakeholders is through AFMA's Management Advisory Committees (MACs) and Resource Assessment Groups (RAGs). These bodies are responsible for providing advice on matters regarding individual fisheries or groups of fisheries to AFMA management and the AFMA Commission. AFMA also engages with stakeholders through educational programs and visits to ports.

There is no impediment to charging for these activities and the group that creates the need for the activities is identifiable. The user group is predominately Commonwealth fishery concession holders and it is appropriate that they are charged the majority of costs for the activity through a levy or a fee-for-service.

Details of cost splits across user group(s) and output(s) for the year are included at Attachment A.

B. Data collection and management

The data collected through the activities in this activity group is essential to assessing the impact of Commonwealth fisheries on marine resources and the broader marine environment. It enables the assessment of the bio-economic efficiency of fishing operations and provides for reporting on matters of national concern such as interactions with threatened, endangered and protected (TEP) species.

This activity group is directed at monitoring and supporting fishing activity and the compliance of commercial fishers' with fisheries regulations. It includes activities such as implementing electronic monitoring systems, data entry of catch data records and logbooks, providing data analysis and extracts, placement of observers to collect scientific data, specific monitoring of certain fishing sectors, vessel monitoring and monitoring the unloading of catch in foreign ports.

The need for this activity group is primarily driven by commercial fishing activities and commercial fishers as a group are the primary users of the activity. It is therefore appropriate that the majority of costs for these activities are recovered from the commercial fishing industry. However, the commercial fishing industry has not been identified as the beneficiary of all of the activities in this group and therefore the costs for the activities in this group will be recovered proportionally between industry and the Government.

For example, requests for data extracts from other government agencies are not cost recovered. Provision of data for AFMA-commissioned research is recovered through fishing levies. The cost of releasing data to the public is government funded (i.e. on data.gov.au). In other cases, where possible and cost effective to do so, AFMA will recover costs on a case-by-case basis.

Where the activities are undertaken to assess each fishery's impact on particular species or the marine environment these costs will be recovered through a levy. Where the activities can be directly attributable to an individual or commercial enterprise, such as the placement of an observer, they will be recovered in the form of a fee for the service provided.

Monitoring costs for non-commercial fisheries however, will be government funded.

Details of cost splits across user group(s) and output(s) for the year are included at Attachment B.

C. Licensing administration and revenue collection

This activity group comprises the transactions involved in the administration of licensing activities such as granting, issuing and registration of Commonwealth fishing concessions, transferring and leasing of concessions between fishers. The processes surrounding the recovery and reconciliation of fee for service charges and levies are also included in this activity group.

Activities directly associated with the ongoing development and maintenance of relevant systems, as well as the amortisation of those systems involved in licensing administration and revenue collection, are included in this activity group.

Charging for this activity group is through fee for service for transaction activities and by levy for the remainder of the activity group. As the activities in this group are primarily used by fishing concession owners and holders, their representatives and the broader industry, they pay the majority of costs.

Details of cost splits across user group(s) and output(s) for the year are included at Attachment C.

D. Domestic fisheries compliance enforcement

This activity group is comprised of compliance risk assessments, investigations and enforcement actions. It also incorporates, with respect to fisheries compliance, cooperation, consultation and the exchange of information with state, territory and overseas bodies having similar functions to AFMA.

The majority of commercial fishing takes place in a relatively isolated environment (at sea) out of the public gaze, where 'policing' by members of the public is often not possible and where weather, distance and other conditions can hinder investigations. In order to maximise the effectiveness of AFMA's domestic fisheries compliance enforcement activity group a centralised, risk-based strategic model has been determined as the most appropriate approach.

The scope for non-compliance in fisheries is broad, but not solely attributable to the members of the commercial fishing industry. There are a range of users of fisheries resources such as the members of the public, recreational fishers, charter operators and state/ territory commercial fishers. So rather than recover domestic fisheries compliance enforcement costs from the commercial fishing industry, these costs are government funded. This reflects the range of threats to the community-owned fishery resource.

The activities in this key activity group contribute to the orderly management of the fishery as a whole to benefit the broader community and are therefore government funded.

Details of cost splits across user group(s) and output(s) for the year are included at Attachment D.

E. Research

AFMA has direct responsibility under the *Fisheries Administration Act 1991* to establish research priorities relating to fisheries managed by AFMA and arrange for research to be undertaken.

The purpose of this activity group is to provide information and administration to support fisheries management decisions. This activity group includes activities and products that are used primarily by the Commonwealth commercial fishing industry, including; surveys, fishery assessments, fishery modelling, new technologies, data analysis and resource assessment groups.

Therefore, as the commercial fishing industry are the primary beneficiaries of this activity group the costs are recovered as a levy. However, research and administration for non-commercial fisheries is government funded.

Details of cost splits across user group(s) and output(s) for the year are included at Attachment E.

F. Policy support

This activity group includes providing policy advice and support to the Parliament, Ministers and relevant government departments and agencies. The activities in the group include researching, planning and advising on proposals for changes to legislation, whole of government programs and arrangements between Commonwealth and State fisheries as well as arrangements with international fisheries.

Examples of these types of activities include answering Ministerial and Parliamentary questions, the preparation of the budget and associated reporting documents and the provision of the statutory reporting requirements by the AFMA Commission such as the Annual Report.

Activities conducted under this activity group also include the implementation of operational policy, the provision of economic advice, environmental management quota administration, developing and implementing bycatch and discards policies, provision of legal services, drafting subsidiary statutory instruments (e.g. regulations), managing protected species issues and MAC/ RAG administration.

The activities in this key group generally provide broad policy support and information to a range of other government departments and agencies and are

generally funded by government. However, there is a component of this activity that commercial fishers generate and is therefore funded by the commercial fishing industry.

Details of cost splits across user group(s) and output(s) for the year are included at Attachment F.

G. Input into defining international treaty standards and developing regulation

AFMA provides input to the Australian Government's position in international fisheries forums, including Regional Fisheries Management Organisations (RFMOs), bilateral and other multilateral agreements and bodies. This input includes the provision of technical advice and research results supporting government policy, and statutes leading to sustainable management of straddling and highly migratory fishing stocks.

Australia is also required to meet certain obligations under international treaties such as the *United Nations Convention on the Law of the Sea* and the *United Nations Fish Stocks Agreement*. In accordance with these treaties AFMA must perform certain activities on behalf of the Australian Government and the Australian community that lead to improved regional cooperation and increase Australia's food security.

From time to time members of the commercial fishing industry, recreational fishers and the Australian public can all be identified as beneficiaries of the outcomes of these activities through the improved sustainability of fish stocks. Individual fishing companies may also gain better access to international markets as a result. However, none of these groups has been identified as the primary beneficiaries of this key activity group and therefore are not charged for the activities involved.

The activities in this key group are primarily undertaken as a service to the Australian Government and broader Australian community and as a result this activity group is government funded.

Details of cost splits across user group(s) and output(s) for the year are included at Attachment G.

H. Foreign fisheries compliance enforcement and capacity building

Foreign fisheries compliance enforcement activities are undertaken by several Commonwealth agencies, including AFMA. The objective of activities undertaken in this group is to prevent, deter and eliminate illegal, unreported and unregulated (IUU) fishing by foreign owned and /or flagged vessels anywhere in the Australian Fishing

Zone (including the Torres Strait Protected Zone), on the high seas or within RFMO areas of competence.

Activities include maritime surveillance and the apprehension and prosecution of illegal foreign fishers. Capacity building programs are directed towards enhancing the capabilities of neighbouring and regional countries to manage their fish resources and reduce the incidence of IUU fishing, to improve food security and to improve regional economic stability.

Whilst there are some benefits to the commercial fishing industry, this activity primarily assists the broader Australian and global community and is therefore government funded.

Details of cost splits across user group(s) and output(s) for the year are included at Attachment H.

1. Management of traditional, indigenous and non-commercial fisheries

This activity group involves AFMA's contribution to the management of traditional, indigenous or non-commercial fishing sectors. This group also captures engagement and consultation with recreational fishers in Commonwealth waters, involvement with joint authority fisheries and the implementation of Offshore Constitutional Settlement (OCS) arrangements to manage fish stocks.

In addition, this activity group captures engagement and consultation with other relevant sectors including environmental non-government organisations (eNGOs). The aim of regulation is to sustainably maximise the social, cultural and economic benefits to the groups involved. This includes some of the costs associated with the engagement of AFMA's MACs and RAGs in non-commercial stakeholder meetings.

The traditional, indigenous or non-commercial users of fisheries create the need for this activity group. However, the management objectives for the indigenous and non-commercial fisheries in the Torres Strait are to provide access to the way of life and livelihoods of traditional inhabitants; including their rights in relation to traditional fishing as provided for under the [Torres Strait Treaty](#) with Papua New Guinea. It is therefore appropriate to provide government funding for activities related to these objectives.

Engaging with the recreational fishing sector ensures all relevant stakeholders' views are considered as part of managing Commonwealth marine resources. However, individual recreational fishers associated with this activity group are difficult to identify and therefore cannot be charged under existing Commonwealth laws.

While there is the potential that commercial fishers could gain from some of the activities in this group, they are not the main beneficiaries and therefore it is not appropriate to recover these activity costs from the commercial fishing industry.

This activity group therefore, is government funded.

Details of cost splits across user group(s) and output(s) for the year are included at Attachment I.

2 POLICY AND STATUTORY AUTHORITY TO COST RECOVER

2.1 Government policy approval to cost recover the activity

AFMA's management of Commonwealth fisheries covers a range of activities which are driven by legislative obligations and functions.

AFMA aims to recover all appropriate costs from the commercial fishing industry in accordance with the [Australian Government Charging Framework](#) (2015) and [Australian Cost Recovery Guidelines](#) (2014) in support of the legislative responsibilities of Commonwealth entities, as detailed in the [Public Governance, Performance and Accountability Act 2013](#) (PGPA Act). Where specific demand for a government activity is created by identifiable individuals or groups they will be charged for it unless the Government has decided to fund that activity.

AFMA is required by Part 7(m)(vi) of the [Fisheries Administration Act 1991](#) to "collect, on behalf of the Commonwealth, a payment in the nature of a community return payable by persons exploiting fisheries resource" and under 6(e) to "pursue achieving government targets in relation to the recovery of the costs of the Authority".

The [Fisheries Management Act 1991](#) under section 3(1)(a) has objectives to "implement efficient and cost effective fisheries management on behalf of the Commonwealth" and under 3(1)(e) to achieve "government targets in relation to the recovery of the costs of AFMA".

2.2 Statutory authority to charge

These cost recovery arrangements are fully authorised and established under a numbers of Acts and Regulations.

For Commonwealth fisheries:

- The [Fishing Levy Act 1991](#) allows for the imposition of a levy in respect to a fishing concession and provides that the amount of levy imposed on a fishing concession is prescribed in regulations;
- The [Fishing Levy Regulations](#) provide the rates imposed per fishing concession and are amended annually in line with budget processes;

- Part 7 of the [Fisheries Management Act 1991](#) provides for administration and collection of both fishing levies and charges;
- The [Foreign Fishing Licences Levy Act 1991](#) allows for the imposition of a levy on the grant of certain foreign fishing licences;
- The [Statutory Fishing Rights Charge Act 1991](#) allows for the imposition of a charge on the grant of statutory fishing rights;
- Part 6 of the [Fisheries Management Regulations 1992](#) allows for AFMA to impose fees for the provision of certain services; and

for Torres Strait fisheries,

- The [Fisheries Levy Act 1984](#) allows for the imposition of a levy with respect to certain fisheries licences and certain units of fishing capacity;
- The [Fisheries Levy \(Torres Strait Prawn Fishery\) Regulations](#) provide the rates imposed per fishing concession and are amended annually in line with budget processes.

3 COST RECOVERY MODEL

3.1 Outputs and business processes of the activity

As described in section 1.2.1 of this CRIS, AFMA's objective is ecologically sustainable and economically efficient Commonwealth fisheries. Contributions to achieving this objective each year include:

- Managing Commonwealth fisheries in line with the Commonwealth Harvest Strategy Policy and Guidelines that facilitate sustainable and profitable fisheries;
- Preventing unacceptable impacts of Commonwealth fisheries on marine ecosystems and organisms by assessing risks and applying ecological risk assessments and management frameworks;
- Managing all fisheries in line with Commonwealth policy on fisheries bycatch;
- Improving the efficiency and cost effectiveness of fisheries administration by streamlining business processes by reducing red tape and unnecessary regulatory requirements;
- Increasing opportunities for co-management of fisheries;
- Deterring illegal fishing in Commonwealth fisheries through targeted enforcement activities that are based on compliance risk assessments and available resources;
- Deterring and preventing illegal foreign fishing in the Australian Fishing Zone and adjoining regions by providing the fisheries focus in:
 - border protection arrangements;
 - prosecution of offences;
 - disposal of forfeited boats, gear and catches; and

- engaging in capacity building programmes and cooperative monitoring, control and surveillance activities with regional countries; and
- Effective engagement with the Australian community and other relevant stakeholders to improve communications, increase public awareness of and improve accessibility to fishery management information.

AFMA has been committed since 2010 to keeping cost-recovered levels at, or below, 2005-06 levels once corrected for the Consumer Price Index (CPI). AFMA has achieved this through continuing to introduce cost savings and deliver service improvements to the fishing industry.

3.2 Costs of the activities

An analysis of the activities undertaken and services provided by AFMA was carried out to identify which activities should be cost recovered. Costs for activities are composed of direct costs, indirect costs, overheads and capital costs. Each activity will be reviewed and its associated cost adjusted annually based on operational requirements, the price of goods and services received and estimates of achievable cost savings.

Direct costs, of which staff costs are the most significant component, will be based on resourcing requirements and monitoring the levels of staff utilisation in anticipation of future requirements. AFMA managers will provide direct input to validate the costs and identify likely variations over time as part of AFMA's annual budgeting processes. An example of direct costs are the staffing costs for each of the fishery management areas.

Indirect costs are those costs that are allocated to fisheries for specific activities using a cost driver for allocation. For example, observer costs are attributed to fisheries using "observer days".

Overhead costs are those costs which cannot be directly traced to or identified with specific activities. Overhead costs are vital to AFMA's business operations as they provide critical support for AFMA to carry out its activities. Examples include occupancy costs (e.g. rent, maintenance, and utilities), the costs of corporate services (e.g. finance, human resources, payroll) and information technology infrastructure. Overhead costs are allocated to activities on the basis of full-time equivalent staffing required to perform an activity.

Detail of how the direct, indirect and overhead costs have been applied to cost recovered activities is available in Attachment 1.

AFMA determines its forward capital budget as part of its budgeting process. Where capital costs are attributable to a specific activity they will be directly allocated to that activity so that depreciation and amortisation expenditure is allocated to the appropriate activity going forward.

3.3 Cost drivers for allocation of costs to fisheries

For some activities costs are recovered from both the commercial fishing industry and the Government. AFMA reviews which group(s) uses and/ or benefits from each activity and applies an approved method to allocate the costs proportionally.

The allocation of costs occur after a more generic allocation where the amount of an activity is cost recovered. For example, Management Advisory Committees (MACs) are 80% cost recovered. This is because some of the work done by MACs is for the Government, such as providing advice to AFMA on draft government policies. This 80% is then attributed proportionately to each fishery.

Attachment 2 provides a breakdown of the percentage split of cost drivers across each fishery.

3.4 Design of cost recovery charges

AFMA undertakes a comprehensive annual budget process in line with the Australian Government's budget processes. Budgets are developed using an activity-based costing process. AFMA consults with the commercial fishing industry, including the Commonwealth Fisheries Association (CFA) (the industry's peak body), each of the fishery Management Advisory Committees and other relevant consultative bodies for fisheries that do not have a MAC prior to approval by AFMA's Chief Executive Officer (CEO). AFMA's CEO is the Accountable Authority under the PGPA Act.

AFMA's regulatory costs will be recovered appropriately through a combination of fees for service for user-initiated and transaction-based activities provided to users and levies for ongoing regulatory activities.

Fees - Where it is practical and cost effective to do so, costs will be recovered as a fee-for-service where the activity and its costs can be linked to a specific individual or organisation. This applies to activities such as licensing transactions and costs associated with the deployment of observers as there is a direct link between the costs of the activity and the beneficiary of those activities. Fees are based on estimated efficient unit costs, such as the daily costs of placing an observer on a fishing boat. The efficient cost is determined by identifying direct costs, indirect costs and overheads as detailed in section 3.2 above. This adds to the transparency surrounding the calculation of costs.

Fees will also be charged to third party groups for the costs of information services. Typically the amounts recovered are small proportion of AFMA's overall costs. With the introduction of GoFish, AFMA's online business facility, reduced or zero fees have been introduced recognising the lower costs of electronic transactions.

Levies – The majority of AFMA's cost recovered revenue is collected in the form of a levy. This is due to the different sectors that operate in AFMA's fisheries. Individual

fishing concession owners are levied an amount proportional to their access right holdings in a fishery. This is facilitated through regulations made under applicable legislation.

The quantum and composition of levied activities in each fishery is developed in consultation with the relevant MAC or industry sector on an annual basis and may change over time according to circumstances in a particular fishery. The Assistant Minister for Agriculture and Water Resources approves levies in the form of annual levy regulations, which are made law by the Governor-General and subject to disallowance by Parliament.

AFMA acquits its cost recovered expenditure each year and adjusts levies in the following year for each fishery for any over or under recoveries.

4 RISK ASSESSMENT

AFMA completed a CRIS Charging Risk Assessment (CCRA) as part of establishing the CRIS. The CCRA's overall rating was low. This rating determined that changes to the CRIS did not require the Finance Minister's approval for its release. It also determined the Minister for Agriculture and Water Resources as the appropriate authority to approve AFMA's CRIS.

AFMA examined other risks in relation to the changing regulatory environment and its CRIS. The table below lists those risks and AFMA management response.

Risks identified and mitigation measures in relation to AFMA's cost recovery arrangements

Identified risk	Mitigation measure(s)
Increases in research budget(s) beyond the CPI may be introduced because of required additional research to deal with external factors in determining causes of fish stock variances.	AFMA is required to arrange research activities and balances any risks, catch levels and associated costs to mediate demands for research in any one particular year. AFMA is reviewing its Strategic Research Plan which will contain sufficient information to account for expected research activities and manage research budgets within CPI levels.
Variability of research costs year to year can increase costs significantly for concession owners from year to year.	AFMA manages this risk by informing the fishing industry of variances through the annual budget processes. Updating this CRIS provides information on prior year performance and expected forward budgets.
Increasing proportion of costs being cost recovered compared to government appropriation can leave AFMA without funds to operate if levies are not collected.	AFMA currently uses government appropriation to supplement cash flow while levy regulations are being made, invoiced and then receipted in the latter half of the financial year. AFMA will need to look at its processes in future years to reduce the period between budget finalisation and receipting of payments to reduce the risk of adverse impact on its cash flow.

5 STAKEHOLDER ENGAGEMENT

Communication with AFMA's stakeholders is an essential part of developing the CRIS for the upcoming budget year.

AFMA consulted with the CFA on the initial structure and design of this CRIS in 2016 through 2017. The 2017 CRIS was approved by the Hon Barnaby Joyce MP on 9 December 2016.

In reviewing the CRIS each year AFMA will write to the CFA, relevant industry associations, all Commonwealth concession owners and MACs seeking their comments on draft budgets and the CRIS. Feedback is encouraged from all stakeholders. Following any consultation rounds AFMA will consider the comments received and make any necessary changes to address issues or suggestions made for improvement.

AFMA will update the CRIS annually and changes to the CRIS will be recorded. See Attachment 3 for changes made to the CRIS since last year.

The CRIS will be published on AFMA's website each year.

6 FINANCIAL ESTIMATES

This section will be updated with budget estimates each year when they are finalised. The numbers in this section are provided for guidance only until whole-of-government budget processes have been completed.

All cost recovered activities are subject to a detailed annual review as part of AFMA's budgeting processes.

Please visit AFMA's [corporate and annual reporting](#) to review the relevant Key Performance Indicators (KPIs) and information.

Please refer to Attachment 4 for a summary of AFMA's budget estimates from the annual Portfolio Budget Statements.

7 PERFORMANCE REPORTING

AFMA measures how it is performing by evaluating the outcomes achieved against a number of qualitative and quantitative measures.

7.1 Financial Performance

AFMA's historical financial performance can be seen at Attachment 5.

The numbers in this section are provided for guidance only until whole-of-government budget processes have been completed.

7.2 Non-financial performance

AFMA recovers costs for most of its regulatory activity from the fishing industry. It is therefore appropriate for AFMA to utilise reporting from the Regulator Performance Framework² under the Government's red tape reduction initiative. Measuring and publicly reporting performance will give the fishing industry, the community and individuals confidence that AFMA is effectively and flexibly managing risk.

The activities described in this CRIS directly map to AFMA's goals and KPIs as detailed in its Annual Operational Plan. Performance against these KPIs is reported in AFMA's Corporate Plan, Annual Report, the Regulator Performance Framework, and Performance Statement each year.

8 KEY FORWARD DATES AND EVENTS

A summary of the key forward dates and events for the year can be found at Attachment 6.

9 CRIS APPROVAL AND CHANGE REGISTER

Attachment 7 shows approvals and changes pertaining to this CRIS.

² The Regulator Performance Framework was introduced by the Australian Government in 2015. It establishes key performance indicators to assess how Commonwealth regulators operate, with a particular focus on the extent to which the regulator minimises the regulatory burden in the course of conducting its activities.

Attachments

Attachment A: *Management of Domestic Commercial Fisheries*

Cost split(s) across user group(s)

User	Cost of Activity	Charge
All Commonwealth commercial fishing industry	\$4,905,641	Levy
Australian public, recreational fishers, eNGOs and other government organisations	\$2,739,294	Government funded

Output(s), activity description(s) and cost split(s) across output(s)

Output	Activities	Cost recovered amount	Government funded amount
Bycatch	Involves developing and implementing bycatch programs and strategies. Some bycatch management activities are performed to meet requirements from non-industry stakeholders and therefore is 30% funded by government	\$689,667	\$295,572
Consultation and Engagement ³	Includes working with science agencies and organisations, conducting port visits and providing advice to fishing operators, collaborating with the fishing industry and providing fishing industry education materials. These activities are cost recovered except for 20% of the costs associated with engagement with science organisations and agencies due to work being performed beyond essential fisheries management science	\$433,715	\$23,753
Management Advisory Committees (MACs) and Resource Assessment Groups (RAGs)	Includes appointing and administering MACs and RAGs. This is fully cost recovered except for 20% of the costs associated with engagement to meet the needs of non-industry stakeholders such as environmental non-government organisations (eNGOs) and recreational fishers	\$938,874	\$234,719

³ Costs for consultation and engagement with eNGOs, recreational and amateur fishers and general public liaison are included as part of the activity group "Management of traditional, indigenous and non-commercial fisheries".

Output	Activities	Cost recovered amount	Government funded amount
Risk management	Includes assessment of fisheries under the <i>Environment Protection and Biodiversity Conservation Act 1997</i> including export approvals, developing Threatened, Endangered and Protected (TEP) species management strategies and Environmental Risk Management (ERM). A small portion of activity costs (5%) are government funded as there are additional activities required beyond essential fisheries risk management.	\$510,210	\$41,758
Species and environmental management	Involves fisheries management activities including implementing harvest strategies, setting total allowable catch and effort, fishery plan administration, fishery performance reporting, and reviewing directions and fishing conditions. A small portion of fishery management activities (5%) are government funded as there are additional activities required beyond essential fisheries species and environmental management.	\$1,935,302	\$101,858
Strategy, governance and leadership	AFMA does not cost recover costs associated with its Commission, Chief Executive Officer or General Manager Operations. However, partial costs are recovered for the General Manager Corporate Services (25%) and the Executive Manager Fisheries (50%).	\$397,873	\$2,041,635

Attachment B: *Data collection and management*

Cost split(s) across user group(s)

User	Cost of Activity	Charge
All Commonwealth commercial fishing industry	\$5,341,030	Levy and fees
Australian public and other government organisations	\$1,380,307	Government funded

Output(s), activity description(s) and cost split(s) across output(s)

Output	Activities	Cost recovered amount	Government funded amount
Catch Disposal Records (CDRs)	Involves collection and monitoring the commercial fishing industry via CDRs.	\$136,211	\$ -
Data Management	Involves managing and analysing data, providing data extracts and reports to the fishing industry, MACs or RAGs. This activity is 80% cost recovered; the other 20% reflecting the needs of government, eNGOs and other non-commercial stakeholders. Costs associated with publishing data and reports for public access or for use by government entities are government funded. Management of fishery data plans and research reporting are 50% cost recovered because this activity benefits the government and industry in approximately equal proportions.	\$248,273	\$201,464
Logbook data	Includes e-Logs information technology support as well as capture, entry and reporting of all types of log books.	\$173,385	\$51,531
Electronic monitoring	Includes the implementation and administration of the e-monitoring program. E-monitoring administration is cost recovered at 50% due to the additional system establishment costs involved. This approach will encourage additional uptake and increase AFMA's overall data monitoring capabilities.	\$1,363,722	\$170,379
Observers	Includes the implementation and administration of the Observer program. Observer program administration is cost recovered at 80% as some work done by the administration team is to meet non-industry requirements.	\$2,296,325	\$326,325

Output	Activities	Cost recovered amount	Government funded amount
Fishery specific monitoring and data collection	Undertake fishery specific monitoring. This activity has only a single user and as such all associated costs are recovered from the commercial fishing industry.	\$678,453	\$ -
Vessel monitoring	Includes the implementation and administration of the vessel monitoring program for the commercial fishing industry.	\$444,661	\$630,607

Attachment C: *Licensing administration and revenue collection*

Cost split(s) across user group(s)

User	Cost of Activity	Charge
All Commonwealth commercial fishing industry	\$1,434,209	Levy and fees
Traditional, indigenous and non-commercial fisheries	\$555,632	Government funded

Output(s), activity description(s) and cost split(s) across output(s)

Output	Activities	Cost recovered amount	Government funded amount
Licensing administration and revenue collection	Involves licencing administration and transactional services such as processing applications, renewals and, transfers. Also includes formulating, reconciling, issuing and recovering levies and fees.	\$734,105	\$482,140
Licensing administration and revenue collection systems	Involves recovering the costs for the development and maintenance of AFMA's licensing administration and revenue collection systems.	\$700,105	\$73,492

Attachment D: *Domestic fisheries compliance enforcement*

Cost split(s) across user group(s)

User	Cost of Activity	Charge
Australian public, recreational fishers, and other government organisations	\$4,806,637	Government funded

Output(s), activity description(s) and cost split(s) across output(s)

Output	Activities	Cost recovered amount	Government funded amount
Compliance and domestic illegal fishing	Involves undertaking compliance activities in accordance with AFMA's risk based approach, boat and fish receiver inspections. Includes assessment and investigations, data analysis, briefing and related prosecution requirements.	\$ -	\$4,806,637

Attachment E: *Research*

Cost split(s) across user group(s)

User	Cost of Activity	Charge
All Commonwealth commercial fishing industry	\$2,692,116	Levy
Australian public and other government organisations	\$1,404,589	Government funded

Output(s), activity description(s) and cost split(s) across output(s)

Activity Function	Activities	Cost recovered amount	Government funded amount
Research Contract Administration	Involves administrative services surrounding research programs and contracts. This includes administering the AFMA Research Committee, developing and reviewing research plans as well as reporting to the Fisheries Research Development Corporation and the Australian Bureau of Agricultural and Resource Economics and Sciences. These costs are 50% cost recovered from the commercial fishing industry. AFMA commissions research for non-commercial fisheries, and provides reports to other government agencies which are not cost recoverable activities.	\$ 110,863	\$ 119,440
Research Projects	The cost of research projects. Research costs have been split across cost recoverable activities (75%) and government funded activities (25%) to simplify administration and to better represent the general use of fisheries science by the Australian public.	\$ 2,581,253	\$ 1,285,149

Attachment F: *Policy support*

Cost split(s) across user group(s)

User	Cost of Activity	Charge
All Commonwealth commercial fishing industry	\$ 666,692	Levy
Australian public and other government organisations	\$ 1,532,016	Government funded

Output(s), activity description(s) and cost split(s) across output(s)

Output	Activities	Cost recovered amount	Government funded amount
Policy	<p>Includes providing advice and developing policy in accordance with the <i>Fisheries Management Act 1991</i>, the <i>Fisheries Administration Act 1991</i> and other relevant legislation. 50% of these activity costs are recovered from the fishing industry because when reviewing the activities broadly covered across AFMA, half of them relate to Commonwealth commercial fisheries management.</p> <p>Involves advising Parliament and Ministers, providing and developing policy including technical and governance policies. Also includes developing and publishing corporate reports, public data and performance indicators such as the Annual report, Regulatory Performance Framework (RPF) and compliance performance reports. Liaison with state agencies and other organisations on broader marine resource policies and management are also included. These activities are 100% government funded.</p>	\$ 666,692	\$ 1,532,016

Attachment G: *Input into defining international treaty standards and developing regulation*

Cost split(s) across user group(s)

User	Cost of Activity	Charge
Australian public, regional fisheries bodies and other government organisations	\$4,056,067	Government funded

Output(s), activity description(s) and cost split(s) across output(s)

Output	Activities	Cost recovered amount	Government funded amount
International relations	Involves engaging with Regional Fisheries Management Organisations (RFMOs) and other authorities. This also includes attending bilateral treaty meetings to implement Australia's obligations to international agreements. Reporting is per RFMO requirements as well as any required reports to other international bodies.	\$ -	\$ 2,129,286
International capacity building	Involves participating in capacity building programs with neighbouring countries and supporting key regional and international fishing bodies.	\$ -	\$ 1,926,781

Attachment H: *Foreign fisheries compliance enforcement and capacity building*

Cost split(s) across user group(s)

User	Cost of Activity	Charge
Australian public and other government organisations	\$ 4,206,665	Government funded

Output(s), activity description(s) and cost split(s) across output(s)

Output	Activities	Cost recovered amount	Government funded amount
International illegal fishing	Includes combating illegal fishing in the Australian Fishing Zone and Protected Zone Joint Authority fisheries. Involves engaging with Australian Border Force and other relevant international bodies through Regional Plans of Action (RPOA) to prevent IUU fishing. Caretaking and disposal of foreign fishing vessels is also included.	\$ -	\$ 4,206,665

Attachment I: *Management of traditional, indigenous and non-commercial fisheries*

Cost split(s) across user group(s)

User	Cost of Activity	Charge
Traditional, indigenous and non-commercial fishers, Australian public, eNGOs, recreational and amateur fishers and other government organisations	\$ 2,507,600	Government funded

Output(s), activity description(s) and cost split(s) across output(s)

Output	Activities	Cost recovered amount	Government funded amount
Traditional/ non-commercial fisheries management	Includes assisting with the administration of Protect Zone Joint Authority (PZJA) fisheries, Torres Strait fisheries and other indigenous fisheries, and liaising with eNGOs and recreational fishing sectors through advisory committees and stakeholder forums. This also includes the management of Offshore Constitutional Settlement arrangements, joint authorities and Memorandums of Understanding (MOUs) between the states and the Commonwealth.	\$ -	\$ 1,325,725
MACs and RAGs	Includes appointing and administering MACs and RAGs.	\$ -	\$1,181,875

Attachment 1: *Direct, indirect and overhead costs of activities*

Activity group	Activity output	Direct costs (\$)	Indirect costs (\$)	Overhead costs (\$)
Management of Domestic Commercial Fisheries	Species and environmental management	1,326,907	0	608,395
	Risk Management	345,181	2,361	162,668
	Bycatch	181,267	289,228	219,173
	MAC and RAG	724,080	68,522	146,272
	Consultation and Engagement	246,373	66,521	120,821
	Strategy, Governance and Leadership	0	297,628	100,245
	Total		2,823,808	724,260
Data Collection and Management	Electronic Monitoring	0	1,308,643	55,079
	Observers	0	1,808,176	488,149
	Vessel Monitoring	0	374,701	69,960
	Catch Disposal Records (CDRs)	0	122,845	13,366
	Fishery-specific monitoring and data collection	152,035	506,369	20,049
	Logbook Data	0	152,778	20,607
	Data Management	0	165,654	82,619
Total		152,035	4,439,166	749,829
Licensing administration and Revenue Collection	Licensing administration and Revenue Collection	-	608,276	125,829
	Licensing administration and revenue collection systems	-	458,181	241,924
	Total	0	1,066,457	367,753
Research	Research Contract Administration	-	72,549	38,314
	Research Projects	2,581,253	-	-
	Total	2,581,253	72,549	38,314
Policy Support	Policy	-	464,198	202,494
	Total	-	464,198	202,494
Grand total		5,557,096	6,766,630	2,715,962

Attachment 2: Activity output allocation to fisheries

	Electronic monitoring	Observers	VMS	CDR	Logbook data	Data management	Licensing administration and revenue collection	Licensing administration and revenue collection Systems	Bycatch	Species and environmental management	Risk management	Strategy, Governance and Leadership	Consultation and engagement	Policy	MAC and RAG	Research contract administration
Rationale	EM devices fitted	Observer days	Number of boats	Prior year actuals	Prior year actuals	Prior 3 year average	Prior year actuals	% of concession holders	Effort estimate %	Calculated % of direct costs					Calculated % of direct MAC/ RAG costs	% of research costs
South East Trawl	0.0%	18.1%	12.1%	43.4%	2.3%	16.4%	28.2%	22.4%	20.0%	21.5%	21.5%	21.5%	21.5%	21.5%	24.4%	25.0%
Gillnet Hook and Trap	49.7%	0.0%	21.4%	25.0%	7.1%	13.2%	27.9%	23.5%	12.0%	17.3%	17.3%	17.3%	17.3%	17.3%	15.7%	8.7%
Great Australian Bight Trawl	0.0%	2.0%	1.3%	1.5%	0.2%	3.1%	0.9%	4.1%	5.0%	3.9%	3.9%	3.9%	3.9%	3.9%	5.4%	1.2%
Coral Sea	0.0%	0.9%	1.6%	0.3%	0.6%	0.8%	0.4%	1.0%	2.0%	1.7%	1.7%	1.7%	1.7%	1.7%	0.7%	0.6%
Heard and McDonald Islands	0.0%	48.0%	1.3%	0.0%	1.3%	3.7%	1.1%	2.0%	2.0%	2.5%	2.5%	2.5%	2.5%	2.5%	1.8%	0.0%
Small Pelagic	2.8%	3.0%	1.1%	2.0%	0.6%	11.1%	0.9%	7.1%	25.0%	10.2%	10.2%	10.2%	10.2%	10.2%	13.7%	8.4%
Macquarie Island	0.0%	6.1%	0.0%	0.0%	0.0%	0.6%	0.2%	1.0%	2.0%	1.5%	1.5%	1.5%	1.5%	1.5%	1.8%	3.0%
Bass Strait Central Zone Scallop	0.0%	0.0%	1.8%	2.9%	2.8%	1.3%	1.9%	2.0%	0.0%	3.1%	3.1%	3.1%	3.1%	3.1%	5.3%	2.3%
Western Deepwater Trawl	0.0%	0.8%	0.8%	0.0%	0.1%	0.7%	0.1%	1.0%	2.0%	1.8%	1.8%	1.8%	1.8%	1.8%	0.0%	0.3%
Northern Prawn	0.0%	7.9%	15.0%	0.0%	0.3%	6.0%	1.9%	4.1%	15.0%	12.4%	12.4%	12.4%	12.4%	12.4%	11.3%	34.3%
North West Slope	0.0%	0.7%	0.5%	0.0%	0.1%	0.5%	0.1%	1.0%	2.0%	1.8%	1.8%	1.8%	1.8%	1.8%	0.0%	0.3%
Southern Squid Jig	0.0%	0.0%	2.1%	0.2%	0.8%	1.4%	0.9%	1.0%	0.0%	1.0%	1.0%	1.0%	1.0%	1.0%	2.5%	0.0%

	Electronic monitoring	Observers	VMS	CDR	Logbook data	Data management	Licensing administration and revenue collection	Licensing administration and revenue collection Systems	Bycatch	Species and environmental management	Risk management	Strategy, Governance and Leadership	Consultation and engagement	Policy	MAC and RAG	Research contract administration
Torres Strait Prawn	0.0%	1.7%	10.8%	0.0%	5.5%	1.5%	0.0%	2.0%	2.0%	2.3%	2.3%	2.3%	2.3%	2.3%	0.0%	0.9%
Skipjack Tuna	0.0%	0.0%	0.3%	0.0%	0.0%	0.0%	0.1%	2.0%	0.0%	0.8%	0.8%	0.8%	0.8%	0.8%	0.0%	0.3%
Eastern Tuna and Billfish	38.4%	0.0%	10.6%	19.2%	17.1%	8.1%	6.3%	9.2%	7.0%	8.9%	8.9%	8.9%	8.9%	8.9%	13.9%	4.5%
Southern Bluefin Tuna	4.9%	2.7%	9.2%	5.4%	38.0%	1.0%	4.8%	2.0%	2.0%	6.6%	6.6%	6.6%	6.6%	6.6%	2.0%	9.4%
Western Tuna and Billfish	4.1%	0.0%	1.1%	0.1%	0.4%	1.1%	1.2%	5.1%	2.0%	2.6%	2.6%	2.6%	2.6%	2.6%	1.4%	0.5%
Government funded	0.0%	8.2%	9.0%	0.0%	22.9%	29.8%	23.2%	9.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%
TOTAL*	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

* The totals may not seem to add to 100% due to rounding

Attachment 3: *Summary of stakeholder engagement in the development of this CRIS*

Date	Who	What
February 2018	Commonwealth Fisheries Association (CFA)	Discussion at CFA board meeting of 2018-19 budget process and annual review of CRIS
March 2018	Commonwealth Fisheries Association (CFA), each of the fishery Management Advisory Committees (MACs) and other relevant consultative bodies for fisheries that do not have a MAC	Draft 2018-19 cost recovered budget and revised CRIS released for comment to CFA and MACs
May 2018	Commonwealth Fisheries Association (CFA), each of the fishery Management Advisory Committees (MACs) and other relevant consultative bodies for fisheries that do not have a MAC	Final 2018-19 cost recovered budget and CRIS provided to CFA and MACs

Attachment 4: *Summary of the AFMA’s budget estimates from the 2018-19 Portfolio Budget Statements*

Budget item	2017-18 Estimated actual \$000	2018-19 Budget \$000	2019-20 Forward Estimate \$000	2020-21 Forward Estimate \$000	2021-22 Forward Estimate \$000
Administered expenses					
Illegal foreign fishing vessel caretaking and disposal	5,424	5,506	5,594	5,689	5,838
Departmental expenses					
	38,873	40,724	38,872	40,144	42,076
Total available funding	44,2297	46,230	44,466	45,833	47,914

Attachment 5: AFMA's historical financial performance

Budget item	2016-17 \$000	2015-16 \$000	2014-15 \$000	2013-14 \$000	2013-12 \$000
Budgeted Levy Expenses (X)	14,324	12,614	13,677	12,869	13,936
Actual Levy Expenses (Y)	14,155	12,369	13,655	12,110	13,168
Balance (Y-X)_	169	245	22	759	768
Cumulative Balance *	N/A	N/A	N/A	N/A	N/A
<i>Explain impact on balance management strategy</i>	AFMA applies any under or over spend to the following year cost recovered revenue				

* AFMA does not carry forward any cumulative balance as any prior year under or overspend is applied in determining levies

Attachment 6: *Summary of key dates and events in the development of this CRIS*

Date	Who	What
February 2018	Commonwealth Fisheries Association (CFA)	Discussion at CFA board meeting of 2018-19 budget process and annual review of CRIS
March 2018	Commonwealth Fisheries Association (CFA), each of the fishery Management Advisory Committees (MACs) and other relevant consultative bodies for fisheries that do not have a MAC	Draft 2018-19 cost recovered budget and revised CRIS released for comment
May 2018	Commonwealth Fisheries Association (CFA), each of the fishery Management Advisory Committees (MACs) and other relevant consultative bodies for fisheries that do not have a MAC	Finalisation of 2018-19 cost recovered budget and CRIS
November 2018		Levy regulations approved by Assistant Minister
November 2018	Torres Strait Prawn Fishery concession holders	Levy notices issued
January 2019	Concession holders	First instalment levy invoices issued

Attachment 7: CRIS approval process and change register

Date of change	Change made	Approved by	Basis for change
17/07/2015	Draft CRIS	Nick Rayns	Draft CRIS for consultation
24/11/2015	Draft CRIS budget	Nick Rayns	Draft CRIS budget impacts released for comment
19/02/2016	Draft CRIS V2	Nick Rayns	Incorporated changes from consultation. Includes changes to allocations of costs for IT and amortisation of the Pisces system and inclusion of non-commercial Torres Strait fisheries in the allocation of licensing and registration costs.
20/09/2016	Draft CRIS V2.1	Nick Rayns	Minor adjustment to consolidate Commissioners, CEO and GMs into single activity for increased transparency
09/12/2016	2017 CRIS	Hon Barnaby Joyce MP	AFMA's CRIS approved
14/03/2018	Draft 2018-19 CRIS	James Findlay	Draft CRIS for consultation