



**Australian Government**

**Fisheries Research and  
Development Corporation**

**Annual Operational Plan**

**2012-13**

## FRDC Vision

The vision of the Fisheries Research and Development Corporation is a vibrant Australian fishing and aquaculture industry, supporting and adopting world-class research to achieve prosperity; and wisely using the natural resources on which it depends.

## The planned outcome for the corporation

Increased knowledge that fosters sustainable economic, environmental and social benefits for the Australian fishing industry; including indigenous, recreational, commercial and aquaculture sectors, and the community; through investing in research, development and adoption.

## Stakeholders

Stakeholders in the FRDC are the fishing industry and the Australian Government. There are many other partners, collaborators, beneficiaries and interest groups who influence the FRDC in its priority setting processes, and assist in the conduct of its business and the adoption of its research, development and extension. These arrangements are addressed in this Plan. In addition the legislation recognises that the people of Australia ultimately are the principal beneficiaries of much of the work of the FRDC.

## Portfolio Minister

The portfolio Minister for Agriculture, Fisheries and Forestry is Senator the Hon. Joe Ludwig



## FRDC Board

|                        |                    |
|------------------------|--------------------|
| The Hon. Harry Woods   | Chair              |
| Mr Stuart Richey AM    | Deputy Chair       |
| Ms Heather Brayford    | Director           |
| Ms Renata Brooks       | Director           |
| Mr Brett McCallum      | Director           |
| Dr Daryl McPhee        | Director           |
| Dr Keith Sainsbury     | Director           |
| Mr Richard Stevens OAM | Director           |
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Australian Government  
Fisheries Research and Development Corporation

27 April 2012

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

### FRDC 2012-13 Annual Operational Plan

Dear Minister

In accordance with Section 26(1) of the Primary Industries and Energy Research and Development Act 1989, I have pleasure in submitting for your approval the Annual Operational Plan (AOP) of the Fisheries Research and Development Corporation for the year commencing 1 July 2012.

In developing the AOP, the FRDC has ensured it reflects the consultation with both government and industry stakeholders. This AOP has been developed to give effect to both the new National Fishing and Aquaculture RD&E Strategy and the FRDC's RD&E Plan 2010-15.

The AOP investment strategy targets the key priorities of:

- Development of a national fisheries management standard;
- Mitigating the impacts of climate change;
- Improving the profitability of the seafood sector, including co-management and supply chain developments;
- Resource access and allocation;
- Improving the capacity of people in the fishing industry;
- Improving the customary values for indigenous fishers; and
- Extension and adoption of research to reduce bycatch and incidental catch of threatened, endangered or protected species.

The research activities outlined in this Annual Operational Plan will contribute to implementing the strategies and achieving the objectives set out in the Australian Government's National Research and Rural R&D Priorities.

Yours sincerely

The Hon. Harry Woods  
Chair

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# Executive Summary

The Fisheries Research and Development Corporation (FRDC) plays a pivotal role in planning, funding and managing Research, Development and Extension activities (RD&E) for its stakeholders; the Australian Government and the fishing industry.

The FRDC aims to maximise the benefits from its investment by ensuring that it is well targeted, meets governments' and industry's RD&E priorities, and builds on previous achievements.

The FRDC is unique among the rural research and development corporations (RDCs) because it takes a leadership role in balancing investment priorities between natural resource management and industry productivity and development. The majority of the FRDC's RD&E investment addresses public good priorities so as to ensure sustainable fisheries management, sustainable habitats and sustainable industries.

FRDC is strategically placed to broker partnerships between the Australian Government, industry and research partners around Australia. This positioning also allows the FRDC to communicate and network with partners to leverage funds, and broker knowledge to get the best results from RD&E for the investment made by government, industry and the community.

The FRDC plays a leadership role in fisheries RD&E through:

- project planning, management, and extension across government agencies and industry nationally;
- facilitation and partnership activities with research partners;
- collaboration across other (RDCs), independent agencies/states and international organisations;
- leverage of investment funds across Australia.

To ensure the FRDC meets stakeholder needs, and increases the speed of output delivery, it will continue to improve the way it invests in, and manages RD&E. This will involve reviewing its current funding mechanisms to ensure they are flexible and tailored to meet stakeholders' needs.

Innovation remains a key focus for FRDC investment. The FRDC will strive to fund more projects that will deliver substantial change, rather than investing in projects that deliver gradual incremental increases in knowledge and adoption. The FRDC also has a strong linkage with the Seafood Cooperative Research Centre (SCRC). The FRDC, as a core participant of the SCRC, will invest over \$28 million cash and \$1.4 million in-kind, over its seven year life. The goal of FRDC's investment in the SCRC is to assist end-users of its research to deliver safe, high-quality, Australian seafood and increase the profitability and value of the industry.

## **Telling the story – a focus for 2012-13**

Extension and Adoption was introduced as a major new theme in the 2010-15 RD&E Plan. In the coming year the FRDC will work to facilitate the National Fisheries Extension and Adoption Strategy and a program designed to facilitate faster and more efficient adoption of results. This will be achieved through development of case studies and making research outputs accessible and readily available to stakeholders and broader community.

### *Addressing public perceptions*

The FRDC will also pro-actively promote the results of research and best practice that underpins the Australian seafood and recreational fishing industries to the Australian community, media outlets and seafood consumers. It will also formally respond to factually incorrect media stories or information in the public arena, supplying accurate up to date information.

This is important because over the last ten years the public perception of the fishing industry has remained negative, despite going through significant changes to ensure it meets the needs of the regulators, and the concerns of environmental groups. Research undertaken by the FRDC highlights that the perception of the industry is not based on fact or knowledge, but rather on media reports that have generalised against poor overseas practices or are not always factually correct.

## Priorities and Outputs for 2012-013

*Development of a National Fisheries Management Standard* — fisheries management in Australia is run across multiple jurisdictions. The development of a standard would seek to provide a national minimum requirement for management across these jurisdictions, reducing duplication and improving efficiency.

*Harmonisation of Commonwealth and State/Territory Fisheries Management Systems* — fisheries management in Australia is run across multiple jurisdictions. The development of harmonised harvest and bycatch strategies and stock status reporting would provide the first steps toward a national minimum requirement for management across these jurisdiction, reducing duplication and improving efficiency. This extends to work in support of the review of the Commonwealth Fisheries Harvest Strategy Policy and the development of harvest strategy policies by other jurisdictions.

*Improving the profitability and understanding value* — The FRDC's investment will aim to optimise the use of wild capture fisheries resources, and build on increasing capacity in the aquaculture sector. Research will look to define the values the Australian community place or associate with seafood and the fishing industry. Results will be incorporated into two areas of research being carried out by the Seafood Cooperative Research Centre (SCRC) for the FRDC that aim to improve seafood consumption and retail supply chains. The FRDC will fund Seafood Services Australia to work on trade and market access issues in a number of international markets, including China and the European Union.

*By-catch* — Incidental catch of threatened, endangered or protected (TEP) species will continue to be an area where investments are made. A key research area being examined is to reduce the interaction between certain gear types and TEP species, including sharks, cetaceans, pinnipeds and seabirds. FRDC will also provide input and advice into the Department of Agriculture, Fisheries and Forestry review of the Commonwealth Policy on Fisheries Bycatch.

*Climate change* — The FRDC has created a coordinated funding program to enhance the fishing industry's capacity to adapt, mitigate against, and take advantage of further climate change. Half way through the program, results from the funded research will start to become available. At this point more focus will be placed on dissemination of the findings and results. The program partners are the Department of Climate Change and Energy Efficiency (DCCEE), Department of Agriculture, Fisheries and Forestry (DAFF) and participating state government agencies.

*People development* — During the course of the year a range of opportunities to develop skills and share knowledge will be provided through programs including a visiting experts program, travel awards and conferences. FRDC will enhance the opportunities for young industry members and government participants to build their leadership.

*Resource access and allocation* — Over the course of the year work will be undertaken to explore methods for incorporating spatial management into fishery management arrangements, including harvest strategies, and develop improved data collection techniques for recreational fishers relevant to resource-sharing. In addition to techniques for collecting fine-scale recreational catch data, this will extend to studies placing a value on commercial and recreational fishing activities.

*Enhance the value from customary fishing* — Working with the Indigenous Fisheries Reference Group work will be undertaken to gain input into management, planning and project assessment with indigenous Australians on fishing and seafood related issues. The FRDC has funded a number of projects to identify approaches that will result in improved consultative processes between representatives of the indigenous community and other fishers.

*Extension and adoption* — The FRDC will assist in the development of a national Fisheries Extension and Adoption plan that will aim to improve the uptake of research and transfer of knowledge to stakeholders. This may include the development of an extension network and a range of information resources for industry. It will also look to fund research to better target extension activities.

### Joint Rural RDC and Government Initiatives:

*National Fishing and Aquaculture RD&E Strategy* — The FRDC will continue to take a lead role in implementing the strategy. It will work in partnership with the Australian Fisheries Management Forum and FRDC's Representative Bodies to help advance Major-Support-Link arrangements within a regional and national approach.

*National Strategic Rural R&D Investment Plan* – The FRDC will work with the Council of Rural RDCs (CRRDC) to ensure that the proposed national plan developed by the Rural R&D Council delivers desirable outcomes to government, industry and other stakeholders. Integral to this will be the implementation of the strategies under the National RD&E Framework for all rural sectors in particular the fishing and aquaculture sectors.

*Shared services* – In partnership with the Canberra based RDCs, FRDC is working to share services to reduce administrative costs and ensure efficient delivery of RD&E investment. Some of these shared services will have efficiency benefits for non-Canberra based RDCs.

*Productivity Commission (PC)* – FRDC will work with the Australian Government to implement the recommendations from the Productivity Commission inquiry into the RDCs.

## Stakeholder consultation

The FRDC works with its primary partners the Australian Government and the fishing industry to prioritise, implement and review progress of strategic RD&E directions; disseminate the results; and when appropriate assist commercialisation.

In addition the FRDC partners with many other organisations in both the research funding and service provision areas. In particular the FRDC has a strong linkage with the Seafood Cooperative Research Centre (SCRC).

## Investment strategy

The FRDC invests in RD&E across the whole value-chain of the commercial fishing and aquaculture industry, and for the benefit of both indigenous and recreational fishers. The FRDC seeks to achieve maximum leverage from its investment by providing research administration and services using a value adding model. Research projects are tailored to deliver a specific outcome, and are actively managed and monitored.

The value proposition to running the value adding model, compared to a simple 'granting' model for research and development funding which can be carried out at minimal cost, is that the returns are significantly better. This is because more time is spent ensuring the design and implementation of each project is correct and aligns with desired outcomes of the stakeholders. The FRDC manages the implementation of the value adding model through its ongoing investment in systems that deliver best practice in project development and assessment (see page 12 on Fisheries Research Advisory Bodies), integrated project, financial and human resource management.

The FRDC commissions RD&E through a variety of flexible investment approaches. These include: an open-call for project applications; formal partnership agreements with industry sectors; subprograms and coordination programs that are tailored to specific industry sectors or activity; short-term tactical research investment; and specifically targeted commissioned RD&E; especially where there is market failure by private investment.

The focus for FRDC investment aligns with the 14 themes (below) outlined in its 2010-2015 Strategic RD&E Plan. In any given year the investment balance between themes may vary depending on strategic needs – see page overleaf for current percentages.

| Programs                      | Themes  |
|-------------------------------|---|
| <b>Environment</b>            | <ol style="list-style-type: none"> <li>1. Biosecurity and aquatic animal health</li> <li>2. Habitat and ecosystem protection</li> <li>3. Climate change</li> <li>4. Ecologically sustainable development</li> </ol>   |
| <b>Industry</b>               | <ol style="list-style-type: none"> <li>5. Governance and regulatory systems</li> <li>6. Resource access and allocation</li> <li>7. Production, growth and profitability</li> <li>8. Consumers, products and markets</li> <li>9. Value from aquatic resources</li> </ol> |
| <b>Communities</b>            | <ol style="list-style-type: none"> <li>10. Resilient and supportive communities</li> </ol>  |
| <b>People Development</b>     | <ol style="list-style-type: none"> <li>11. Leadership development</li> <li>12. Workforce development</li> <li>13. Innovation skills</li> </ol>  |
| <b>Extension and adoption</b> | <ol style="list-style-type: none"> <li>14. Extension and adoption</li> </ol>  |



## Performance evaluation

FRDC will continue phase four of benefit cost assessments (BCAs) analysing projects across 25 area clusters – groups of projects that have a similar issue or focus i.e. projects on supply chains or genetics. This will build on the existing clusters analysis by adding new projects to those that have already been assessed. This will increase the number of projects assessed significantly, build on the existing data set, and provide more fine scale intelligence with regards to project outcomes.

### *People Development Program*

2012-13 will be the fifth and final year of the current FRDC People Development Program. The program outcomes and management processes will be reviewed and planning for future program direction will be undertaken. The review will include evaluation of program planned outcomes against the five year plan, and evaluation of the model by which the people development program is delivered.

The review will focus on evaluating the following two elements:

- a. Program planned outcomes, including evaluation of completed projects
- b. Program delivery, including stakeholder awareness of program opportunities and priorities; program contribution to other FRDC programs/RD&E priorities; and the appropriateness of the current model for planning and management of people development investments.

## Extension and Adoption (E&A)

Once completed the National Fisheries and Aquaculture Extension Framework will to a large degree substantially guide the FRDC investment in E&A activities over the 2012-13 year. The FRDC will align with the framework to focus on increasing the focus of E&A within projects to ensure that stakeholders support the need for the research, are involved where possible during the research and are well placed to take up the results. The FRDC will also use the framework to identify gaps in the E&A landscape, and directly commission or invest in activities to address these gaps.

Further research into E&A will continue to inform the knowledge base from which the fishing industry can draw. It will also provide the FRDC with a sound basis for future investment in this area.

Notwithstanding the fishing industry focus for the FRDC, it will also keep abreast of E&A developments at the broader primary industry level, working with other RDCs and drawing upon the bank of knowledge that has been developed.

### *Technology Development*

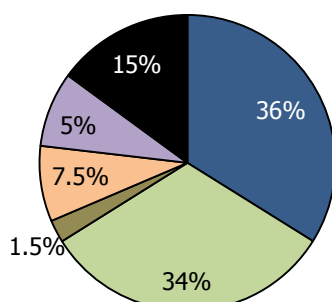
The FRDC already has a significant bank of knowledge from previous research projects. Over the coming year the FRDC will invest in enhancing its current website to ensure that this knowledge can be easily searched and accessed and are able to link to and utilise a variety of social media platforms.

# Annual Operational Plan 2012-13 Budget

| REVENUE   |                        | \$                | \$                |
|---|------------------------|-------------------|-------------------|
| <b>Total revenues from the Australian Government</b>                        |                        |                   | <b>16,374,953</b> |
| <i>Australian Government 0.5% Australian Gross Value of Production AGVP</i> |                        | <i>10,916,636</i> |                   |
| <i>Australian Government matching of industry contributions</i>             |                        | <i>5,458,318</i>  |                   |
| Industry contributions passed on by state/territory jurisdictions           |                        |                   | 7,554,579         |
| Projects revenue from other parties   |                        |                   | 1,650,000         |
| Other revenue   |                        |                   | 445,000           |
| <b>TOTAL REVENUE</b>  |                        |                   | <b>26,024,532</b> |
| EXPENDITURE   |                        | \$                | \$                |
| <b>Projects Expenditure</b>   |                        |                   | <b>22,025,000</b> |
| Made up of:   |                        |                   |                   |
|   | Environment            | 9,470,750         | 43.0%             |
|   | Industry               | 8,810,000         | 40.0%             |
|   | Communities            | 440,500           | 2.0%              |
|   | People development     | 1,982,250         | 9.0%              |
|   | Extension and adoption | 1,321,500         | 6.0%              |
|   | <b>Total</b>           | <b>22,025,000</b> | <b>100%</b>       |
| <b>Management and accountability</b>  |                        |                   | <b>3,992,855</b>  |
| <b>TOTAL EXPENDITURE</b>  |                        |                   | <b>26,017,856</b> |
| <b>NET RESULT FOR THE YEAR</b>  |                        |                   | <b>6,677</b>      |

## Total FRDC Expenditure

- Environment
- Industry
- Communities
- People development
- Extension and adoption
- Management and accountability



# The FRDC

The Fisheries Research and Development Corporation (FRDC) is a co-funded partnership between its two stakeholders, the Australian Government and the fishing industry. It was formed as a statutory corporation on 2<sup>nd</sup> July 1991, under the provisions of the *Primary Industries and Energy Research and Development Act 1989* (the *PIERD Act 1989*) and is responsible to the Minister for Agriculture, Fisheries and Forestry. For a short history of the evolution of the FRDC refer [www.frdc.com.au/aboutus/about-us](http://www.frdc.com.au/aboutus/about-us).

The FRDC's role is to plan and invest in fisheries research, development and extension (RD&E) activities in Australia. This includes providing leadership and coordination of the monitoring, evaluating and reporting on RD&E activities, facilitating dissemination, extension and commercialisation. The FRDC achieves this through coordinating government and industry investment, including stakeholders to establish and address RD&E priorities. In addition the FRDC monitors and evaluates the adoption of RD&E to inform future decisions.

The primary revenue for the FRDC comes from the Australian Government and the fishing and aquaculture industry; in addition it manages significant contributions by stakeholders in FRDC-funded projects. The FRDC's primary revenue source is based on:

- the Australian Government providing unmatched funds equivalent to 0.5 per cent of the average gross value of Australian fisheries production (AGVP);
- fishers and aquaculturists providing contributions of at least 0.25 per cent of AGVP; and
- the Australian Government matching contributions by fishers and aquaculturists up to a maximum of 0.25 per cent of AGVP.

The FRDC's strategic investments in RD&E activities benefit the three sectors of the fishing industry: commercial (wild catch and aquaculture), recreational and indigenous.

The FRDC has a significant responsibility in ensuring, on behalf of the Australian Government, that research is undertaken to assist in the management of the fisheries and aquaculture resource for ongoing sustainability. This means that a significant proportion of funding is directed at research that has a public good benefit.

## FRDC Board

A Chair and a board of directors govern the FRDC, while an Executive Director (ED) leads the corporation's business activities on a day to day basis. The board oversees corporate governance, sets strategic direction and monitors the ongoing performance of the FRDC and the ED. The FRDC board and the ED are responsible for managing and evaluating the organisation and its investments, and for reporting to Government and the fishing industry. During 2012–13 the focus for the FRDC Board will be on:

- implementing the National Framework for Primary Industries Research, Development and Extension;
- developing strategic investment options to ensure delivery of outcomes against the FRDC RD&E Plan;
- responding to findings of the Productivity Commission inquiry into the RDCs and the Rural Research and Development Council's National Strategic Investment Plan; and
- developing a plan to improve the perception of the fishing industry through making research results more publically available and addressing factually incorrect media (and similar) reports.

## Fisheries Research Advisory Bodies (FRABs)

The FRDC supports a network of FRABs covering Commonwealth fisheries and the fisheries and aquaculture of each state and the Northern Territory. The FRABs have an extremely important role in optimising the efficiency of the FRDC's planning and investment processes. The FRDC works to ensure a majority of open call and Tactical Research Fund applications are submitted through, or reviewed by, the FRABs.

The FRABs represent sectors of the fishing industry, fisheries managers and researchers; and most also have environmental and other community interest representation.

# RD&E planning environment

## Planning environment

On 23 April 2010, the Primary Industries Ministerial Council (PIMC) approved the *"Working Together: the National Fishing and Aquaculture RD&E Strategy 2010"*, which outlines the future direction to improve the focus, efficiency and effectiveness of RD&E to support Australia's fishing and aquaculture industry.

A key factor to consider with regards to the development of the national strategy is that there remains on-going activity that will take several years to complete. The FRDC has worked closely with key stakeholders to develop the National Priorities Forum, Research Providers Network and Extension and Adoption Working Group. The three groups will work together to progress the allocation of activities and responsibilities against the Major-Support-Link framework. Implementation of any component will be dependent on coordinated implementation by individual State and Territory Ministers. In light of this, the FRDC will continue to fund and allocate resources to existing priorities, while monitoring the broader context.

Running in parallel to the development of the national strategy has been the development of the FRDC's new Research, Development and Extension Plan (RD&E Plan) for 2010–2015. The Minister for Agriculture, Fisheries and Forestry approved the plan on 13 July 2010. Importantly, the strategy and plan provides a foundation for further improvement in the outcomes for stakeholders from their RD&E investment.

The most important elements are that the RD&E Plan outlines 14 themes areas on which the FRDC will focus and on which Annual Operational plans are based – see page 9.

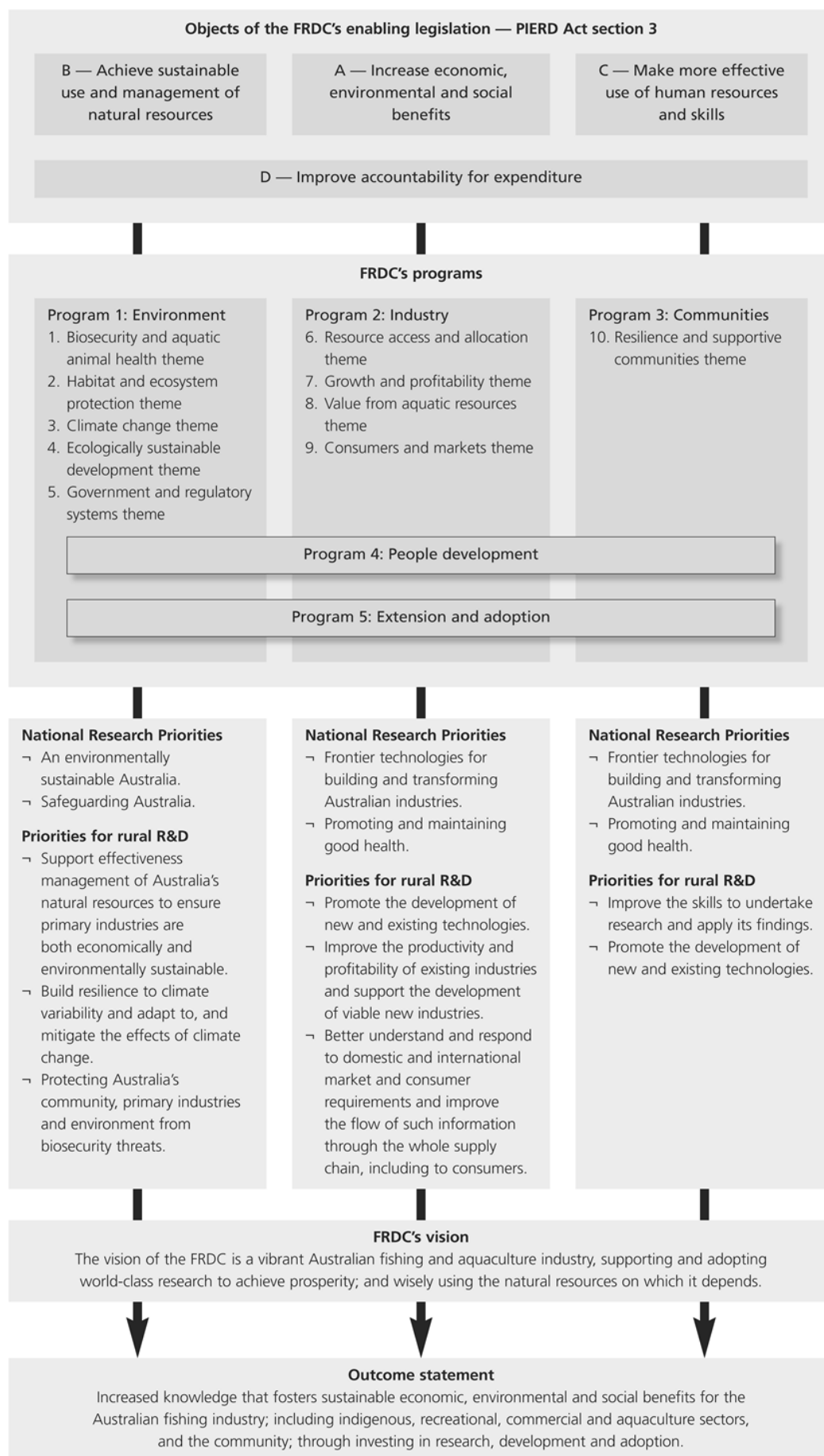
Likewise the Development of a National Fisheries and Aquaculture Extension and Adoption Framework will take time to be developed. During this time the FRDC will continue to look for areas where investment in activities will deliver optimum results.

## Australian Government research priorities

The FRDC will work closely with the Minister for Agriculture, Fisheries and Forestry, the Parliamentary Secretary to the Minister and the Department of Agriculture, Fisheries and Forestry (DAFF) to ensure it delivers results in line with the Australian Government's National and Rural R&D priorities – see *Australian Government Research Priorities* section at Attachment 1. The FRDC has developed explicit programs (e.g. Climate Change) to ensure the delivery of the Australian Government priorities into its planning and reporting systems, addressing most of these priorities within the framework of its RD&E programs. The priorities also closely align to the FRDC's four legislated objects (section 3 of *the PIERD Act 1989*) as shown in Figure 1: FRDC's framework for integrating legislative, government and industry priorities.

## Integration of the planned outcome with legislative, stakeholder priorities

The FRDC's objectives, derived from section 3 of the PIERD Act 1989, are incorporated in its vision and planned outcome. The FRDC's RD&E programs mirror the core themes of sub-sections 3(a), (b) and (c) of the Act. This alignment has brought simplicity and robustness to the FRDC's RD&E planning, implementation and reporting, and to many of its kindred organisations. It has also facilitated a triple-bottom-line approach to funded activities.

**Figure 1: FRDC’s framework for integrating legislative, government and industry priorities.**

# Relationships with stakeholders

In developing the projects that address the five programs, directions are established in association with the FRDC's partners — government, industry stakeholders and research organisations.

The FRDC works with its partners to not only undertake program management in an effective manner, but also to disseminate the results and assist with their adoption and, when appropriate, commercialisation. Over the course of the year, the FRDC will continue to collaborate and work with its stakeholders.

## Stakeholder research priorities

One of the primary challenges for the FRDC is to gain a solid understanding of the needs and priorities of its industry stakeholders — many of whom come from a diverse range of sectors and operations. FRDC in developing the National RD&E Strategy and its RD&E Plan has consulted widely with a majority of these groups. In addition the FRDC has undertaken industry research to build on this knowledge. While there are common, national issues, each sector faces unique challenges and has specific research, development and extension needs, and these vary around Australia.

To ensure a balanced portfolio, and to align with industry research priorities, the large majority of project applications are reviewed by the FRABs; and, where possible, industry and management is directly engaged and integrated into the project delivery.

## The Australian Government

The Minister for Agriculture Fisheries and Forestry is integral to the running of the FRDC. The Minister and his Department outline the areas or priorities that need to be addressed. The Department acts as the day to day policy intermediary between the Minister's office and the FRDC. The Australian Management Fisheries Authority and the Department of Sustainability, Environment, Water, Population and Communities also play an important role in contributing to research priorities and the ComFRAB process.

### *National Priorities Forum*

The FRDC has worked closely with key stakeholders to develop, and now implement, the National Fishing and Aquaculture RD&E Strategy. A key component is the development of the National Priorities Forum, Research Providers Network and Extension and Adoption Working Group. Over the coming year the three groups under the direction of the National Priorities Forum will meet and focus on developing the Major-Support-Link Framework and governance arrangements to improve RD&E for the fishing and aquaculture industries.

## Australian Fisheries Management Forum (AFMF)

AFMF comprises the heads/CEOs of the Australian and state and territory government agencies responsible for the management of fisheries. The AFMF discusses issues relating to fisheries and aquaculture management.

The FRDC will continue to work with AFMF, sitting as an invited representative to their meetings, providing advice and ensuring their priorities are incorporated into RD&E planning processes.

## Consultation with representative organisations

The FRDC has four representative organisations with which it will consult over the course of 2012-13.

- Australian Recreational and Sport Fishing Industry Confederation Inc. (trading as Recfish Australia)
- National Aquaculture Council Inc. (NAC).
- Commonwealth Fisheries Association Inc. (CFA).
- National Seafood Industry Alliance (NSIA).

Under section 15(2) of the *PIERD Act 1989* and the Guidelines on Funding of Consultation Costs by Primary Industries and Energy Portfolio Statutory Authorities, the FRDC may meet travel and other expenses incurred in connection with consultation between the FRDC and each of its representative organisations. The FRDC has budgeted \$30,000 on such consultation in 2012-13.

In addition the FRDC invests in RD&E projects with its representative organisations. All projects currently under contract with the FRDC representative bodies at the commencement of 2012-13 are:

*National Aquaculture Council*

2009/303 Australasian Aquaculture Conference 2010 to 2014 \$240,000

*Recfish Australia*

2007/227 Recfishing Research: National Strategy for Recreational Fisheries RD&E \$358,880

2011/502 Recreational Fishing and Aquaculture Committee (RFAC): Australian National Recreational Fishing Conference 2012 \$120,000

The project values are totals – (whole of project life) (most projects run 18-36 months) and may not be what is expended on the project during the course of the year. The actual expenditure will be reported in the FRDC Annual Report.

### Consultation with levy organisations – Australian Prawn Farmers Association

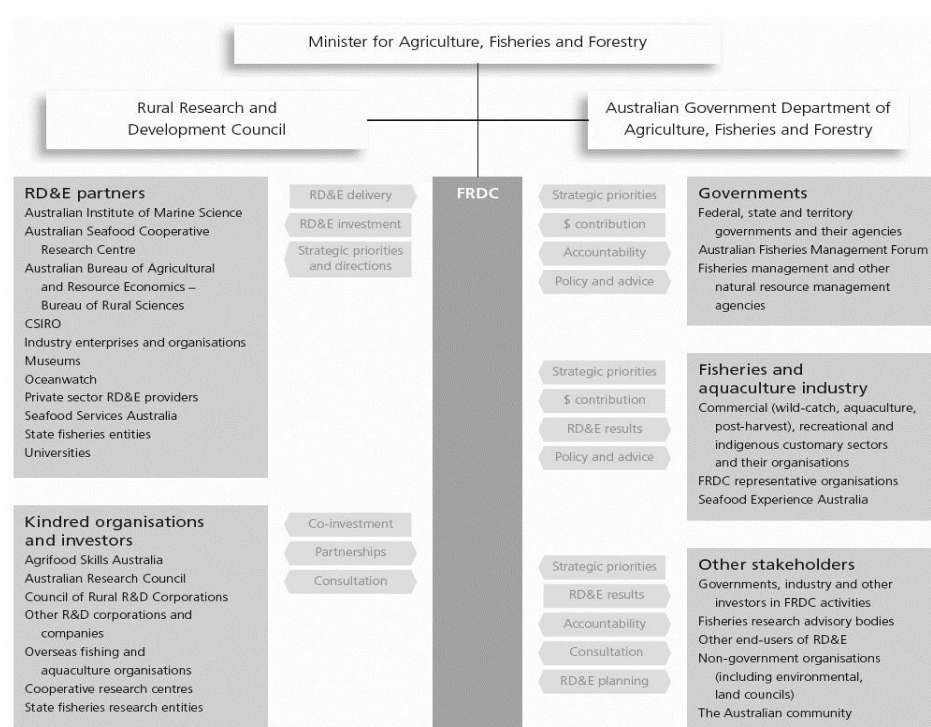
The FRDC administers a research and development levy on behalf of the Australian Prawn Farmers' Association (APFA). The levy is collected by the Levies Revenue Service (LRS) of DAFF. An administration cost is charged by LRS to manage the levy. In the coming year it is not expected that any overpayments will occur.

The FRDC's investments in prawn farming research and development is driven by the APFA's RD&E Plan. FRDC and the APFA enjoy a very close working relationship. The APFA has nominated that the majority of its investment is to be through co-investment with the Seafood CRC. The APFA has a lead role with FRDC in ensuring its priorities are met. The table below outlines the financial record of the relationship:

| Year                                | 2007-08<br>Actual | 2008-09<br>Actual | 2009-10<br>Actual | 2010-11<br>Budget | 2011-12<br>Budget | 2012-13<br>Budget | 2013-14<br>Budget |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>APFA contribution</b>            | \$103,835         | \$111,931         | \$144,155         | \$160,000         | \$150,000         | \$180,000         | \$190,000         |
| <b>FRDC expenditure on projects</b> | \$302,584         | \$302,287         | \$266,089         | \$311,325         | \$263,623         | \$230,582         | \$178,880         |

The APFA has been consulted in the development of this AOP. FRDC is investing with APFA in:

- Research that improves price / kg
- Research that improves growth per week
- Research that helps to reduce cost of feed



Not all entities involved with the FRDC are shown.

For simplicity, only the relationships between the FRDC and other entities are shown — not relationships between those entities.

Many of the entities have multiple relationships with the FRDC: for example, CSIRO is a co-investor and a research provider.

## **Sector industry bodies**

The FRDC has continued its close relationship with the National Seafood Industry Alliance (NSIA). The NSIA represents the commercial fishing, pearling and aquaculture industries through state industry councils and peak sector associations. It will build upon the partnerships established with individual industry sectors.

The FRDC also invests in, and partners with entities such as Southern Rocklobster Ltd, Australian Southern Bluefin Tuna Industry Association, Tasmanian Salmonid Growers' Association, Australian Pearl Producers and both the Prawn and Barramundi Farmers' Associations.

## **Rural research and development corporations**

The FRDC will continue to partner with other RDCs on a range of activities to enhance joint strategic outcomes. Most significant of these include climate change, evaluation of RD&E, and the "Appetite for Excellence" primary producer's tour – a chef, waiter and restaurateur competition. Not only will the FRDC partner other RDCs at the project level, but it will also work more broadly to collaborate in functional areas. The FRDC will continue to attend meetings of the Council of Rural Research and Development Corporations (CRRDC), as well as meetings of Executive Directors, Business Managers and Communications Managers. In conjunction with other RDCs, the FRDC will assist in coordinating sponsorship and participate in events such as the Outlook and producer conferences. Additionally, the FRDC will continue to provide advice and services in relation to project management and the FRDC project management software – OmniFish.

## **Seafood Services Australia**

The FRDC will continue to work with, and invest on a project by project basis, Seafood Services Australia (SSA). A key focus of this partnership is to develop industry's ability to engage on a number of standard related issues. It will also facilitate responses to key trade and market access issues.

## **Seafood Cooperative Research Centre**

The FRDC is a core participant of the Seafood CRC whose research program aims to increase the profitability and value of the Australian seafood industry, increase access to premium markets and increase demand for Australian seafood. These priorities are aligned with the FRDC's RD&E programs, in particular Program 2: Industry. This partnership provides a mechanism for the FRDC to extend RD&E along the value chain and enhance the focus on development activities.

## **Research Partners**

Investment in research is the FRDC's core business. As a result, it is vital to the FRDC's success that good relationships are built and maintained with its research partners. In any given year FRDC will have under management around 300 active projects. The key research partners are:

- Department of Agriculture Fisheries and Forestry (DAFF)
- Australian Fisheries Management Authority (AFMA)
- State fisheries research centres
- Commonwealth Scientific and Industrial Research Organisation (CSIRO)
- Universities
- Cooperative Research Centres (CRCs)
- Seafood Services Australia (SSA)
- Other Rural RDCs and companies
- Industry groups
- Co-investors from the private sector.



# The Australian Fishing Industry

The fishing and aquaculture industry is one of the most complex of Australia's primary industries in terms of both its structure and the natural resources on which it depends. Most of the industry's business environments are made more complex by their dependence on access to natural resources that are publicly managed in the interests of present and future generations. The Australian fishing industry comprises three main sectors:

- **commercial sector**; comprising of wild catch fishing, aquaculture and through-chain activities undertaken by seafood importers, processors, manufacturers, handlers and retailers
- **recreational fishing**, which includes the tackle, tour guides and charter sectors;
- **Indigenous fishers**.

The "fishing industry" is further defined in the FRDC Regulations 1991 under the PIERD Act 1989 such that it includes any industry or activity carried on in or from Australia concerned with:

- taking; or
  - culturing; or
  - processing; or
  - preserving; or
  - storing; or
  - transporting; or
  - marketing; or
  - selling;
- of fish or fish products.

The commercial sector comprises approximately 120 wild-catch fisheries and 70 aquaculture species. Commercial seafood and marine products (e.g., pearls) were valued at \$2.2 billion in 2009–10. The recreational sector has 3.4 million participants, who were estimated in a 2001 survey to expend \$1.9 billion on their fishing. Aboriginal and Torres Strait Islander people participate in commercial and recreational fishing, as well practice customary fishing. The legal rights around indigenous fishing are being refined over time and some aspects are now part of existing legislation and courts decisions.

In 2009–10, 11 431 people were employed in the commercial fishing, hunting and trapping industry, with 7646 employed in the fishing, hunting and trapping sector, and 3785 in aquaculture enterprises. Compared with 2008–09, total employment in the commercial fishing, hunting and trapping industry increased by 24 per cent (2208 people) following a 30 per cent (1931 people) increase in full-time employment and a 10 per cent (277 people) increase in people engaged in part-time employment in 2009–10.

Demand for seafood is rising in Australia because of increasing affluence and increasing awareness of seafood's prominent role in a healthy diet. In Asian markets consumption is also increasing with the growth of the middle class, especially in China and India. This will place demands on the supply of a limited resource, leading to increases in price.

Currently Australia's commercial seafood production only provides around 28 per cent of domestic demand. Combined with the strength of the Australian dollar the commercial sector is now looking to re-orient its market portfolio towards better serving the Australian market. Increasingly, value chains will encompass both domestic and imported product. Other factors, such as further improvements in fisheries management and better utilisation of catch, will also be important in meeting domestic demand. But it is not only seafood for consumption that Australia produces. Pearls are a high value consumer item that is produced at the highest level of quality through leading edge technology and environmental credentials, making it one of Australia's most valuable and sustainable fishing industries.

The FRDC has a significant responsibility in ensuring, on behalf of the Australian Government, that research is undertaken to assist in the management of the fisheries resource for ongoing sustainability. This means that a significant proportion of funding is directed at research that has a public good benefit.

**TABLE 1: FISHING INDUSTRY RESULTS 2010–11\***

| Australian Fisheries Statistics* | 2006–07                   | 2007–08                   | 2008–09                   | 2009–10                  | Change                |
|----------------------------------|---------------------------|---------------------------|---------------------------|--------------------------|-----------------------|
| <b>The wild catch sector</b>     | \$1.45 b for<br>188,488 t | \$1.38 b for<br>181,668 t | \$1.4 b for<br>172,433 t  | \$1.3 b for<br>171,512 t | \$: -3.5%<br>t: -5.1% |
| <b>The aquaculture sector</b>    | \$806 m for<br>60,142 t   | \$869 m for<br>64,032 t   | \$867 m for<br>70,092 t   | \$870 m for<br>73,542 t  | \$: +0.3%<br>t: +4.9% |
| <b>Overall production was</b>    | \$2.21 b for<br>248,481 t | \$2.21 b for<br>240,479 t | \$2.21 b for<br>237,508 t | \$2.18 b<br>241, 123 t   | \$: -1.6%<br>t: +1.5% |

## **Planned Outputs for 2012-13**

# Environment

Australia's maritime zone is one of the largest in the world covering about 13.6 million square kilometres: Commonwealth, state and territory government agencies are responsible for managing the fisheries and aquaculture activities within their jurisdictions. Large components of the R&D undertaken by the FRDC focuses on providing information that will assist these agencies improve the sustainable use of Australia's aquatic resources.

## Investment Budget for 2012-13

During 2012–13, \$9,470,750 million (about 43 per cent of the total RD&E investment) will be invested in RD&E activities within this program.

| Strategies                                   | Priority area – RD&E will help end users to:   | Performance indicator  | Targets   |
|--|--|--|---|
| <b>Biosecurity and aquatic animal health</b> | Prevent and manage disease incursions<br>Develop diagnostic procedures and techniques to rapidly detect and identify pathogens.<br>Develop protocols to ensure biosecurity within the fishing and aquaculture industry to mitigate and control disease<br>Improve access to fit-for-purpose aquacultural veterinary chemicals and vaccines.  | Development and dissemination of protocols, techniques and technologies to mitigate and minimise the impact of disease outbreaks.<br><br>Development of knowledge to assist industry to register vaccines and veterinary chemicals.      | Two projects to respond to disease outbreaks.   |
| <b>Habitat and ecosystem protection</b>      | Mitigate the impacts of fishing, aquaculture, pollution, habitat destruction and land-based activities, and non-fishing occurrences, on fish, aquatic habitats and ecosystems.<br>Develop and adapt technologies to reduce by-catch; impacts on threatened, endangered and protected species; and the effects of fishing on aquatic habitats.<br>Enhance recreational fishing experiences through enhancement of fish habitats.<br>Provide information to the community to demonstrate improvements in the fishing and aquaculture industry's environmental performance. | Demonstrated improved sustainability performance from the use of RD&E outputs.<br><br>Development of innovative technologies to reduce fishery take and interaction with by-catch and with threatened, endangered and protected species. | Assessment of one alternate gear to minimise interaction with Threatened or Endangered or Protected (TEP) species.<br><br>One project to investigate impacts of seismic surveying on environment. |

|   |   |   |  |
|---|---|---|--|
| <b>Climate change</b>                       | <p>Understand the vulnerability of fish stocks and ecosystems to climate change.</p> <p>Adapt to the impacts of climate change, including the impacts on resource access.</p> <p>Reduce the greenhouse gas emissions of the fishing and aquaculture industry, with a focus on energy efficiency.</p> <p>Develop tools to improve cross-jurisdictional resource access and management as part of adaptation to climate change.</p>   | <p>Improvement in understanding of the impacts of climate change that leads to adaptation by fisheries management and industry.</p> <p>Development of mitigation methods to reduce greenhouse gas emissions of industry.</p>  | <p>Two reports outline adaption measures are used by industry.</p>   |
| <b>Ecologically Sustainable Development</b> | <p>Improve the knowledge of key biological attributes for target species.</p> <p>Develop practical tools that implement ecosystem-based fisheries management and incorporate understanding of the cumulative impacts of fishing into fisheries management plans.</p> <p>Incorporate improved understanding of environmental factors, including oceanographic and ecological processes, into fisheries management.</p> <p>Develop tools and technologies to acquire environmental, economic and social data underpinning harvest strategy evaluation systems, especially for data-poor fisheries.</p> <p>Quantify the environmental carrying capacity of aquaculture operations</p> <p>Develop and implement standardised environmental impact assessments and statements for the aquaculture sector.</p> <p>Implement environmental management systems and acquire third-party certification, including eco-labelling.</p> <p>Improve recreational sector performance based on acquiring information about sustainable, ethical fishing; motivations; demographics; participation; fishing methods; and catch and-effort.</p> | <p>Development of mechanisms and technologies to collect economic, environmental and social data to inform management processes.</p> <p>Improvement in knowledge of the relationship between environmental processes and known biological processes.</p> <p>Development of techniques for incorporation of ecosystem-based fisheries management in fisheries.</p> <p>Development of knowledge to help the industry to meet environmental standards.</p> | <p>Alternate data collection methodology trialled for recreational anglers.</p> <p>Project to understand environmental flow impacts on tropical estuarine species.</p> |

### Examples of projects with funds to be expended in 2012–13

| Project Id | Project Title  |
|------------|--|
| 2012/001   | Aquatic Animal Health Subprogram: strategic planning, project management and adoption  |
| 2012/002   | Aquatic Animal Health Subprogram: Aquatic Animal Health technical forum  |
| 2012/008   | Assessing the impact of marine seismic surveys on southeast Australian fisheries   |
| 2012/011   | Revolutionising fish ageing  |
| 2012/015   | Improving confidence in the management of the blue swimmer crab ( <i>Portunus armatus</i> ) in Shark Bay   |
| 2012/016   | Demographic performance of Brownlip Abalone: exploration of wild and cultured harvest potential  |
| 2012/018   | Optimising the collection of relative abundance data for the pipi fishery in New South Wales   |
| 2012/020   | The influence of fish movement on regional fishery production and stock structure for South Australia's Snapper ( <i>Pagrus auratus</i> ) fishery                              |
| 2012/021   | Trial and validation of Respondent-Driven Sampling as a cost-effective method for obtaining representative catch, effort, social and economic data from recreational fisheries |
| 2012/022   | Development of methods for obtaining national estimates of the recreational catch of Southern Bluefin Tuna   |
| 2012/024   | INFORMD Stage 2: risk-based tools supporting consultation, planning and adaptive management for aquaculture and other multiple-uses of the coastal waters of southern Tasmania |
| 2012/027   | Determining when and where to fish: linking scallop spawning, settlement, size and condition to collaborative spatial harvest and industry in-season management strategies     |
| 2011/018   | The biological oceanography of Western Rock Lobster larvae - Part 2  |
| 2011/017   | Spawning sources, movement patterns, and nursery area replenishment of spawning populations of King George whiting in south-eastern Australia - closing the life history loop  |
| 2011/016   | Location and transport of early life stages of Dhufish ( <i>Glaucosoma hebraicum</i> )   |
| 2011/010   | Reducing the environmental impacts and improving the profitability of prawn trawling through a structured framework of anterior gear modifications                             |
| 2011/009   | Assessment of by-catch reduction strategies to reduce interactions between species of conservation interest and commercial fishing nets  |
| 2010/554   | FRDC-DCCEE: effects of climate change on reproduction, larval development, and population growth of coral trout ( <i>Plectropomus</i> spp.)                                    |
| 2010/535   | FRDC - DCCEE: management implications of climate change effect on fisheries in Western Australia   |
| 2010/536   | FRDC-DCCEE: beach and surf tourism and recreation in Australia: vulnerability and adaptation   |
| 2010/050   | A regional socioeconomic evaluation of gamefishing in eastern Australia  |
| 2010/047   | The biological oceanography of Western Rock Lobster Larvae   |

# Industry

Demand for high-quality seafood is predicted to outstrip supply in both domestic and export markets. Similarly in the recreational and customary sectors the demand for high-quality fishing experiences will outstrip supply. There is a need to increase both the production and the value of the catch, and to take advantage of future opportunities. For the commercial sector, business profitability and international competitiveness is an overriding concern. This program aims to assist all sectors improve their overall performance.

## Investment budget for 2012–13

During 2012–13, \$8,810,000 million (about 40 per cent of the total RD&E investment) will be invested in RD&E activities within this program.

| Strategies                                 | Priority area – RD&E will help end users to:  | Performance indicator   | Targets  |
|--|---|---|--|
| <b>Governance &amp; regulatory systems</b> | <p>Reduce the costs, complexity and duplication inherent in existing regulatory systems.</p> <p>Participate more collaboratively in fisheries and aquaculture management, including co-management.</p> <p>Develop fine-scale and spatial approaches to improve local fisheries management.</p> <p>Develop efficient multi-fishery and multi-sector fisheries management arrangements when more than one jurisdiction is spanned.</p> <p>Develop fisheries management that enables maximum economic yield.</p> | <p>Development of processes and technologies to improve the efficiency of governance and regulatory systems for fishing and aquaculture.</p> <p>Development of methods to incorporate economic knowledge into fisheries management.</p> | One project to improve real time data collection and storage.              |
| <b>Resource access and allocation</b>      | <p>Develop improved processes and technologies to quantify rights between users and mechanisms for allocating shares.</p> <p>Develop methods to value the rights of recreational and indigenous customary users.</p> <p>Increase knowledge among diverse groups of stakeholders about each other's expectations about resource access and allocation.</p>   | Development of processes for efficient, transparent allocation of shares and associated property rights for all aquatic resource users.   | One workshop undertaken to progress resource access and allocation in QLD. |

| Strategies                                  | Priority area – RD&E will help end users to:   | Performance indicator  | Targets  |
|---|--|--|--|
| <b>Production, growth and profitability</b> | <p>Increase and diversify opportunities for the aquaculture sector and other sectors.</p> <p>Improve productivity through operational efficiencies, new technologies and better utilisation of energy sources, and reduction of wastage.</p> <p>Develop new business opportunities.</p> <p>Develop improved business models and building business modelling skills.</p>  | <p>Development of knowledge, processes and technologies to improve productivity and profitability of the commercial sectors.</p> <p>Development of knowledge and technologies in the areas of domestication and breeding genetics to support growth of the aquaculture sector.</p>   | <p>Bio-active potential of three new species explored.</p>                                     |
| <b>Consumers, products and markets</b>      | <p>Build efficient, effective seafood value chains.</p> <p>Develop new products and processes that meet the demands of consumers.</p> <p>Improve trade and market access.</p> <p>Improve recognition of Australian products internationally and domestically.</p>  | <p>Development of knowledge and technologies to support the industry's development of new products.</p> <p>Development of knowledge and technologies to improve seafood value chains and support trade and market access.</p>  | <p>Market research undertaken on the domestic prawn market (aquaculture and wild capture).</p> |
| <b>Value from aquatic resources</b>         | <p>Incorporate indigenous customary practices into fisheries management.</p> <p>Enhance experiences through adoption of best-practice fishing, including catch-and-release practices.</p> <p>Enhance fish stocks.</p> <p>Advance economic self-reliance of indigenous communities based on the use of fish resources.</p> <p>Quantify the social, health and economic benefits of recreational and indigenous customary fishing.</p> | <p>Development of knowledge, processes and technologies to understand and enhance the societal and personal values obtained from recreational and indigenous customary fishing.</p> <p>Development of knowledge regarding indigenous customary fishing practices, and processes to incorporate this knowledge into fisheries management.</p> | <p>One project to examine the potential enhancement of iconic recreational species.</p>        |

**Examples of projects with funds to be expended in 2012–13**

| <b>Project Id</b> | <b>Project Title</b>  |
|-------------------|---|
| 2012/200          | Evaluating rotational harvest strategies for sea cucumber fisheries   |
| 2012/207          | Adding value to seafood processing waste through the recovery of bioactive molecules  |
| 2012/208          | The Tasmanian freshwater eel Industry - an industry development and directions plan   |
| 2012/213          | Developing jungle perch fingerling production to improve fishing opportunities  |
| 2012/214          | Measuring the economic value of recreational fishing at a national level  |
| 2012/215          | Research and development for the modelling and establishment of a South Australian aboriginal sea ranger program  |
| 2012/216          | Indigenous cultural fishing and fisheries governance  |
| 2011/215          | Resource access and resource allocation   |
| 2011/209          | Optimising a novel prawn trawl design for minimum drag and maximum eco-efficiency   |
| 2011/201          | Implementing a spatial assessment and decision process to improve fishery management outcomes using geo-referenced diver data                                       |
| 2011/200          | Setting economic target reference points for multiple species in mixed fisheries  |
| 2009/743          | Seafood CRC: Incorporation of selection for reproductive condition, marketability and survival into a breeding strategy for Sydney rock oysters and Pacific oysters |
| 2009/770          | Seafood CRC: chilled pre-packaged seafood category development  |



# Communities

The fishing industry forms an integral part of many rural and regional communities. For the long term sustainability of the fishing industry, it is important the interactions and co-dependence between the community and industry are understood.

## Investment budget for 2012–13

During 2012–13, \$440,500 (about 2 per cent of the total RD&E investment) will be invested in RD&E activities within this program.

| Strategies                                  | Priority area – RD&E will help end users to:  | Performance indicator   | Targets   |
|---|---|---|---|
| <b>Resilient and supportive communities</b> | <p>Improve the resilience of the fishing and aquaculture industry and the communities in which the industry operates.</p> <p>Understand and influence the perceptions that the community holds about the fishing and aquaculture industry and improve interactions between them.</p> <p>Increase the community's capacity to accept and incorporate higher levels of fishing and aquaculture activity.</p> <p>Address the social impacts of change in industry business environments.</p> | <p>Development of knowledge to better inform the community's perceptions of the industry and to increase support for the industry.</p> <p>Development of knowledge that can help the industry to adapt to change.</p> | One project to investigate drivers of community perception of fishing industry. |

## Examples of projects with funds to be expended in 2012–13

| Project Id | Project Title  |
|------------|--|
| 2012/300   | Social Science Research Coordination Program (SSRCP) II  |
| 2012/301   | Let's Talk Fish: Assisting industry to influence conversations about the sustainability of wild-catch fishing  |
| 2012/302   | Seafood Industry Partnerships in Schools - Phase 2 Program   |
| 2010/304   | Impact of management changes on the viability of Indigenous commercial fishers and the flow on effects to their communities: case study in NSW.                                      |
| 2010/040   | Developing and testing social objectives for fisheries management  |
| 2009/300   | Empowering Industry R&D: Developing an industry driven R&D model for the Australian fishing and seafood industry - partnerships to improve efficiency, profitability and performance |
| 2009/041   | Fisheries Social Sciences Research Coordination Program  |

## People development

People are the cornerstone of any industry. For the fishing industry, it is vital that it continues to attract and develop people who will lead the industry towards a sustainable and profitable future. The FRDC has taken a strong role in supporting people development, from employing and developing young researchers, through to facilitating access to leadership development at all levels of industry.

### Investment budget for 2012–13

During 2012–13, \$1,982,250 million (about 9 per cent of the total RD&E investment) will be invested in RD&E activities within this program.

| Strategies                    | Priority area – RD&E will help end users to:   | Performance indicator  | Targets  |
|-------------------------------|--|--|--|
| <b>Leadership development</b> | Develop industry leadership across all stakeholder groups.<br>Move to co-management of fisheries.<br>Build industry capacity to drive change, including to manage resource conflicts.  | Provision of knowledge and opportunities to develop leadership skills and diversity across all sectors of the industry and across aligned stakeholder groups, including researchers and resource managers.<br>Development of knowledge, skills and processes to support industry to engage in debate, adapt to change, and move toward co-management of fisheries. | 17 participants complete leadership courses                    |
| <b>Workforce development</b>  | Plan for future workforce needs.<br>Improve workplace health and safety.<br>Identify and address reasons for poor uptake of training and education in the fishing industry.<br>Identify education and training needs and preferred delivery mechanisms.                      | Development of knowledge and tools to meet future workforce and skill needs.   | Partnership project developed to improve workforce development |
| <b>Innovation skills</b>      | Be responsive towards new practices and innovation.<br>Develop relationships that encourage new ideas and make more effective use of scientific and community resources, knowledge and skills.<br>Ensure human RD&E capability is available to meet end-users' future needs. | Mechanisms and tools to attract and nurture RD&E capability in priority areas.<br>Opportunities to acquire insights, knowledge and skills to create innovative, market-driven enterprises and organisations.   | 15 participants complete bursary program                       |

**Examples of projects with funds to be expended in 2012–13**

| <b>Project Id</b> | <b>Project Title</b>   |
|-------------------|--|
| 2012/400          | Australian Rural Leadership Program  |
| 2012/401          | National Seafood Industry Leadership Program: 2012-2014  |
| 2012/402          | Staying healthy: industry organisations' influence on behaviours and services used by fishers  |
| 2012/403          | Development of the East Arnhem fisheries network training framework  |
| 2011/401          | Marine discovery centres Australia annual network meeting  |
| 2010/403          | People development program: Linking Australian schools with Australia's primary industries   |
| 2009/712          | Seafood CRC: future harvest theme leadership   |
| 2009/334          | People development program: Partner with DEEWR, Universities and other RDC's in the National Primary Industry Centre for Science Education (PICSE) |
| 2009/303          | Australasian Aquaculture Conference 2010 to 2014   |

## Extension and Adoption

Knowledge arising from R&D will be used and transformed into appropriate mediums to: support stakeholder decision making; assist with achieving objectives; and inform the broader community.

### Investment budget for 2012–13

During 2012–13, \$1,321,500 million (about 6 per cent of the total RD&E investment) will be invested in RD&E activities within this program.

| Strategies                    | Priority area – RD&E will help end users to:  | Performance indicator          | Targets  |
|-------------------------------|---|--------------------------------|--|
| <b>Extension and Adoption</b> | <p>Have timely access to RD&amp;E project outputs and other knowledge.</p> <p>Be part of appropriate knowledge management systems that build extension and adoption capacity.</p> | Increase in rates of adoption. | Alternate method for disseminating final reports and project outputs trialled. |

### Examples of projects with funds to be expended in 2012–13

| Project Id | Project Title  |
|------------|--|
| 2011/513   | National Fishery Status Reports  |
| 2011/516   | Educating though Escape with ET  |
| 2011/515   | FISH Magazine  |
| 2011/502   | RFAC: Australian National Recreational Fishing Conference 2012                       |
| 2010/321   | Development of National Extension and Adoption Framework for Fishing and Aquaculture |

# Management and Accountability

The FRDC delivers RD&E services ethically, efficiently and cost effectively.

FRDC's ISO-certified quality management system encompasses all these activities. As a quality organisation the FRDC recognises the importance of reporting on the efficiency with which its research investments are delivered, as well as on their effectiveness. The FRDC will work with DAFF and the other RDCs to develop an approach to measuring efficiency that will be incorporated into its performance measurement framework.

## Management and accountability elements

Since management and accountability arrangements contribute to the planned outcome of the FRDC RD&E programs, they are crucial to the FRDC's effectiveness and efficiency. The elements are detailed below.

### Corporate governance

The FRDC aims to have a best practice system of corporate governance. These governance arrangements are underpinned by legislation and the adoption of best practice, and are documented through a range of policies and ISO certified procedures that the FRDC regularly updates and reports to the Australian Government each year through its annual report. The FRDC is subject to both internal and external quality audits, and financial audits.

#### *Board Selection Process*

On 31 August 2012 the current term of the FRDC Board of Directors expires. In the lead up, a Board selection process will be undertaken. The Department of Agriculture Fisheries and Forestry will coordinate the selection process. The FRDC has budgeted in both the 2011-12 and 2012-13 financial years for the cost associated with advertising and filling the vacancies.

### Business planning

The FRDC maintains a Corporate Plan and business strategy aligned to government and industry needs that are understood and supported by stakeholders. Complementing this process, the FRDC maintains a five-year Strategic Research, Development and Extension Plan - *Investing for Tomorrow's Fish* 2010-2015; thus ensuring on-going research, development and extension builds on, and drives innovation in the fishing industry.

The FRDC maintains an Australia-wide system of FRABs that assist in determining research priorities and assessments, and provide stakeholder engagement for the FRDC.

### Information management systems

The FRDC aims to provide business systems that meet both its own and stakeholders requirements. Investment in this area has recently been increased to update the systems' capacity to handle an increasingly complex array of project management issues and reporting requirements. Increasingly the FRDC is being engaged to manage the activities of other organisations with these enhanced systems. The FRDC's website is also used to promulgate its research reports.

### Quality system

The FRDC is a quality-driven organisation, with a focus on leadership, continuous improvement, and accreditation. The FRDC is an accredited organisation under ISO9001:2008 and maintains the policies, processes and procedures required for that accreditation.

### Corporate communications

The FRDC aims to inform all stakeholders of its goals, strategies and achievements; and provide them access to information that will help them. A wide range of corporate communication avenues are used, including printed publications (FISH magazine), web-based, e-mail and media outlets. Direct communication through committees and meetings is used, as are regional and port visits.

## Risk management

FRDC aims to ensure its risks and opportunities are identified, assessed and appropriately managed. It maintains a Finance, Audit and Risk Management Committee with an independent member; and at each meeting the FRDC's risk profile is discussed and updated, and any necessary remedial action set in train.

## Finance and administration

The FRDC aims to have best practice accounting and investment functions, managed in accordance with board and statutory requirements. The FRDC has to satisfy all government requirements; (legislative and policy based), and is subject to audit by the Australian National Audit Office.

## Human resource management

The FRDC aims to have best practice in human resource management, clearly focused on delivering the FRDC's business objectives.

## Remuneration policy

Remuneration of non-executive directors is determined by the Remuneration Tribunal.

Remuneration of the Executive Director and staff is determined by an FRDC policy set by the Board, and is administered through the Board's Remuneration Committee. The amount of individual remuneration of the Executive Director and staff is based on advice by Mercer Human Resource Consulting Pty Ltd. The amount is also influenced by performance measured against individual performance agreements and by the size of the program support component within the total FRDC budget, from which salaries are paid.

FRDC has, in line with Government policy commenced the process to develop a certified agreement for all staff that will cover a range of employment conditions.

## *Deliverables and services for 2012–13*

- Meet statutory and Australian Government requirements.
- Undertake benefit cost analyses to quantify the effectiveness of the FRDC's investments.
- Provide access to information through website, publications and reports.
- Support workshops, forums and conferences to encourage debate, discussion and adoption of research funded by the FRDC.

## *Key Performance Indicators for 2012–13*

KPIs will be measured by reports on performance against requirements and better practice.

| <b>Key performance Indicators</b>   | <b>2011-12</b> | <b>2012-13</b> | <b>2013-14</b> | <b>2014-15</b> |
|---|----------------|----------------|----------------|----------------|
| Projects focus on the FRDC Board's assessment of priority research and development issues.                                    | 95%            | 95%            | 95%            | 95%            |
| Projects are assessed as meeting high standards/peer review requirements for improvements in performance and likely adoption  | 95%            | 95%            | 95%            | 95%            |
| Maintain ISO9001:2008 accreditation.  | 1              | 1              | 1              | 1              |
| Submit planning and reporting documents in accordance with legislative and Australian Government requirements and timeframes. | 100%           | 100%           | 100%           | 100%           |
| Implement best practice governance arrangements to promote transparency, good business performance, and unqualified audits.   | 100%           | 100%           | 100%           | 100%           |
| Demonstrate the benefits of RD&E investments by positive benefit cost analysis results.                                       | 100%           | 100%           | 100%           | 100%           |

# Australian Government Research Priorities

In 2007 the Australian Government updated its Rural Research Priorities. The new set of Rural Research Priorities build on those first introduced by the Australian Government in 1994 and complement the Australian Government's National Research Priorities. The government requires FRDC to incorporate them into its planning and report activities against them. This section sets out those priorities and shows the predicted FRDC expenditure against both sets of priorities. More information on priority setting can be found on pages 6 and 7 of this document.

The following table outlines the FRDC anticipated expenditure against the National and Rural Research Priorities. These have been mapped against the five FRDC programs.

The **National and Rural Research Priorities** can be viewed at <http://www.daff.gov.au/agriculture-food/innovation/priorities>

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## National research priorities and their associated goals (for use with following table)

### Priority 1 — An environmentally sustainable Australia

- A1 Water — a critical resource
- A2 Transforming existing industries
- A3 Overcoming soil loss, salinity and acidity
- A4 Reducing and capturing emissions in transport and energy generation
- A5 Sustainable use of Australia's biodiversity
- A6 Developing deep earth resources
- A7 Responding to climate change and variability

### Priority 2 — Promoting and maintaining good health

- B1 A healthy start to life
- B2 Ageing well, ageing productively
- B3 Preventive healthcare
- B4 Strengthening Australia's social and economic fabric

### Priority 3 — Frontier technologies for building and transforming Australian industries

- C1 Breakthrough science
- C2 Frontier technologies
- C3 Advanced materials
- C4 Smart information use
- C5 Promoting an innovation culture and economy

### Priority 4 — Safeguarding Australia

- D1 Critical infrastructure
- D2 Understanding our region and the world
- D3 Protecting Australia from invasive diseases and pests
- D4 Protecting Australia from terrorism and crime
- D5 Transformational defence technologies

## Total investment 2011–12 — Government research priorities attributed to each RD&E Program (\$ and %)

### Rural Research Priorities

| <i>Rural Research Priorities (RRP)</i> | Program 1:<br>Environments |        | Program 2:<br>Industries |        | Program 3:<br>Communities |       | Program 4:<br>People |        | Program 5:<br>Extension and Adoption |       | Total expenditure |         |
|--|----------------------------|--------|--------------------------|--------|---------------------------|-------|----------------------|--------|--------------------------------------|-------|-------------------|---------|
|  | \$000                      | %      | \$000                    | %      | \$000                     | %     | \$000                | %      | \$000                                | %     | \$000             | %       |
| Productivity and Adding Value          | 683                        | 3.10%  | 3,121                    | 14.17% | 33                        | 0.15% | 504                  | 2.29%  | 55                                   | 0.25% | 4,396             | 19.96%  |
| Supply Chain and Markets               | 86                         | 0.39%  | 1,586                    | 7.20%  | 48                        | 0.22% | 326                  | 1.48%  | 7                                    | 0.03% | 2,053             | 9.32%   |
| Natural Resource Management            | 7,748                      | 35.18% | 1,167                    | 5.30%  | 51                        | 0.23% | 736                  | 3.34%  | 150                                  | 0.68% | 9,852             | 44.73%  |
| Climate Variability and Climate Change | 1,584                      | 7.19%  | 126                      | 0.57%  | 44                        | 0.20% | 145                  | 0.66%  | 93                                   | 0.42% | 1,991             | 9.04%   |
| Biosecurity                            | 755                        | 3.43%  | 482                      | 2.19%  | 0                         |       | 79                   | 0.36%  | 0                                    |       | 1,317             | 5.98%   |
| Innovation Skills                      | 64                         | 0.29%  | 308                      | 1.40%  | 9                         | 0.04% | 192                  | 0.87%  | 441                                  | 2.00% | 1,013             | 4.60%   |
| Technology                             | 143                        | 0.65%  | 465                      | 2.11%  | 0                         |       | 48                   | 0.22%  | 0                                    |       | 656               | 2.98%   |
| Other research                         | 220                        | 1.00%  | 242                      | 1.10%  | 44                        | 0.20% | 198                  | 0.90%  | 42                                   | 0.19% | 747               | 3.39%   |
| TOTAL                                  | 11,283                     | 51.23% | 7,497                    | 34.04% | 229                       | 1.04% | 2,229                | 10.12% | 786                                  | 3.57% | \$22,025          | 100.00% |

### National Research Priorities

| <i>National Research Priorities (NRP)</i>                                 |    | Program 1:<br>Environments |        | Program 2:<br>Industries |        | Program 3:<br>Communities |       | Program 4:<br>People |       | Program 5:<br>Extension and Adoption |       | Total expenditure |        |
|---|----|----------------------------|--------|--------------------------|--------|---------------------------|-------|----------------------|-------|--------------------------------------|-------|-------------------|--------|
|   |    | \$000                      | %      | \$000                    | %      | \$000                     | %     | \$000                | %     | \$000                                | %     | \$000             | %      |
| An environmentally sustainable Australia                                  | A1 |                            |        |                          |        |                           |       |                      |       |                                      |       |                   |        |
|   | A2 | 1,194                      | 5.42%  | 1,079                    | 4.90%  | 35                        | 0.16% | 912                  | 4.14% | 282                                  | 1.28% | 3,502             | 15.90% |
|   | A3 |                            |        |                          |        |                           |       |                      |       |                                      |       |                   |        |
|   | A4 |                            |        |                          |        |                           |       |                      |       |                                      |       |                   |        |
|   | A5 | 7,092                      | 32.20% | 996                      | 4.52%  | 11                        | 0.05% | 97                   | 0.44% | 198                                  | 0.90% | 8,394             | 38.11% |
|   | A6 |                            |        |                          |        |                           |       |                      |       |                                      |       |                   |        |
|   | A7 | 1,758                      | 7.98%  | 187                      | 0.85%  | 13                        | 0.06% |                      |       | 132                                  | 0.60% | 2,090             | 9.49%  |
| Promoting and maintaining good health                                     | B1 |                            |        |                          |        |                           |       |                      |       |                                      |       |                   |        |
|   | B2 |                            |        |                          |        |                           |       |                      |       |                                      |       |                   |        |
|   | B3 |                            |        | 306                      | 1.39%  | 22                        | 0.10% | 117                  | 0.53% | 44                                   | 0.20% | 489               | 2.22%  |
|   | B4 | 115                        | 0.52%  | 198                      | 0.90%  | 26                        | 0.12% |                      |       | 44                                   | 0.20% | 383               | 1.74%  |
| Frontier technologies for building and transforming Australian industries | C1 | 97                         | 0.44%  | 93                       | 0.42%  |                           |       |                      |       |                                      |       | 189               | 0.86%  |
|   | C2 | 273                        | 1.24%  | 2,945                    | 13.37% |                           |       | 95                   | 0.43% |                                      |       | 3,313             | 15.04% |
|   | C3 |                            |        |                          |        |                           |       |                      |       |                                      |       |                   |        |
|   | C4 | 132                        | 0.60%  | 40                       | 0.18%  |                           |       | 258                  | 1.17% | 22                                   | 0.10% | 452               | 2.05%  |
|   | C5 | 231                        | 1.05%  | 744                      | 3.38%  |                           |       | 410                  | 1.86% | 22                                   | 0.10% | 1,407             | 6.39%  |
| Safeguarding Australia  | D1 |                            |        |                          |        |                           |       |                      |       |                                      |       |                   |        |
|   | D2 |                            |        |                          |        |                           |       |                      |       |                                      |       |                   |        |
|   | D3 | 736                        | 3.34%  | 476                      | 2.16%  | 13                        | 0.06% | 205                  | 0.93% |                                      |       | 1,429             | 6.49%  |
|   | D4 |                            |        |                          |        |                           |       |                      |       |                                      |       |                   |        |
|   | D5 |                            |        |                          |        |                           |       |                      |       |                                      |       |                   |        |

Notes: (a) When looking at the RD&E expenditure estimates across RRP and NRP, note that expenditure estimates differ for similarly themed priorities as a result of differences between descriptors. (b) National Research Priorities and their associated Goals are listed above.



# **Portfolio Budget Statements for 2012-13**

## 2012-2013 Portfolio Budget Statements

**Table 1.1: Agency Fisheries Research & Development Corporation Resource Statement — Budget Estimates for 2012-13 as at Budget May 2012**

| Source   | Estimate<br>of prior<br>year amounts<br>available in<br>2012-13<br>\$'000 | Proposed<br>at Budget<br>2012-13<br>\$'000 | Total<br>Estimate<br>2012-13<br>\$'000 | Actual<br>available<br>appropriation<br>2011-12<br>\$'000 |
|--|---|--|--|---|
| <b>Opening balance</b>   | <b>8,212</b>  | <b>-</b>                                   | <b>8,212</b>                           | <b>8,494</b>  |
| <b>REVENUE FROM GOVERNMENT</b>   |   |  |  |   |
| <b>Special Appropriations <sup>1</sup> (<i>Department of Agriculture Fisheries &amp; Forestry</i>)</b> |   |  |  |   |
| Primary Industries and Energy Research and Development Act 1989, s. 30A(3) - Fisheries R&D Corporation | -   | 16,375                                     | 16,375                                 | 16,718  |
| <b>Total special appropriations</b>  |   | <b>16,375</b>                              | <b>16,375</b>                          | <b>16,718</b>   |
| <b>Total funds from Government</b>   | <b>-</b>  | <b>16,375</b>                              | <b>16,375</b>                          | <b>16,718</b>   |
| <b>FUNDS FROM INDUSTRY SOURCES</b>   |   |  |  |   |
| Levies <sup>2</sup>  | -   | 180  | 180                                    | 170   |
| <i>less amounts paid to the CRF</i>  | -   | (180)                                      | (180)                                  | (170)   |
| Industry contributions   | -   | 7,397                                      | 7,397                                  | 7,982   |
| <b>Total</b>   | <b>-</b>  | <b>7,397</b>                               | <b>7,397</b>                           | <b>7,982</b>  |
| <b>FUNDS FROM OTHER SOURCES</b>  |   |  |  |   |
| Interest   | -   | 340  | 340                                    | 450   |
| Sale of goods and services   | -   | 100  | 100                                    | 105   |
| Other  | -   | 1,605                                      | 1,605                                  | 321   |
| <b>Total</b>   | <b>-</b>  | <b>2,045</b>                               | <b>2,045</b>                           | <b>876</b>  |
| <b>Total net resourcing for agency</b>   | <b>8,212</b>  | <b>25,817</b>                              | <b>34,029</b>                          | <b>34,070</b>   |

CRF - Consolidated Revenue Fund

<sup>1</sup> FRDC is not directly appropriated as it is a CAC Act body. Appropriations are made to FMA Agency DAFF which are then paid to FRDC and are considered 'departmental' for all purposes.

<sup>2</sup> The levies collected under The *Primary Industry Levies and Charges Collection Act 1991* are remitted to DAFF and transferred to the CRF. An equivalent amount to the FRDC management levy is paid by DAFF to FRDC under a special appropriation under the PIERD Act 1989.

**Reader note: All figures are GST exclusive.**

**Table 2.1: Budgeted Expenses and Resources for Outcome 1**

|   |  |                                  |
|---|--|----------------------------------|
| <b>Outcome 1:</b> Increased knowledge that fosters sustainable economic, environmental and social benefits for the Australian fishing industry; including indigenous, recreational, commercial and aquaculture sectors, and the community; through investing in research, development and adoption. | 2011-12<br>Estimated<br>actual<br>expenses | 2012-13<br>Estimated<br>expenses |
|   | \$'000                                     | \$'000                           |
| <b>Program 1.1: Fisheries Research &amp; Development Corporation</b>  |  |                                  |
| Special Appropriations  |  |                                  |
| Revenue from Government   | 16,718                                     | 16,375                           |
| Revenues from industry sources  | 8,715                                      | 7,554                            |
| Revenues from other independent sources   | 810  | 2,089                            |
| <b>Total for Program 1.1</b>  | <b>26,243</b>                              | <b>26,018</b>                    |
| <b>Outcome 1 Totals by Resource type</b>  |  |                                  |
| Special Appropriations  |  |                                  |
| Revenue from Government   | 16,718                                     | 16,375                           |
| Revenues from industry sources  | 8,715                                      | 7,554                            |
| Revenues from other independent sources   | 810  | 2,089                            |
| <b>Total expenses for Outcome 1</b>   | <b>26,243</b>                              | <b>26,018</b>                    |
|   | 2011-12                                    | 2012-13                          |
| <b>Average Staffing Level (number)</b>  | <b>11.2</b>                                | <b>11.4</b>                      |

**Table 3.2.1 Comprehensive Income Statement (Showing Net Cost of Services)**

|  |                                |                               |                                |                                |                                |
|--|--------------------------------|-------------------------------|--------------------------------|--------------------------------|--------------------------------|
| for the period ended 30 June                             | Estimated<br>actual<br>2011-12 | Budget<br>estimate<br>2012-13 | Forward<br>estimate<br>2013-14 | Forward<br>estimate<br>2014-15 | Forward<br>estimate<br>2015-16 |
|  | \$'000                         | \$'000                        | \$'000                         | \$'000                         | \$'000                         |
| <b>EXPENSES</b>  |                                |                               |                                |                                |                                |
| Employee benefits  | 1,948                          | 2,143                         | 2,218                          | 2,295                          | 2,359                          |
| Supplier   | 1,230                          | 1,205                         | 1,300                          | 1,350                          | 1,400                          |
| Project expenditure                                      | 22,370                         | 22,025                        | 22,157                         | 22,469                         | 22,559                         |
| Depreciation and amortisation                            | 660                            | 585                           | 557                            | 536                            | 470                            |
| Other  | 35                             | 60                            | 60                             | 60                             | 60                             |
| <b>Total expenses</b>                                    | <b>26,243</b>                  | <b>26,018</b>                 | <b>26,292</b>                  | <b>26,710</b>                  | <b>26,848</b>                  |
| <b>LESS:</b>   |                                |                               |                                |                                |                                |
| <b>OWN-SOURCE INCOME</b>                                 |                                |                               |                                |                                |                                |
| <b>Revenue</b>   |                                |                               |                                |                                |                                |
| Sale of goods and rendering of services                  | 105                            | 100                           | 100                            | 100                            | 100                            |
| Interest   | 450                            | 340                           | 300                            | 275                            | 275                            |
| Industry Contributions                                   | 8,715                          | 7,554                         | 7,815                          | 7,942                          | 7,862                          |
| Other revenue  | 270                            | 1,655                         | 1,538                          | 1,577                          | 1,507                          |
| <b>Total revenue</b>                                     | <b>9,540</b>                   | <b>9,649</b>                  | <b>9,753</b>                   | <b>9,894</b>                   | <b>9,744</b>                   |
| <b>Total own-source income</b>                           | <b>9,540</b>                   | <b>9,649</b>                  | <b>9,753</b>                   | <b>9,894</b>                   | <b>9,744</b>                   |
| <b>Net cost of (contribution by)</b>                     |                                |                               |                                |                                |                                |
| <b>Services</b>  | <b>16,703</b>                  | <b>16,369</b>                 | <b>16,539</b>                  | <b>16,816</b>                  | <b>17,104</b>                  |
| <b>Revenue from the Australian Government</b>            |                                |                               |                                |                                |                                |
| Revenue from government                                  | 16,718                         | 16,375                        | 16,547                         | 16,828                         | 17,114                         |
| <b>Total revenue from government</b>                     | <b>16,718</b>                  | <b>16,375</b>                 | <b>16,547</b>                  | <b>16,828</b>                  | <b>17,114</b>                  |
| <b>Surplus</b>   | <b>15</b>                      | <b>6</b>                      | <b>8</b>                       | <b>12</b>                      | <b>10</b>                      |
| <b>Surplus attributable to the Australian Government</b> | <b>15</b>                      | <b>6</b>                      | <b>8</b>                       | <b>12</b>                      | <b>10</b>                      |

**Table 3.2.2: Budgeted departmental balance sheet (as at 30 June)**

|                                     | Estimated<br>actual<br>2011-12<br>\$'000 | Budget<br>estimate<br>2012-13<br>\$'000 | Forward<br>estimate<br>2013-14<br>\$'000 | Forward<br>estimate<br>2014-15<br>\$'000 | Forward<br>estimate<br>2015-16<br>\$'000 |
|-------------------------------------|--|---|--|--|--|
| <b>ASSETS</b>                       |  |   |  |  |  |
| <b>Financial assets</b>             |  |   |  |  |  |
| Cash and equivalents                | 8,212                                    | 7,617                                   | 7,183                                    | 7,068                                    | 7,168                                    |
| Trade and other receivables         | 2,300                                    | 2,457                                   | 2,856                                    | 2,924                                    | 2,924                                    |
| Investments                         | 5  | 5                                       | 5  | 5  | 5  |
| <b>Total financial assets</b>       | <b>10,517</b>                            | <b>10,079</b>                           | <b>10,044</b>                            | <b>9,997</b>                             | <b>10,097</b>                            |
| <b>Non-financial assets</b>         |  |   |  |  |  |
| Infrastructure, plant and equipment | 133                                      | 98                                      | 95                                       | 85                                       | 75                                       |
| Intangibles                         | 2,011                                    | 1,841                                   | 1,687                                    | 1,541                                    | 1,461                                    |
| <b>Total non-financial assets</b>   | <b>2,144</b>                             | <b>1,939</b>                            | <b>1,782</b>                             | <b>1,626</b>                             | <b>1,536</b>                             |
| <b>Total assets</b>                 | <b>12,661</b>                            | <b>12,018</b>                           | <b>11,826</b>                            | <b>11,623</b>                            | <b>11,633</b>                            |
| <b>LIABILITIES</b>                  |  |   |  |  |  |
| <b>Payables</b>                     |  |   |  |  |  |
| Suppliers                           | 147                                      | 102                                     | 110                                      | 111                                      | 111                                      |
| Grants                              | 376                                      | 67                                      | 169                                      | 177                                      | 177                                      |
| Other                               | 957                                      | 648                                     | 324                                      | 85                                       | 85                                       |
| <b>Total payables</b>               | <b>1,480</b>                             | <b>817</b>                              | <b>603</b>                               | <b>373</b>                               | <b>373</b>                               |
| <b>Provisions</b>                   |  |   |  |  |  |
| Employees                           | 461                                      | 475                                     | 489                                      | 504                                      | 504                                      |
| <b>Total provisions</b>             | <b>461</b>                               | <b>475</b>                              | <b>489</b>                               | <b>504</b>                               | <b>504</b>                               |
| <b>Total liabilities</b>            | <b>1,941</b>                             | <b>1,292</b>                            | <b>1,092</b>                             | <b>877</b>                               | <b>877</b>                               |
| <b>Net assets</b>                   | <b>10,720</b>                            | <b>10,726</b>                           | <b>10,734</b>                            | <b>10,746</b>                            | <b>10,756</b>                            |
| <b>EQUITY*</b>                      |  |   |  |  |  |
| Reserves                            | 177                                      | 177                                     | 177                                      | 177                                      | 177                                      |
| Retained earnings                   | 10,543                                   | 10,549                                  | 10,557                                   | 10,569                                   | 10,579                                   |
| <b>Total equity</b>                 | <b>10,720</b>                            | <b>10,726</b>                           | <b>10,734</b>                            | <b>10,746</b>                            | <b>10,756</b>                            |

\* 'Equity' is the residual interest in assets after deduction of liabilities.

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Budgeted departmental statement of cash flows (for the period ended 30 June)**

|   | Estimated<br>actual<br>2011-12<br>\$'000 | Budget<br>estimate<br>2012-13<br>\$'000 | Forward<br>estimate<br>2013-14<br>\$'000 | Forward<br>estimate<br>2014-15<br>\$'000 | Forward<br>estimate<br>2015-16<br>\$'000 |
|---|--|---|--|--|--|
| <b>OPERATING ACTIVITIES</b>   |  |   |  |  |  |
| <b>Cash received</b>  |  |   |  |  |  |
| Goods and services  | 105                                      | 100                                     | 100                                      | 100                                      | 100                                      |
| Receipts from the Australian Government                                 | 16,718                                   | 16,375                                  | 16,547                                   | 16,828                                   | 17,114                                   |
| Interest  | 450                                      | 340                                     | 300                                      | 275                                      | 275                                      |
| Other   | 8,303                                    | 9,002                                   | 9,004                                    | 9,401                                    | 9,429                                    |
| <b>Total cash received</b>  | <b>25,576</b>                            | <b>25,817</b>                           | <b>25,951</b>                            | <b>26,604</b>                            | <b>26,918</b>                            |
| <b>Cash used</b>  |  |   |  |  |  |
| Employees   | 2,025                                    | 2,129                                   | 2,204                                    | 2,280                                    | 2,359                                    |
| Suppliers   | 1,186                                    | 1,200                                   | 1,292                                    | 1,299                                    | 1,400                                    |
| Projects  | 22,212                                   | 22,334                                  | 22,105                                   | 22,461                                   | 22,559                                   |
| Other   | 35                                       | 369                                     | 384                                      | 299                                      | 120                                      |
| <b>Total cash used</b>  | <b>25,458</b>                            | <b>26,032</b>                           | <b>25,985</b>                            | <b>26,339</b>                            | <b>26,438</b>                            |
| <b>Net cash from or (used by)<br/>operating activities</b>              | <b>118</b>                               | <b>(215)</b>                            | <b>(34)</b>                              | <b>265</b>                               | <b>480</b>                               |
| <b>Cash used</b>  |  |   |  |  |  |
| Purchase of property, plant<br>and equipment                            | 100                                      | 80                                      | 100                                      | 80                                       | 80                                       |
| Purchase of Intangibles   | 300                                      | 300                                     | 300                                      | 300                                      | 300                                      |
| <b>Total cash used</b>  | <b>400</b>                               | <b>380</b>                              | <b>400</b>                               | <b>380</b>                               | <b>380</b>                               |
| <b>Net cash from or (used by)<br/>investing activities</b>              | <b>(400)</b>                             | <b>(380)</b>                            | <b>(400)</b>                             | <b>(380)</b>                             | <b>(380)</b>                             |
| <b>Net increase or (decrease)<br/>in cash held</b>                      | <b>(282)</b>                             | <b>(595)</b>                            | <b>(434)</b>                             | <b>(115)</b>                             | <b>100</b>                               |
| Cash and cash equivalents at the beginning<br>of the reporting period   | 8,494                                    | 8,212                                   | 7,617                                    | 7,183                                    | 7,068                                    |
| <b>Cash and cash equivalents at the end of<br/>the reporting period</b> | <b>8,212</b>                             | <b>7,617</b>                            | <b>7,183</b>                             | <b>7,068</b>                             | <b>7,168</b>                             |

Prepared on Australian Accounting Standards basis.

# The FRDC Governance framework

| Element                            | Scope   |
|------------------------------------|---|
| Enabling legislation               | <i>The PIERD Act 1989</i> which sets out the legislative framework and rules for the establishment and operation of the FRDC.   |
| Governance legislation             | <i>The Commonwealth Authorities and Companies Act 1997</i> (CAC Act), which specifies requirements for good governance and accountability.  |
| Priorities of key stakeholders     | Australian Government National and Rural Research Priorities. The RD&E priorities of representative organisations: Recfish Australia, Commonwealth Fisheries Association and National Aquaculture Council.  |
| Annual report                      | Requirement of various legislation; Reports to the Australian Parliament and FRDC stakeholders on RD&E activities during the financial year and on measures to ensure good governance.  |
| Quality management system          | Systematic, ISO-certified processes CAS/NZS ISO 9001:2008 designed to meet or exceed the expectations of stakeholders and other people and organisations with which FRDC does business. Incorporates management of FRDC policies.   |
| RD&E planning and priority-setting | FRDC works with nation-wide Fisheries Research Advisory Bodies (FRABs) to undertake planning for RD&E in consultation with governments, AFMF, industry, stakeholders and research partners. Priorities for RD&E at state, regional or fishery level are significantly determined by the FRABs, managed subprograms and other priority-setting structures, with the FRDC determining the balance between projects funded within the RD&E programs. |
| Board governance                   | Key functions include overseeing corporate governance, including the systems and processes used to direct and control its operations and investment decisions. This is enhanced by the Board's spread of skills and experience and ongoing development in directorship.   |
| Performance monitoring             | Includes monitoring and measuring of performance to continually improve the FRDC's effectiveness and efficiency.  |
| Reporting to stakeholders          | Includes consultation with, and formal reporting to the three representative organisations; reporting of RD&E investment activities via FISH; and participation in conferences, workshops and other activities.   |



## **For more information on the FRDC:**

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