



**FRDC**

**FISHERIES RESEARCH &  
DEVELOPMENT CORPORATION**

**Annual Operational Plan**

**2015-16**

**Knowledge for fishing and aquaculture into the future**

## FRDC Vision

The FRDC's vision is for Australia to have vibrant fishing and aquaculture sectors which adopt world-class research to achieve sustainability and prosperity.

## 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

FRDC works to a diverse and geographically dispersed group of stakeholders and the four main sectors (aquaculture, commercial fishing, Indigenous fishing and recreational fishing) are not mutually exclusive. For example, Indigenous fishers may participate in customary fishing, conduct aquaculture and commercial fishing, and fish recreationally.

## Portfolio Minister

The portfolio Minister for Agriculture is the Hon. Barnaby Joyce MP. The Parliamentary Secretary to the Minister for Agriculture Senator the Hon. Richard Colbeck.

## Representative Organisations

The FRDC has four ministerially declared representative organisations.

- National Seafood Industry Alliance (representing the seafood industry)
- Australian Recreational and Sport Fishing Industry Confederation Inc., trading as Recfish Australia (representing recreational and sport fishers)
- Commonwealth Fisheries Association (representing commercial fishers who operate in Commonwealth fisheries)
- National Aquaculture Council (representing the aquaculture industry)

## FRDC Board

The Hon. Harry Woods	Chair
Ms Heather Brayford	Director
Ms Renata Brooks	Director
Mr Brett McCallum	Director
Dr Bruce Mapstone	Director
Dr Peter O'Brien	Director
Dr Patrick Hone	Executive Director

## FRDC Staff

Mr John Wilson	Business Development Manager
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# Executive Summary

## Looking out – the external operating environment

### Industry overview

The Australian fishing and aquaculture industry is complex and diverse in nature. Forecasting conditions for the fishing industry remains uncertain as is the case for all primary industries. The value of Australia's currency, fuel prices and climate variability all play a role.

It is industry and the Australian government's focus to reduce red and green tape, reduce operating costs and improving profitability. A significant component of the regulatory reduction will involve improved harmonisation of fisheries and aquaculture management between jurisdictions including resolving and improving shared stock management arrangements as well as sharing of research and development capabilities.

The FRDC, industry and fisheries management will continue to work together on improving community perception, through demonstrating a high level of performance, stewardship and focusing on achieving best practice. New research projects that provide independent and verified benchmarks and consistency in reporting will also address concerns raised by the community on issues such as sustainable management of fisheries – as highlighted by the public debate on the Small Pelagic Fishery and the use of large commercial vessels, catching methods, the use of fishmeal for fish feed in aquaculture, the effect on marine environments of environmental change, and interactions with marine mammals and sharks. For the small commercial inshore fisheries the focus will be on Research, Development and Extension (RD&E) to inform economic reform that results in increased productivity and profitability. Further, this RD&E will require a focus on fishery practices to improve their community support.

Aquaculture production will continue to grow, led by the expansion of the Atlantic Salmon sector and underpinned by research and development advances in genetic breeding, feeds and animal health. Other key sectors such as Yellowtail Kingfish, prawns and Barramundi are also looking to increase the production volume as well value. The focus for shellfish will be around aquatic animal health – managing Pacific Oyster Mortality Syndrome for the oyster industry; and harmful algal blooms for shell fish producers in the south eastern states especially.

The focus for the recreational fishing sector will be to improve the measurement of fishing participation and catch to assist with responsible management of that sector. This has been a core focus for recreational representatives as well as fisheries managers. The lack of quantifiable data on participation and catch rates for the sector has been addressed by a number of jurisdictions undertaking recreational fishing surveys and the federal government looking at options for a national survey. ABARES is managing a project to assess how catch data can be better be consolidated at a national level, and how to improve collection of social and economic data.

The FRDC Indigenous Reference Group has developed a number of principles around the development of Research and Development (R&D) projects for Indigenous Australians. The group has also identified a number of strategic priorities focused on improved communication between Indigenous groups and addressing obstacles to Indigenous employment in fishing and aquaculture sectors.

### National Fishing and Aquaculture RD&E Strategy 2015-2020

The first National Fishing and Aquaculture RD&E Strategy was released in 2010 and was intended to run for five years. This strategy was developed as part of the federal government policy to establish a National Framework for Primary Industries Research, Development and Extension. In the lead up to the initial Strategies conclusion in 2015, an extensive consultation process has been undertaken between leading stakeholders – government, research, industry and education organisations to inform, update and develop the second strategy. As Chair of the Strategy Group, the FRDC has coordinated the process of developing the strategy.

The FRDC will work in partnership with key stakeholders, the Australian Fisheries Management Forum, FRDC representative organisations, fishing industry sectors, non-government organisations and research agencies to deliver on the Strategy.

## Implementing Government Policy

The federal government has announced a range of initiatives it plans to deliver during this government. The FRDC will be working with our stakeholders to help achieve outcomes in areas where there is a RD&E need – this includes:

- **Marine bioregional planning process**

FRDC has funded the project 2013-029 “The Comparative Performance of Management of the Individual Threats to Marine Environments and Fisheries Resources”. The outputs from this project are being utilised by the Expert Science Panel undertaking the marine bioregional planning review. FRDC has no plans for further investment at this time. Future investment will depend on the outcomes of the review and any RD&E issues relevant to fishing and aquaculture that are identified.

- **Review and streamline regulations**

FRDC has a significant body of current or planned RD&E investment to develop improvements in wild catch fisheries management that address harmonisation of management processes across jurisdiction, development of science and fisheries management standards, the development of equivalence for existing management or certification processes – with the main focus being on performance reporting (Stock Status Reports).

- **Australia’s Seafood Task**

The change to FRDC’s enabling legislation, the PIRD Act 1989, to expand FRDC’s functions to include marketing has allowed FRDC to commence development of a seafood marketing strategy. A joint FRDC and Seafood CRC project, “Developing a Marketing Strategy for Australian Seafood”, will develop a platform to inform the commercial industry on how best to position either Australian seafood or product segments to increase consumption of Australian seafood. A national FRDC Marketing Function Advisory Group has been established to provide steerage of this development.

FRDC’s draft RD&E Plan 2015-2020 has identified “New and emerging aquaculture growth opportunities” as one of three national priorities. The FRDC during 2015-2016 will establish a new subprogram to oversee this priority. The new R&D for profit project 2016-200 “Growing a profitable, innovative and collaborative Australian Yellowtail Kingfish aquaculture industry: bringing ‘white’ fish to the market” will commence in June 2015 with major activities planned for 2015-16.

## Improving engagement with Indigenous communities

FRDC’s Indigenous Reference Group (IRG) Subprogram has the lead on improving engagement. Key projects supporting this development are:

- 2013-218 “Building the Capacity and Performance of Indigenous Fisheries”
- 2014-233 “Improving access for Indigenous Australians to and involvement in the use and management of Australia’s fisheries resources”
- 2015-205 “Mapping livelihood values of Indigenous customary fishing”

The IRG has identified improved engagement as one of its priority principles. Building networks and facilitating broader stakeholder workshops are central to improving engagement. Indigenous engagement has been embedded in all FRDC policies, processes and procedures.

## Conduct Recreational Fishing Surveys every five years

Through the FRDC Recfishing Research Subprogram, FRDC is participating in the methodological development for catch, social and economic data being led by ABARES.

## Improve the connection between science and fishing

FRDC is currently reviewing the Fisheries Research Advisory Body process and how stakeholders are consulted on identifying research priorities and how these are managed. The recommendations of this review will be implemented during 2015-16. The Fishing and Aquaculture RD&E Strategy Governance Committee plays a critical leadership role in planning and managing Australia’s fishing and aquaculture RD&E activities involving science, management and industry. FRDC is currently chairing the Governance Committee and has committed to ensuring FRDC’s processes and procedures implement the RD&E Strategy.

### **Assist commercial and recreational organisations adapt to national maritime safety standards**

FRDC has received funds (\$100K) for 2015-16 through the Department of Agriculture to implement the Government's commitment to assist commercial and recreational charter fishing vessel owners and masters to demonstrate compliance with National Maritime Safety requirements for a Safety Management System (SMS) to be in place. In consultation with the Department of Agriculture and the Australian Maritime Safety Authority, FRDC will manage the department's funds to

- customise training delivery/resources to meet specific sector requirements
- deliver training workshops that would not otherwise be delivered through other programs e.g. cost, distance or timing constraints
- offset costs of training for industry operators or a representative, where learning will benefit multiple operators – e.g. 'Train the trainer' - may be appropriate where there are a small number of operators in a remote area.

There will be a focus on ensuring small vessel operators in regional areas benefit from this funding.

FRDC will also continue to work with the Southern Rock Lobster (SRL) Clean and Green Program and the Australian Maritime Safety Authority to demonstrate to other sectors the benefit of integrating AMSA's compliance with existing on-boat audit processes.

### **Management of Fisheries**

A range of research projects that focus on extending the knowledge of fisheries management and addressing consistency of approach will be completed during 2015-16. Key projects include:

- **Australian Fisheries Management Standard** – this project will help develop a national fisheries management standard based on the FAO code of conduct for responsible fishing.
- **Responsible Fishing Scheme – Enterprise/ sector** – this project will provide the basis for an auditable framework under which fishers (individually and collectively) can demonstrate to consumers and the public that they fish under an Australian Standard for Responsible Fishing.
- **Australian Fisheries Science Standard** – this project will help develop a national fisheries science standard. It will outline a base set of criteria for assessing the currency and value to all stakeholders.
- **Status of Key Australian Fish Stocks Reports (SAFS)** – work is underway on developing the third edition of the Status of Key Australian Fish Stocks Reports will be completed and released in December 2016. The focus will be on the ongoing refinement of the SAFS Framework and development and expansion of the Reports will result in more species being added, as well a new web-portal for interrogation of the data.
- **National By-catch Strategy** – work is underway to complete a National By-catch Strategy framework. The goal is to harmonise this across jurisdictional boundaries to get better data on by-catch linking it in to national reporting activities.

## Looking in - the internal operating environment

Two major activities will occur in 2015-16 – the commencement of a new five year strategic RD&E Plan and new Board directors will be appointed by the Minister for Agriculture.

### Research, Development and Extension (RD&E) Plan 2015-20

The new RD&E Plan sees a significant change in the way that FRDC will plan and invest in RD&E for fishing and aquaculture over 2015-2020. The major changes are:

- FRDC to provide greater focus on its RD&E investment and not be spread thinly across all priorities
- The FRDC to lead a more targeted national investment in RD&E in three key areas identified by stakeholders
- Greater focus of the public good dollars on these national priorities
- Devolve under a co-management model to sectors and regions the prioritisation and management of their specific RD&E needs utilising their existing plans
- Include adaptive management in the plan based on the FRDC Funding Agreement.

The three national priorities identified through consultation are:

- Australian fishing and aquaculture products are sustainable and acknowledged to be so.
- Improved productivity and profitability of fishing and aquaculture.
- Development of new and emerging aquaculture growth opportunities.

The FRDC will use three approaches to implement the RD&E Plan: lead, collaborate and partner. Under these approaches RD&E planning, prioritisation and funding will occur in the following ways:

- **Lead:** FRDC will allocate a significant portion of the Australian Government's public good funding it receives and take the lead in priority setting for RD&E with a national focus.
- **Collaborate:** FRDC will provide mechanisms and incentives for those under partnership agreements to leverage their funding where there is alignment with priorities at the national level.
- **Partner:** There will be greater responsibility given to the end users of RD&E to set priorities under partnership agreements for both sectors and jurisdictions. Funding for this RD&E comes from industry contributions, the matching contribution from the Australian Government, and some additional funding from the jurisdictions.

FRDC will continue to lead on national RD&E infrastructure that address whole of industry and community issues and opportunities. This infrastructure consist of the subprograms and coordination programs as well as RD&E around areas of current market failure such as recreational and Indigenous, people development, and delivery of key services (e.g. FishNames, SafeFish).

### The Board

The FRDC Board oversees corporate governance of the corporation and sets its strategic direction. The key areas for focus in 2015-16 are:

- Implementation of the FRDC RD&E Plan for 2015-20;
- Implementation of the new Funding Agreement;
- Implementation of the National Framework for Primary Industries Research, Development and Extension; and,
- Implementation of new legislative and corporate requirements as set out in the *Public Governance and Performance Accountability Act 2013* and the new 2015-2019 funding agreement.
- Evaluation of the FRDC business model to meet future needs.

The Board will meet five times during the year and will conduct a number of meetings in regional fishing ports around the country. The board considers it essential to visit the key fishing regions to gain a firsthand feedback and an appreciation of the key issues facing the commercial and recreational fishing sectors.

### Marketing

The PIRD Act provides for FRDC to undertake a marketing function where a statutory marketing levy has been implemented. FRDC will work with industry stakeholders to develop and undertake marketing activities as required. If industry agrees to marketing activities FRDC will develop and publish a separate marketing plan in addition to the RD&E Plan.

As marketing is a new area of activity and it will take time for industry sectors to develop and put in place marketing levies, the FRDC will focus on putting in place the necessary processes and resources to carefully engage with and consult stakeholders. The FRDC will work with stakeholders to develop a plan for both unified and stakeholder specific marketing activities. This process will also look to develop necessary infrastructure, such as access to market data to underpin and evaluate activities, as well examine how to establish industry funding mechanisms for these activities.

# Annual Operational Plan 2015-16 Budget

REVENUE	\$	\$
<b>Total revenues from the Australian Government</b>		
Australian Government 0.5% AGVP	12,698,000	
Matching of industry contributions	6,350,000	
<i>Total revenues from the Australian Government</i>		<b>19,048,000</b>
Contributions revenue from the jurisdictions		<b>7,796,000</b>
Projects revenue from other parties		<b>1,000,000</b>
Other revenue		<b>226,000</b>
<i>Marketing and promotion*</i>		<i>500,000</i>
<b>TOTAL REVENUE</b>		
<b>TOTAL REVENUE</b>		<b>28,070,000</b>

EXPENDITURE		
<b>Projects Expenditure</b>		
Environment	9,751,000	
Industry	9,309,000	
Communities	465,000	
People	2,301,000	
Adoption	1,862,000	
Sub-total		<b>23,688,000</b>
<i>Marketing expenditure*</i>		<i>460,000*</i>
<b>Management and accountability</b>		<b>3,947,000</b>
<b>TOTAL EXPENDITURE</b>		<b>27,661,000</b>

<b>NET RESULT FOR THE YEAR</b>	<b>39,165</b>
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\* This is contingent on industry establishing a marketing levy or the PIRD Act being changed to allow for voluntary contributions.

## **FRDC Priority Areas 2015-16**

### **Public perception and social licence**

The public perception of fishing and aquaculture affects all sectors, both commercially in terms of selling produce and also in terms of access to the resource. Fishing and aquaculture in Australia has a history of improved stewardship and a focus on best practice.

### **Environmental health**

The health of the environment which fishing and aquaculture rely are not only impacted by fishing and aquaculture sectors but also by environmental change, other industries and development. Marine waters are becoming crowded with more shipping, expanding oil and gas industries and increased coastal development. All of these demands impact on the marine environment and must be considered in the science and management of fishing and aquaculture activities.

### **Food security, globalisation and market access**

Seafood is an important dietary component throughout the world. Aquaculture production shows potential for further productivity increases, both in species currently produced and those that are new and emerging. Bycatch and discards present a potential avenue for increasing the harvest by adding value to the caught product. Likewise wider use of under-valued species and adding value to processing waste presents the potential for increasing seafood availability.

### **Resource access and allocation**

The people and enterprises that catch and grow fish and other seafood products need long-term access to aquatic resources to meet their individual and sectoral needs. However, competition is increasing from within fishing and aquaculture sectors, from external sources, and from the reduction of fishable zones through legislation of marine protected areas. The 'space' for fishing and aquaculture, especially within the marine environment, is becoming very crowded.

### **Resource management**

The focus within natural resources management has changed from single issues (target stocks or generally isolated environmental concerns) to broader interactions between the environment, economy and communities across all sectors of fishing and aquaculture (a bumpier ride). This is in line with the current expectations of the Australian public and best practice.

### **Aquatic animal health**

Disease-causing organisms, including exotic, new and emerging pathogens, are a significant threat to Australian fisheries, aquaculture and their associated ecosystems. The risk is expected to rise with increased globalisation and impacts from changing environments.

### **People development and capacity building**

All sectors of the Australian fishing and aquaculture industry need strong, effective, connected leadership to respond well to the challenges and opportunities before them.

### **Technological advancements**

The pace of technological change across the world is expected to continue. New technology is being used in many more sectors and industries improving efficiencies and effectiveness (transformative technologies).

### **Marketing**

The FRDC has put in place resources, policies and mechanisms to carefully consult with stakeholders how they might benefit from FRDC undertaking marketing activities if requested. This consultation will include how to establish industry funding mechanisms for national and sector based marketing.

# The FRDC

FRDC invests in science to create knowledge for the benefit of the Australian community so that Australia's marine and freshwater resources can be managed and used for fishing and aquaculture sustainably.

FRDC is a statutory corporation within the Australian Government's Agriculture portfolio and is accountable to the Parliament of Australia through the Minister for Agriculture. Revenue for RD&E investment is based on a co-funding model between the Australian Government and the commercial fishing and aquaculture industries. It is governed by a Board of directors and is led by an executive director who manages a small team.

The Corporation was formed on 2 July 1991 and operates under two key pieces of legislation:

- *Primary Industries Research and Development Act 1989* (PIRD Act)
- *Public Governance, Performance and Accountability Act 2013* which repealed the Commonwealth Authorities and Companies Act 1997.

The PIRD Act provides for FRDC to undertake a marketing function where a statutory marketing levy has been implemented. FRDC will work with industry stakeholders to develop and undertake marketing activities as required. If industry agrees to marketing activities FRDC will develop and publish a separate marketing plan in addition to this RD&E Plan. The two plans will be closely linked as RD&E will play a key role in underpinning and informing the development of any marketing activity. It will also provide the mechanism by which marketing activities will be evaluated.

The FRDC contributes to a strategic national approach to fishing and aquaculture RD&E that aims to share knowledge, build cohesion and establish common goals between sectors. Partnerships and previous RD&E are considered in planning and investment processes, to maximise leverage and reduce duplication.

The FRDC has improved the way it will plan, prioritise and invest in RD&E. A major achievement in this area has been the development of industry partnership agreements which have given greater freedom in the RD&E investment process and have better aligned these priorities with end-user needs. In this RD&E Plan, FRDC will use a similar approach with the jurisdictions.

FRDC does not undertake RD&E itself, although it can. Rather, it partners with project-specific researchers and research organisations. The FRDC then facilitates the extension, adoption and commercialisation of research and development (R&D) results, and evaluates the benefits, with a primary focus on end users of RD&E and markets.

FRDC is a quality-certified organisation (AS/NZS ISO 9001:2008) and its RD&E investment is supported by a rigorous, quality-management system which includes mechanisms for reviewing performance and implementing changes to ensure continuous improvement.

The FRDC is unique among the rural research and development corporations (RDCs) because it must balance its investment between natural resource management (sustainability), and industry productivity and development. As an outcome, the FRDC's strategic investments in RD&E activities benefit all stakeholders in the Australian fishing industry: commercial (wild catch and aquaculture), recreational, Indigenous as well the broader community.

## Performance evaluation

The FRDC reports to the Parliament on its performance via an Annual Report on both its achievements of specified targets and its overall performance. The Annual Report links back to the annual Portfolio Budget Statements and requirement of the Funding Agreement and provide an analysis of performance against annual key performance indicators which align with delivery and the long term strategic aims and targets of the RD&E Plan (table 1). The FRDC's accounting, program management and quality management systems are all designed to evaluate the performance of the FRDC.

In addition, the FRDC has implemented the Rural RD&E Corporation Evaluation Framework methodology to achieve the total portfolio evaluation assessment. This is based on a rolling series of cost benefit analysis of project clusters (based on previous 5 years investment). The results of the project cluster assessments links to the agreed KPIs that are relevant to that cluster. This process ensures that the investment decisions are continually being adjusted to ensure optimal investment performance. Given FRDC's dual investment role of both public good and industry benefit, the investment policy is not solely based on maximising investment returns as the broader public good benefit needs to be addressed. The FRDC is continually refining its KPIs to ensure they are meaningful and measurable. Research to improve the measurement of environmental and social KPIs that relate to natural resource sustainability and people development is ongoing.

In 2015-16 the FRDC will continue its program of project evaluation undertaking the evaluation of six new clusters. Previous evaluations are available on the FRDC website – [frdc.com.au/research/benefits\\_of\\_research/](http://frdc.com.au/research/benefits_of_research/)

# Strategic planning environment

## Planning environment

On 1 July 2015 the FRDC RD&E Strategy 2015-20 will commence. This five-year RD&E Plan has been developed through a comprehensive process of environmental scanning, consultation and analysis. Consultation has included the Parliamentary Secretary to the Minister for Agriculture, the Department of Agriculture, those involved in aquaculture, commercial fishers, Indigenous fishers, recreational fishers, research providers, post-harvest processors and fisheries managers from federal, state and territory governments.

In the first year of operation the FRDC will closely monitor progress in implementation and look for areas that require refinement or update.

## Australian Government research priorities

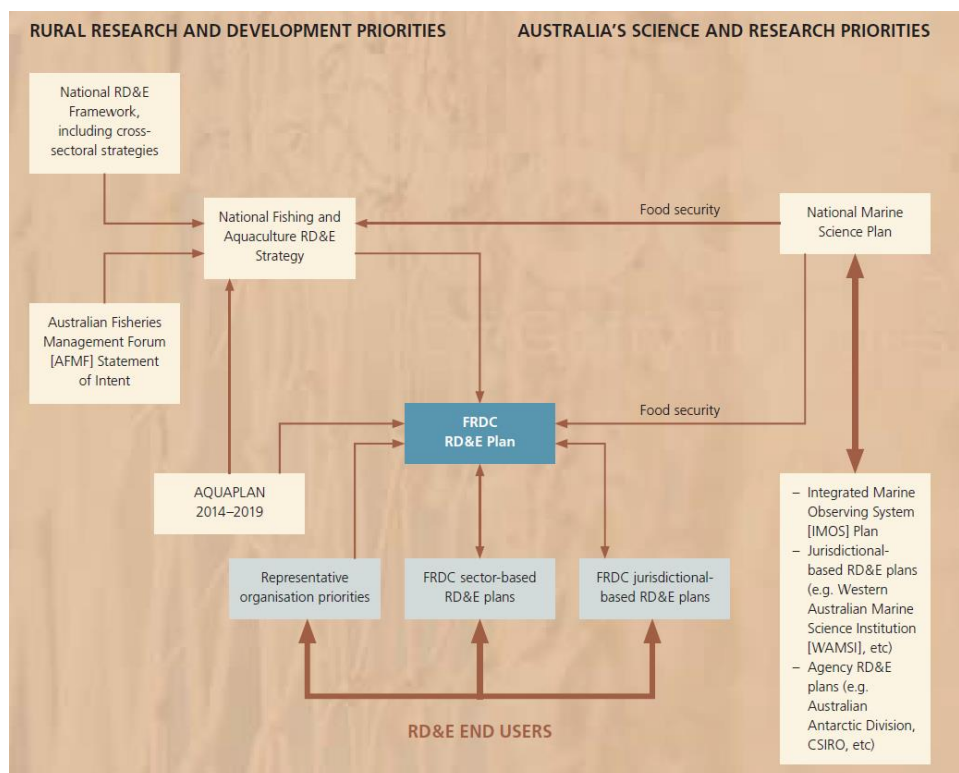
The FRDC will work closely with the Minister for Agriculture, the Parliamentary Secretary to the Minister and the Department of Agriculture to ensure it delivers results in line with the Australian Government's Science and Rural Research and Development priorities – see *Australian Government Science and Research Priorities* section at Attachment 1. The FRDC invests in targeted projects that will assist in the delivery of the Australian Government priorities. The Government's priorities are consistent with the FRDC's four legislated objects (section 3 of the PIRD Act) as shown in Figure 1: FRDC's framework for integrating legislative, government and industry priorities.

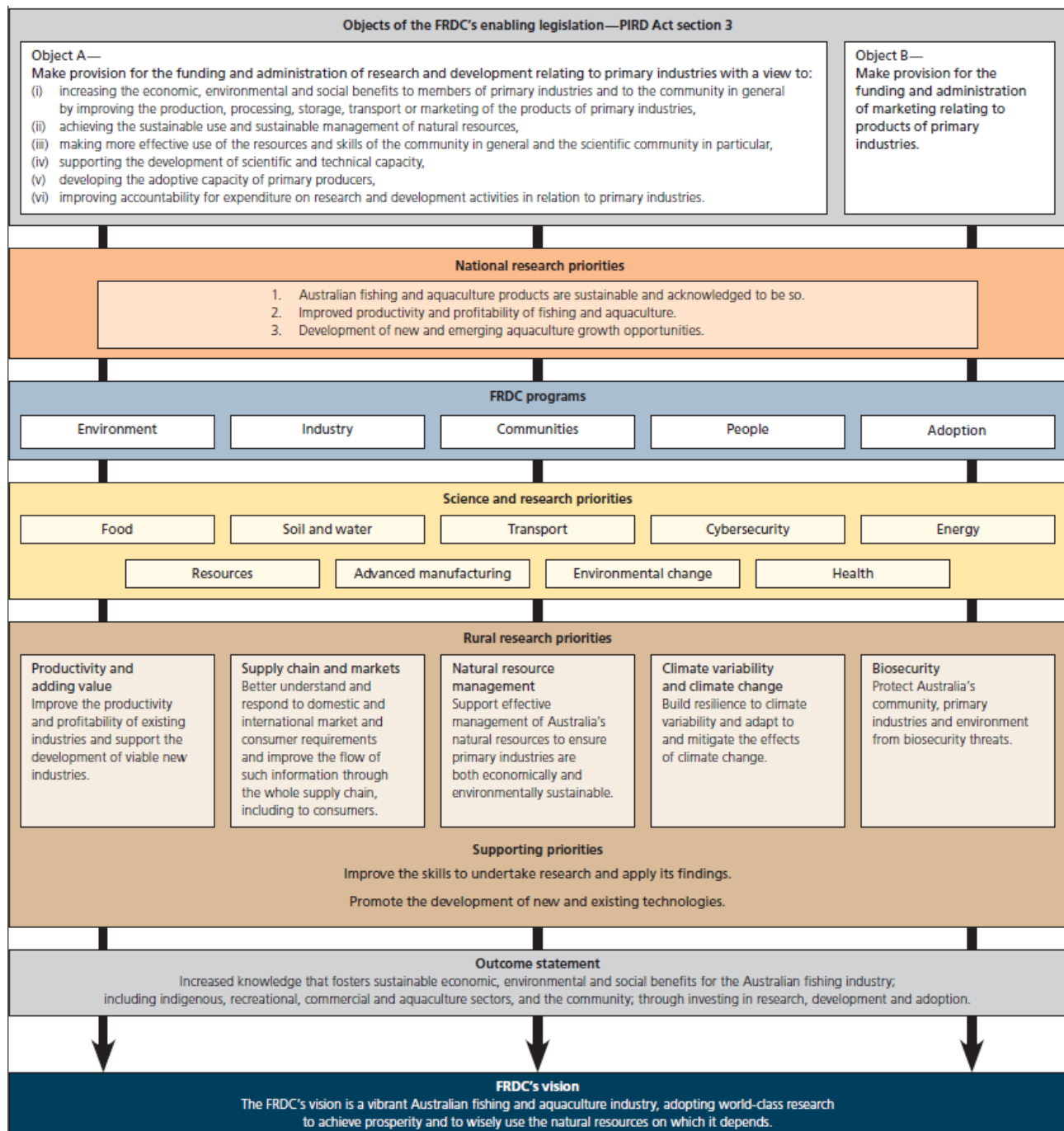
**Integration of the planned outcome with legislative, stakeholder priorities** – the FRDC's objectives, derived from section 3 of the PIRD Act. The FRDC's RD&E programs mirror the core themes of sub-sections 3(a) and (b) of the Act. This alignment has brought simplicity and robustness to the FRDC's planning, implementation and reporting, and to many of its kindred organisations. It has also facilitated a triple-bottom-line approach to funded activities.

## Stakeholder research priorities

One of the primary challenges for the FRDC is to gain a solid understanding of the needs and priorities of its stakeholders – many of whom come from a diverse range of sectors and operations. FRDC in assisting with developing the National RD&E Strategy and its FRDC RD&E Plan has consulted widely with these groups. In addition the FRDC has undertaken 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.

**Figure 1. The planning environment and how the FRDC RD&E Plan links to other key planning documents including the overarching Australia's Science and Research Priorities and the National Rural R&D priorities.**



**Figure 2: FRDC’s framework for integrating legislative, government and industry priorities.**

## The FRDC investment approach

### The FRDC investment areas

The new RD&E Plan sees a focus for RD&E investment over 2015-20 on three national priorities:

- Australian fishing and aquaculture products are sustainable and acknowledged to be so.
- Improved productivity and profitability of fishing and aquaculture.
- Development of new and emerging aquaculture growth opportunities.

Five broad program areas of RD&E investment which directly align with its governing legislation, the Primary Industry Research and Development Act 1989 – see Figure 1, will underpin FRDC investment.

- Environment
- Industry
- Communities
- People
- Adoption

FRDC will assess and model its RD&E investments based on these program areas to ensure a balanced portfolio that meets the short- and long-term needs of its stakeholders, including the Australian Government and the Australian community.

### Investment strategy

The FRDC aims to spread its investment 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 will endeavour to ensure a RD&E investment portfolio that incorporate issues of critical national importance based on stakeholder priorities and balancing long-term, short-term, high and low risk, and strategic and adaptive research needs and includes consideration of regional variations and needs.

The investment portfolio will be monitored via the FRDC electronic project management system – based on the key metrics above to inform future investment decisions and ensure a balanced portfolio is maintained. The FRDC will ensure funding applications are developed and reviewed by the Fisheries Research Advisory Bodies (FRABs) in line with the broader portfolio requirements.

The FRDC seeks to achieve maximum leverage from its investment by providing research administration and services using a value adding model. Research projects have input provided during the development and assessment phase to deliver a specific outcome, and are actively managed and monitored.

Running a value adding model, compared to a simple ‘granting’ model for RD&E funding which can be carried out at minimal cost, is that the returns are significantly better. This is because 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 management.

The FRDC commissions RD&E through a variety of flexible investment approaches. These include:

- an open-competitive call for project applications;
- formal partnership agreements with industry sectors; and
- specifically targeted commissioned (via direct tender) RD&E.

## Relationships with stakeholders

FRDC works to a diverse and geographically dispersed group of stakeholders and the four main sectors (aquaculture, commercial fishing, Indigenous fishing and recreational fishing) are not mutually exclusive. For example, Indigenous fishers may participate in customary fishing, conduct aquaculture and commercial fishing, and fish recreationally.

FRDC's stakeholders include:

- Commonwealth, state and territory governments, including fisheries and natural resources managers
- all fishing and aquaculture sectors
- the Australian community, on whose behalf aquatic natural resources are managed
- seafood consumers
- the research community, including universities, government fisheries organisations, further education organisations (e.g. TAFE), international research organisations and private-sector research providers.
- four ministerially declared representative organisations to which FRDC is accountable under legislation:
  - National Seafood Industry Alliance (representing the seafood industry)
  - Australian Recreational and Sport Fishing Industry Confederation Inc., trading as Recfish Australia (representing recreational and sport fishers)
  - Commonwealth Fisheries Association (representing commercial fishers who operate in Commonwealth fisheries)
  - National Aquaculture Council (representing the aquaculture industry)

FRDC regularly engages with its stakeholders through a range of mechanisms including:

- the Governance Committee that supports the National Fishing and Aquaculture RD&E Strategy and the National Research Providers Network which represents fisheries researchers (FRDC is a member of both groups)
- Fisheries Research Advisory Bodies (FRABS)
- partnerships between FRDC, industry sectors and jurisdictions
- the Australian Fisheries Management Forum, representing government agencies responsible for fisheries management (FRDC is an observer)
- FRDC subprograms and coordination programs.

The FRDC Board regularly meets at locations where it can engage with those involved in fishing and aquaculture and see issues first hand. In developing the projects that address the five programs, priorities are established in association with the FRDC's stakeholders.

The FRDC works with its stakeholders and partners to only undertake program management in an effective manner, and to disseminate the results and assist with their adoption, including when appropriate, commercialisation. Over the course of the year, the FRDC will continue to collaborate and work with its stakeholders and partners.

### Fisheries Research Advisory Bodies (FRABs)

The FRDC supports a network of FRABs – one covering Commonwealth fisheries and one in each state and the Northern Territory. The FRABs play an important role in delivering on efficient, effective planning and investment processes; and the development of project applications. The FRDC works to ensure a majority of Annual Open Call and Tactical Research Fund applications are submitted through, reviewed and prioritised by the FRABs.

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

### Australian Government

The Minister for Agriculture and his the Department of Agriculture provide the key priorities that need to be addressed from a government perspective. The Department acts as the day to day policy intermediary between the office of Minister, Parliamentary Secretary and the FRDC. The Australian Management Fisheries Authority and the Department of the Environment also play an important role in contributing to research priorities.

### Australian Fisheries Management Forum (AFMF)

AFMF is attended by the heads/CEOs of the Commonwealth, state and territory government agencies responsible for the management of fisheries. The AFMF discusses issues relating to fisheries and aquaculture management.

The FRDC understands that adoption of research outputs by management agencies is a key to optimising management outcomes. It will continue to work with AFMF, participating as an invited representative to its meetings, providing advice and ensuring AFMF priorities are incorporated into planning processes.

## Consultation with representative organisations

The FRDC has four representative organisations with which it will consult during 2014-15.

- 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 6.6 of the FRDC Funding Agreement, the FRDC may meet travel and other expenses incurred in connection with consultation between the FRDC and each of its representative organisations. These meetings are often held in Canberra with these organisations associated meetings with other government agencies. While the FRDC has budgeted up to \$30,000 to facilitate consultation in 2014-15, payments are only made to reimburse for costs associated with this consultation.

The consultation with the representative organisations allows the FRDC to gain valuable insight and views on the RD&E priorities for their associated industry sectors. It also provides a mechanism for the FRDC to report the outcomes from the associated RD&E investment.

## 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 Department of Agriculture - Levies area. An administration cost is charged by the department 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 a lead role with FRDC in ensuring its priorities are met. The table below outlines the financial record of the relationship:

Year	2012-13	2013-14	2014-15	2015-16
APFA contribution	\$127,232	\$148,956	\$190,000*	\$190,000*
FRDC expenditure on projects	\$230,582	\$178,880	\$190,000*	\$190,000*

\* Approximate investment in coming year.

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

Development of a marketing levy

APFA Stewardship Action Plan

Genetics & PL's

- Post larval quality and health / constant hatchery output
- Domestication related research

Farm Efficiency

- Technologies & methods

Nutrition

- Fish meal reduction
- Feeding efficiency

Disease & Biosecurity

- Viral clearance & mitigation / prevention
- Biosecurity improvements – protocols and understanding

## 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.

The FRDC will build upon the partnerships established with individual industry sectors, such as Southern Rocklobster Ltd, Australian Southern Bluefin Tuna Industry Association, Tasmanian Salmonid Growers' Association, Australian Pearl Producers, Oysters Australia, Western Rock Lobster Council and both the Prawn and Barramundi Farmers' Associations in funding research priorities that is required and co-funded by their sectors. Agreements are being negotiated with the Australian Abalone Growers Association and Australian Council of Prawn Fishers.

## **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 environmental 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.

## **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:

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

## The Australian Fishing and Aquaculture 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. The business environment is 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 and aquaculture industry comprises five sector groupings:

- Aquaculture;
- Commercial;
- Indigenous;
- Post-harvest; and
- Recreational.

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 a significant proportion of funding is directed at research that has a public good benefit.

The commercial sector comprises approximately 120 wild catch fisheries and 70 aquaculture species. Commercial seafood and products (e.g. pearls) were valued at \$2.4 billion in 2012–13. The recreational sector has 3.4 million participants, who were estimated in 2013, to provide a combined economic value of around \$2.56 billion.

The aquaculture sector can generally be described as having business 'smart', value-adding ventures, with larger operators processing, packaging and branding their own produce. The sector is currently dominated by the Atlantic Salmon subsector, with significant contributions from oyster producers and ranching of Southern Bluefin Tuna.

The wild-catch industry is made up of about 15,000 licence holders. A small number of operators take a large portion of the harvest (by value and volume). These are diverse operations that may hold multiple licences. They may operate in a range of fisheries and, in some instances, are integrated along the supply chain. The remainder of the wild-catch sector is made up of a large number of small owner-operator businesses. They are vital to sustaining small coastal communities and are passionate about what they do—supplying Australia with seafood.

Recreational fishing provides for millions of Australians a variety of opportunities from exercising and relaxing, socialising with friends and family, meeting new people, seeing new places, engaging with nature, and providing a source of food.

Australia's commercial seafood production only accounts for around 28 per cent of domestic consumption. Combined with the strength of the Australian dollar, the commercial sector is re-orienting 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 become more important. But it is not only seafood for consumption that Australia produces. Australian pearls are high value items that are produced at the highest level of quality through leading edge technology.

Aboriginal and Torres Strait Islander people participate in commercial and recreational fishing, as well as customary fishing. The legal rights around Indigenous fishing are being refined over time and some aspects are now part of existing legislation and court decisions.

**TABLE 1: FISHING INDUSTRY RESULTS 2013–14\***

<b>Australian Fisheries Statistics *</b>	<b>2011–12</b>	<b>2012-13</b>
The wild catch sector earned and caught slightly less	\$1.30 b from 157,505 t	\$1.4 b from 157 252 t
The aquaculture sector earned and produced more	\$1,054 m from 84,605 t	\$1.0 b from 80 066 t
Overall production was more and the value was greater	\$2.32 b from 237,540 t	\$2.4 b from 237,318

\* The figures quoted from *Australian Fisheries Statistics*, and are from the latest edition that can be downloaded from the FRDC website — [www.frdc.com.au](http://www.frdc.com.au)

# **Planned Outputs for 2015-16**

# National Priorities

## Australian fishing and aquaculture products are sustainable and acknowledged to be so

Consumers and communities are empowered by information and are increasingly scrutinising the use of natural resources. They are becoming choosier about the food they eat, where it comes from, how it is produced or caught, and its sustainability. The FRDC's sector overview of fishing and aquaculture, coupled with stakeholder feedback, shows this situation is very apparent in Australian fishing and aquaculture, and is impacting on all sectors.

**Aim:** By 2020, the community has effective access to, and understanding of, RD&E that supports fishing and aquaculture sustainability and improves perceptions of Australian seafood.

**Strategy:** Continue to prioritise investment in RD&E that contributes to the sustainability of fishing and aquaculture, including consideration of target species, bycatch species, threatened, endangered and protected species, and the broader marine environment.

Build understanding of the drivers of social licence to operate and respond to community concerns and needs for information with science-based evidence.

Priority area activities	Performance indicator	Target 2015-16
<p>Increased knowledge about how community values align with the values of Australian fishing and aquaculture sectors, with the aim of improving community perceptions.</p> <p>An Australian fisheries management and/or technical standard that addresses all fisheries and can be adopted by any management agency in Australia</p> <p>A scheme for responsible fisheries management that can specifically be applied to small-scale, data-poor Australian fisheries</p> <p>Bycatch performance metrics</p> <p>Community net benefit metrics</p> <p>Increased number of commercial species assessed in the national Status of Key Australian Fish Stocks Reports</p> <p>Reduction in the percentage of species classified as undefined in the national Status of Key Australian Fish Stocks Reports</p> <p>Expanded capacity to connect with seafood consumers and markets in Australia and abroad, and use of these channels to understand community perceptions and to tell the Australian fishing and aquaculture story across the sectors.</p>	<ul style="list-style-type: none"> <li>Information on the performance and value of Australia's fisheries is available.</li> <li>The number of species in the national Status of Key Australian Fish Stocks Reports increases to include 200 species</li> <li>RD&amp;E has provided a basis to reduce the number of species classified as 'undefined' is from the approximately 30 per cent currently to less than 10 per cent</li> <li>Positive perceptions of the commercial fishing industry increase from 28 per cent to 40 per cent by 2020 as measured through the independently-commissioned FRDC stakeholder survey.</li> </ul>	<p>Improve the positive perception of the commercial fishing industry to 31% approval rating.</p>

## Improved productivity and profitability

The Australian fishing and aquaculture industry is in a good position to capitalise on increasing global demand for seafood.

Productivity and profitability are consistently a top priority for those in aquaculture and commercial fishing. It is increasingly becoming a priority in the Indigenous and recreational sectors. It will be important for each sector to understand what it wants to achieve in this area and what its strengths and weakness are in terms of opportunities and threats.

**Aim:** By 2020, delivery of RD&E for fishing and aquaculture to increase productivity and profitability consistent with economic, social and environmental sustainability.

**Strategy:** Invest in RD&E to understand the drivers of and impediments to productivity and profitability growth in all fishing and aquaculture sectors; research means of increasing sustainable production and profitability; link these to business education; encompass the needs of Indigenous communities.

Priority area activities	Performance indicator	Targets 2015-16
<p>RD&amp;E on the entire supply chain to investigate efficiency improvements that could influence profitability including: strategic market intelligence and knowledge to improve market access</p> <p>RD&amp;E that demonstrates how to use underutilised and undervalued species sustainably and more profitably</p> <p>Understand where technology can improve productivity and profitability and where it can be feasibly implemented</p> <p>RD&amp;E on habitat rehabilitation to increase productivity and profitability</p> <p>RD&amp;E to support the social contribution from fishing and aquaculture and to capture the non-monetary value of these activities across sectors.</p> <p>RD&amp;E to support an increase in the Gross Value of Production of Australia's fishing and aquaculture resources</p>	<ul style="list-style-type: none"> <li>• Provide RD&amp;E to support increased trade of fishing and aquaculture products into countries with Free Trade Agreements by some 300%</li> <li>• Understand the quantity of potential production from Australia's fishing and aquaculture resources</li> <li>• Understand and improve the utilisation of fisheries resources by Indigenous Australians</li> <li>• Identify obstacles and opportunities to increase productivity through habitat</li> </ul>	<p>Volume of aquaculture rises to 85,000 tonnes.</p> <p>The value of Australia's fishing and aquaculture increases to \$2.4 billion.</p>

## Development of new and emerging aquaculture growth opportunities

Aquaculture has seen a steady growth over the past 30 years, with some sectors (such as salmon) having unprecedented growth over a much shorter period. There is still considerable potential within the aquaculture sector, especially with diversification in finfish species. There are a number of aquaculture ventures that could be expanded with the addition of RD&E in Australia, as has been proven from overseas examples.

**Aim:** By 2020, deliver RD&E sufficient for significant commercialisation of at least two emerging aquaculture growth opportunities with demonstrated potential for profitable business operations.

**Strategy:** Identify research constraints to industry growth—such as potential markets, cost of production, survival, deformities and uniformity of growth—and invest in RD&E to identify opportunities for successful and competitive commercial activity.

Priority area activities	Performance indicator	Target 2015-16
<p>A nationally-coordinated strategy for new seafood industry growth</p> <p>RD&amp;E to address barriers to aquaculture development including improved:</p> <ul style="list-style-type: none"> <li>– hatchery production technologies</li> <li>– breeds</li> <li>– feeds and feeding systems</li> <li>– husbandry</li> <li>– health systems</li> <li>– market access and/or value add.</li> </ul>	<ul style="list-style-type: none"> <li>• There are two or more emerging aquaculture opportunities/species for which RD&amp;E has identified clear opportunities and technologies for good production and profitability growth.</li> </ul>	<p>Production of new aquaculture species increases by 2,000 tonnes.</p>

## **Marketing**

## Enabling of FRDC Marketing Functions

On 13 December 2013 the *Rural Research and Development Legislation Amendment Act 2013* amended the FRDC enabling legislation, the PIRD Act. These amendments extend the scope and range of activities the FRDC can undertake to include marketing for all its stakeholders.

### Industry funding mechanism

The PIRD Act allows for (following amendments in December 2013) disperse marketing funds collected via a statutory levy. The Act does not compel any industry sector nor result in any form of collection mechanism being put in place. Stakeholders must first agree there is a need and or compelling business case for collective marketing and then put in place a mechanism to collect funds.

Contributions will only be collected from those stakeholders (groups, sectors, or companies) that agree to put in place a collection arrangement.

It is important to note that Marketing funds are not eligible to be matched by the Australian Government. The FRDC will continue to reinforce with stakeholders that only marketing funds collected from industry can be used for promotion of seafood. In addition the FRDC will clearly report on the separation of and the use of marketing funds in its annual report.

## Development of marketing activities

The overarching FRDC objective is to gain broad scale support for a combined, industry-led marketing program that benefits the whole industry. Further to this it is important to acknowledge that some stakeholders may wish to undertake activities that are specific to their needs – for example Australian Prawn farmers and fishers have a voluntary process for the collection of funds, to undertake marketing activities that aim to increase the number of times consumers purchase Australian prawns. The administration of this during is being carried out by the SCRC, and it will be transitioned to the FRDC upon which time it is allowed to undertake voluntary marketing activities.

Marketing is a new area of activity for the FRDC and it is anticipated it will take a number of years to build the funding and marketing program. In the first instance the FRDC focus on engaging with stakeholders on marketing and understanding what areas they are interested in pursuing. The FRDC will use this information to develop a national marketing framework that looks to encompass the entire development marketing continuum from research, development, implementation and evaluation that relate to success marketing of seafood.

### Assessment of Performance

The FRDC will develop a range of key performance indicators both quantitative and qualitative for the Marketing Program in line with the development of a National Seafood Marketing Framework. It is important that the performance indicators that the FRDC develop are consistent with both the business requirements of the FRDC but also the framework developed in consultation with the seafood industry.

## **Management and Accountability**

## **Management and Accountability**

The FRDC delivers promotes the proper use and management of RD&E services that is they are ethically, efficiently and cost effectively delivered. 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 the Department of Agriculture 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.

#### **Business planning**

The FRDC maintains a 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 - 2015-2020; 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 and e-zine), 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.

It is estimated that the total remuneration for the board and directors will be around \$300,000.

## Deliverables and services for 2015-16

- 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 2015-16

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

Key Performance Indicators	2015-16	2016-17
Projects focus on the FRDC Board's assessment of priority research and development issues.	95%	95%
Projects are assessed as meeting high standards/peer review requirements for improvements in performance and likely adoption	95%	95%
Maintain ISO9001:2008 accreditation.	1	1
Submit planning and reporting documents in accordance with legislative and Australian Government requirements and timeframes.	100%	100%
Implement best practice governance arrangements to promote transparency, good business performance, and unqualified audits.	100%	100%
Demonstrate the benefits of RD&E investments by positive benefit cost analysis results.	100%	100%

# The FRDC Governance framework

Element	Scope
Enabling legislation	The PIRD Act which sets out the legislative framework and rules for the establishment and operation of the FRDC.
Governance legislation	The <i>Public Governance, Performance and Accountability Act 2013</i> (PGPA Act) which specifies requirements for good governance, performance and accountability.
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.
Funding agreement	The Australian Government enters into funding agreements with the RDCs as a means to define and govern aspects of their relationship. This is to ensure the performance of all RDCs as it is important to ensure accountability and help foster a culture of continuous improvement. The agreement between the government and FRDC establishes a framework for periodic, independent reviews.
Priorities of key stakeholders	Australian Government National Science and Research Priorities 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.
Strategic 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.
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.

# Government Research Priorities

In May 2015 the Australian Government announced a new set of Strategic Research Priorities (SRPs) which updated the previous National Research Priorities and complement the Rural Research Priorities.

As part of implementing the Actions in the National Research Investment Plan (Investment Plan), the Australian Research Committee (ARCom) developed the SRPs to drive investment in areas that are of immediate and critical importance to Australia and its place in the world.

The SRPs will complement the broad base of support for research provided by the Australian Government and will foster a more coordinated and strategic approach within the identified areas.

## Government Research Priorities attributed to each RD&E Program (\$ and %)

### Rural Research Priorities

<i>Rural Research Priorities</i>	Total expenditure	
	\$	%
Productivity and Adding Value	4,693,716	19.81%
Supply Chain and Markets	2,047,715	8.64%
Natural Resource Management	9,951,329	42.01%
Climate Variability and Climate Change	873,941	3.69%
Biosecurity	1,925,212	8.13%
Innovation Skills	1,703,009	7.19%
Technology	1,569,211	6.62%
Other research	923,832	3.90%
<b>TOTAL</b>	<b>23,688,000</b>	<b>100%</b>

### Strategic Research Priorities

	Total expenditure	
	\$	%
Food	8,169,991	34.49%
Soil and water	9,785,513	41.31%
Transport	521,136	2.20%
Cybersecurity		
Energy	168,185	0.71%
Resources		
Advanced manufacturing	3,106,774	13.12%
Environmental change	874,087	3.69%
Health	1,062,994	4.49%
<b>Total</b>	<b>23,688,000</b>	<b>100%</b>

# **Portfolio Budget Statements 2015-16**

## Tables from the 2015-16 Portfolio Budget Statements

**Table 2.1: Budgeted expenses for Outcome 1**

<b>Outcome 1: 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.</b>	2014–15 Estimated actual expenses \$'000	2015–16 Estimated expenses \$'000
<b>Programme 1.1: Fisheries Research &amp; Development</b>		
Revenue from Government		
Special appropriations	18,287	19,048
Revenues from industry sources	8,796	8,387
Revenues from other independent sources	269	226
<b>Total for Programme 1.1</b>	<b>27,352</b>	<b>27,661</b>
<b>Outcome 1 Totals by resource type</b>		
Revenue from Government		
Special appropriations	18,287	19,048
Revenues from industry sources	8,796	8,387
Revenues from other independent sources	269	226
<b>Total expenses for Outcome 1</b>	<b>27,352</b>	<b>27,661</b>
	2014–15	2015–16
<b>Average staffing level (number)</b>	<b>12.3</b>	<b>12.7</b>

**Table 3.2.1 Comprehensive income statement (showing net cost of services)  
(for the period ended 30 June)**

	2014–15	2015–16	2016–17	2017–18	2018–19
	Estimated actual \$'000	Budget \$'000	Forward estimate \$'000	Forward estimate \$'000	Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	2,375	2,612	2,743	2,880	3,024
Supplier expenses	1,390	1,300	1,450	1,600	1,700
Grants	22,924	23,089	23,813	24,057	24,457
Depreciation and amortisation	200	200	230	240	265
Write-down of intangibles	3	-	-	-	-
Other	460	460	644	644	828
<b>Total expenses</b>	<b>27,352</b>	<b>27,661</b>	<b>28,880</b>	<b>29,421</b>	<b>30,274</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of	20	15	10	10	10
Interest	260	250	250	250	250
Contributions	8,194	7,685	8,450	8,650	9,100
Other	602	702	702	702	702
<b>Total own-source revenue</b>	<b>9,076</b>	<b>8,652</b>	<b>9,412</b>	<b>9,612</b>	<b>10,062</b>
<b>Total own-source income</b>	<b>9,076</b>	<b>8,652</b>	<b>9,412</b>	<b>9,612</b>	<b>10,062</b>
<b>Net cost of (contribution by) services</b>	<b>18,276</b>	<b>19,009</b>	<b>19,468</b>	<b>19,809</b>	<b>20,212</b>
Revenue from Government <sup>1</sup>					
Commonwealth contribution	18,287	19,048	19,494	19,861	20,249
<b>Total revenue from Government</b>	<b>18,287</b>	<b>19,048</b>	<b>19,494</b>	<b>19,861</b>	<b>20,249</b>
<b>Surplus (Deficit) before income tax</b>	<b>11</b>	<b>39</b>	<b>26</b>	<b>52</b>	<b>37</b>
income tax expense	-	-	-	-	-
<b>Surplus (Deficit) after income tax</b>	<b>11</b>	<b>39</b>	<b>26</b>	<b>52</b>	<b>37</b>
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>11</b>	<b>39</b>	<b>26</b>	<b>52</b>	<b>37</b>

1. Revenue from Government includes a Commonwealth contribution under the PIRD Act and levies collected from industry by the Department of Agriculture for R&D activities.

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