



FRDC

**FISHERIES RESEARCH &
DEVELOPMENT CORPORATION**

Annual Operational Plan

2016-17

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 economic, social and environmental benefits for Australian fishing and aquaculture, and the wider community, by investing in knowledge, innovation, and marketing.

Stakeholders

FRDC works to a diverse and geographically dispersed group of stakeholders across fishing and aquaculture which 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 and Water Resources is the Hon. Barnaby Joyce MP. The Assistant Minister to the Minister for Agriculture and Water Resources is Senator the Hon. Anne Ruston.

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 operating in Commonwealth fisheries); and
- National Aquaculture Council (representing the aquaculture industry).

Contents

FRDC Vision	2
The planned outcome for the corporation	2
Stakeholders	2
Portfolio Minister.....	2
Representative Organisations.....	2
FRDC directors and staff	Error! Bookmark not defined.
Executive Summary.....	5
Delivering on the Research, Development and Extension (RD&E) Plan	7
The FRDC balanced research investment approach	8
Financial Targets 2016-17	10
Planned Outputs for 2016-17.....	11
National Priority 1 – Australian fishing and aquaculture products are sustainable and acknowledged to be so	13
National Priority 2 – Improved productivity and profitability	14
National Priority 3 – Development of new and emerging aquaculture growth opportunities.....	15
Partner	16
Management and Accountability	17
Enabling of FRDC Marketing Functions.....	18
The FRDC	19
Strategic planning environment	20
Performance evaluation	20
The Australian Fishing and Aquaculture Industry	21
Relationships with stakeholders	22
The FRDC Governance framework.....	23
Government Research Priorities	25
Portfolio Budget Statements 2016-17	27
Tables from the 2016-17 Portfolio Budget Statements	28

FRDC directors and staff

FRDC Board		FRDC Staff	
The Hon. Harry Woods	Chair	Mr John Wilson	Business Development Manager
Ms Renata Brooks	Deputy Chair	Ms Cheryl Cole	Manager Corporate Services
Prof Colin Buxton	Director	Phillipa Nott (p/t)	Office Administrator
Prof Daryl McPhee	Director	Irene Stefanou (p/t)	Office Administrator
Dr Lesley	Director	Steph Cooper-Vassalakis (p/t)	Office Administrator
Mr John Harrison	Director	Mr Crispian Ashby	Programs Manager
Mr John Susman	Director	Ms Annette Lyons	Projects Manager – Finance
Dr Patrick Hone	Executive Director	Dr Carolyn Stewardson	Projects Manager – Research
		Ms Jo-Anne Ruscoe	Projects Manager – Research
		Mr Joshua Fielding	Projects Manager – Research
		Mr Wayne Hutchinson (p/t)	Projects Manager – Research
		Dr Christopher Izzo	Projects Manager – Research
		Ms Skye Barrett	Projects Manager – Research
		Ms Alison Connolly (p/t)	Projects Officer
		Ms Leah Fergusson (p/t)	Projects Officer
		Mr Peter Horvat	Manager, Communications, Trade and Marketing
		Ms Annabel Boyer	Communications Officer
		Ms Ilaria Catizone	Communications Science Writer

Executive Summary

The Fisheries Research and Development Corporation (FRDC) invests in research, development and extension (RD&E) that supports aquaculture, as well as commercial, Indigenous and recreational fishers. These four sectors operate across environments that range from the northern tropics through to the southern temperate seas and icy Antarctic waters, across the country's freshwater rivers and lakes (natural and man-made), through the estuaries and to the depths of the ocean.

FRDC undertakes research and development (R&D) and partners with other organisations that have the necessary capabilities to undertake the varied and sometimes specialised activities. With a focus on the end users and markets, FRDC invests and facilitates extension of the R&D that will lead to adoption and commercialisation. Results and outcomes of both the undertaking and extension of R&D are evaluated to measure and inform future investment.

FRDC's investment policy balances the needs of stakeholders, including the community, with achieving specific, planned end user solutions to national, regional and sector-based priorities. Partnerships and previous RD&E are considered in our planning and investment processes, to maximise leverage and reduce duplication.

The 2015–20 RD&E Plan is deliberately more focused than previous plans in several areas, while still providing the flexibility to respond to unforeseen issues and opportunities.

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

FRDC also contributes to the broader national strategic approach to fishing and aquaculture RD&E that aims to share knowledge, build cohesion and establish common goals between sectors. However, while a primary focus of FRDC investment is to deliver benefits to the primary fishing and aquaculture stakeholders, it is important to note that the FRDC investment in RD&E delivers benefits other participants in the Australian seafood industry value chain, research providers and the wider Australian community.

New investments in 2016–17 will build on existing investments to deliver RD&E along the seafood value chain and focus on the three national priorities, and those outlined by stakeholders as part of their specific RD&E Plans.

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 conclusion of the previous Strategy in 2015, an extensive consultation process was undertaken between leading stakeholders – government, research, industry and education organisations to inform, update and develop the second strategy.

The second edition of the Fishing and Aquaculture RD&E Strategy 2015-2020 was approved by Agriculture Senior Officials' Committee (AGSOC) Research and Innovation Committee in August 2015. As Chair of the Governance Committee, the FRDC has coordinated the process of developing the strategy. For 2016-17, Mr Ian Curnow, Director of Fisheries NT will chair the Governance Committee for 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.

Management of fisheries

A range of research projects that focus on extending the knowledge of fisheries management and addressing consistency of approach amongst jurisdictions and management agencies will be completed during 2016-17. 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 Australian Fish Stocks Reports (SAFS)** – work is underway on developing the third edition of the Status of Australian Fish Stocks Reports for completion and release in December 2016. The focus will be on the ongoing

refinement of the SAFS Framework. The development and expansion of the Reports will result in more species being added, as well a new web-portal for interrogation of the data being developed.

- **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 achieve a national by-catch reporting framework. This will assist with the implement of the Commonwealth Bycatch Policy and Guidelines that are currently being reviewed.

Improving engagement with Indigenous communities

FRDC's Indigenous Reference Group (IRG) Subprogram has the lead on improving engagement with Indigenous Australians. 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.

Priorities for 2016-17:

- Indigenous business development opportunities and impediments in the fishing and seafood industry.

Recreational Fishing Research

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

Priorities for 2016-17:

- Development of a national funding model for Australia's recreational fishing sector.
- Development of future leaders within Australia's recreational fishing community.
- Developing a methodology to estimate the social and economic value of recreational fishing.

Australian Prawn Farmers Association – FRDC levy payers

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 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 and Water Resources - 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.

Year	2015-16*	2016-17*
APFA contribution	\$160,000	\$180,000
FRDC expenditure on projects	\$68,000	\$300,000

* Approximate investment in coming year.

Priorities for 2016-17:

- Development of a marketing levy;
- Reduce disease impacts on farmed prawns;
- Minimise nutrient discharge from prawn farms;
- Apply advanced technologies to improve production and profitability of prawn farms;
- Increase early survival of post larvae; and
- Assess the prevalence of chemical contaminants in incoming waterways, and assess their potential impact on larval prawn production.

Marketing

On 13 December 2013 the *Rural Research and Development Legislation Amendment Act 2013* amended the FRDC enabling legislation, the Primary Industries Research and Development Act to allow RDCs to undertake marketing for all its stakeholders. However, the Act does not currently allow for the FRDC to collect voluntary marketing funds. A key focus during 2016-17 for the FRDC will be to work with both the Minister and Department of Agriculture and Water Resources to seek amendments to rectify this situation.

The FRDC will also focus on assisting the industry – Australian Prawn Farmers Association (APFA) and Australian Wild Abalone (AWA) progress towards developing full statutory marketing levies. In addition it will work to develop a plan for the seafood industry to partner with Wine Australia in export market events.

Delivering on the Research, Development and Extension (RD&E) Plan

The FRDC RD&E Plan 2015-2020 brought with it a significant change to the way planning and investment will be undertaken. 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 – focusing on the three national priority areas.

1. Australian fishing and aquaculture products are sustainable and acknowledged to be so.

Key activities this financial year include:

- Publishing and communication of the 2016 Status of Australian Fish Stocks Report,
- developing methods to reduce the number of undefined species in the report,
- progressing the development of a national bycatch reporting framework,
- develop and undertake new forms of communication with stakeholders and end users (consumers),
- guidelines for Australian Fisheries Management Standards, and
- integrate recreational fisher-derived and fishery-independent survey data to better understand and manage the Murray Cod fishery in the Murray-Darling Basin.

2. Improved productivity and profitability of fishing and aquaculture.

Key activities this financial year include:

- progressing the development of the Easy Open Oyster,
- building on the outputs and structures in post-harvest processing established by the Seafood CRC,
- expanding the number of underutilised to utilised species,
- further improving post-harvest waste utilisation,
- scope business opportunities for Indigenous Australians,
- progress the recreational fishing sector’s framework and contribution to a National Fish Habitat Strategy and Action Plan, and
- work towards understanding the social and economic contributions of recreational fishing in Australia.

3. Development of new and emerging aquaculture growth opportunities.

Key activities this financial year include:

- continuing the advances made in yellowtail Kingfish production,
- explore options for developing aquaculture in northern Australia and scope the potential for novel species, systems and approaches and
- producing more, high value aquaculture species Australia.

FRDC will also continue to lead on national RD&E infrastructure that address whole of industry and community issues and opportunities. This infrastructure consists of the subprograms and coordination programs as follows:

- Indigenous Fishing Subprograms,
- Recfishing Research Subprogram,
- Aquatic Animal Health and Biosecurity Subprogram,
- Social Science and Economics Research Coordination Program, and
- People Development Coordination Program.

The FRDC will deliver key services to its stakeholders in the national interest with current activities including:

- Safefish, and
- Fishnames.
- **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.

The FRDC balanced research investment approach

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 balanced investment approach will ensure RD&E investment incorporates issues of critical national importance as well as stakeholder priorities. Ultimately all FRDC investment in RD&E is driven by the needs of its stakeholders.

Strategic National Priorities

1. Ensuring that Australian fishing and aquaculture products are sustainable and acknowledged to be so.
2. Improving productivity and profitability of fishing and aquaculture.
3. Developing new and emerging aquaculture growth opportunities.

Collaborate and partner

The goal is to provide key stakeholders (sectors and jurisdictions) greater ownership of strategic priorities and direction, investment in these activities and responsibility for taking outputs and turning them into outcomes. Sectors and jurisdictions will lead in the development of their own RD&E priorities which must be consistent with FRDC's program areas.

FRDC's RD&E program areas

The FRDC has five programs of RD&E investment that directly align with its governing legislation, the PIRD Act:

- environment
- industry
- communities
- people
- adoption.

RD&E investments in these program areas will be assessed to ensure the FRDC maintains a balanced portfolio that meets the short- and long-term needs of its stakeholders, including the Australian Government and the Australian community¹.

Investment strategy

The FRDC works to achieve an overall balance of:

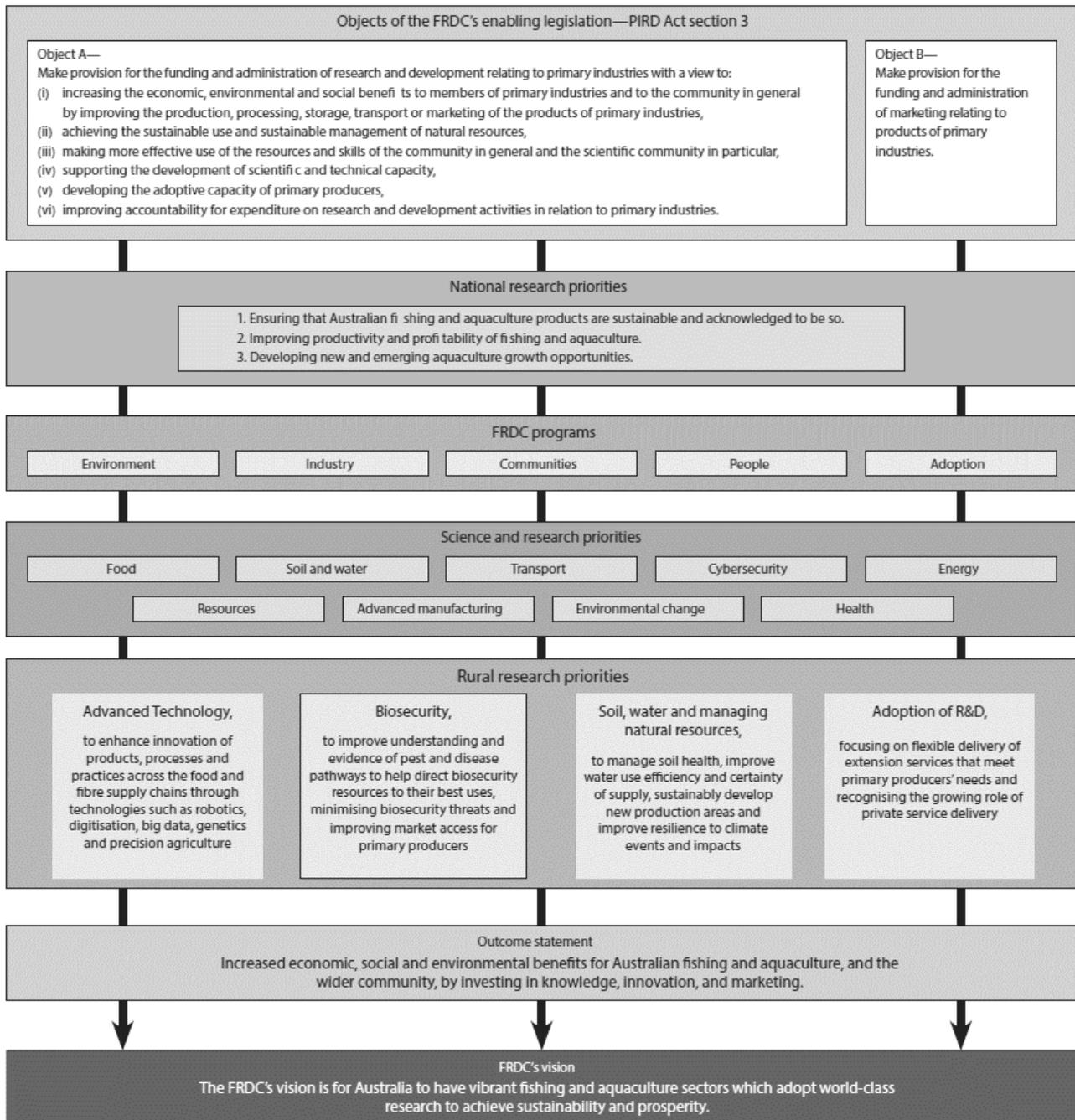
- investment across the FRDCs RD&E program areas,
- short- and long-term projects,
- low- and high-risk “blue sky” projects,
- strategic and adaptive research needs,
- meeting region specific needs, and
- national, jurisdictional and sector-focused projects.

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 Research Advisory Committee (RAC) 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.

¹ See financial tables on page 10 for breakdown of investment.

FRDC’s framework for aligning legislative, government and industry priorities.



Financial Targets 2016-17

FRDC financial income and expenditure planning 2015–20.

	2016–17	2017–18	2018–19	2019–20
REVENUE	\$m	\$m	\$m	\$m
Revenue from Australian Government*	21.43	21.83	22.23	22.95
Contributions	6.12	7.55	7.80	8.10
Other	1.23	2.06	2.26	2.26
Total revenue	28.78	31.44	32.29	32.95

*Revenue from Government includes a Commonwealth contribution under the PIRD Act and levies collected from industry by the Department of Agriculture and Water Resources for RD&E activities.

	2016–17	2017–18	2018–19	2019–20
EXPENDITURE	\$m	\$m	\$m	\$m
Total programs expenditure	23.00	25.25	25.65	26.01
Management and accountability	4.95	5.77	6.16	6.36
Total expenses	27.95	31.02	31.81	32.37

Total RD&E Expenses broken down by Program

Programs	2016–17	2017–18*	2018–19*	2019–20*
	%	%	%	%
Environment	40	40	40	40
Industry	40	40	40	40
Communities	2	2	2	2
People	10	10	10	10
Adoption	8	8	8	8
Total programs expenditure	100	100	100	100

Total RD&E Expenditure by Activity

Activities	2016–17	2017–18*	2018–19*	2019–20*
	%	%	%	%
National priorities	18	18	18	18
National infrastructure	12	12	12	12
Response fund	6	6	6	6
Partnership agreements (industry sectors)	37	37	37	37
Partnership agreements (jurisdictions)	27	27	27	27
Total activities expenditure	100	100	100	100

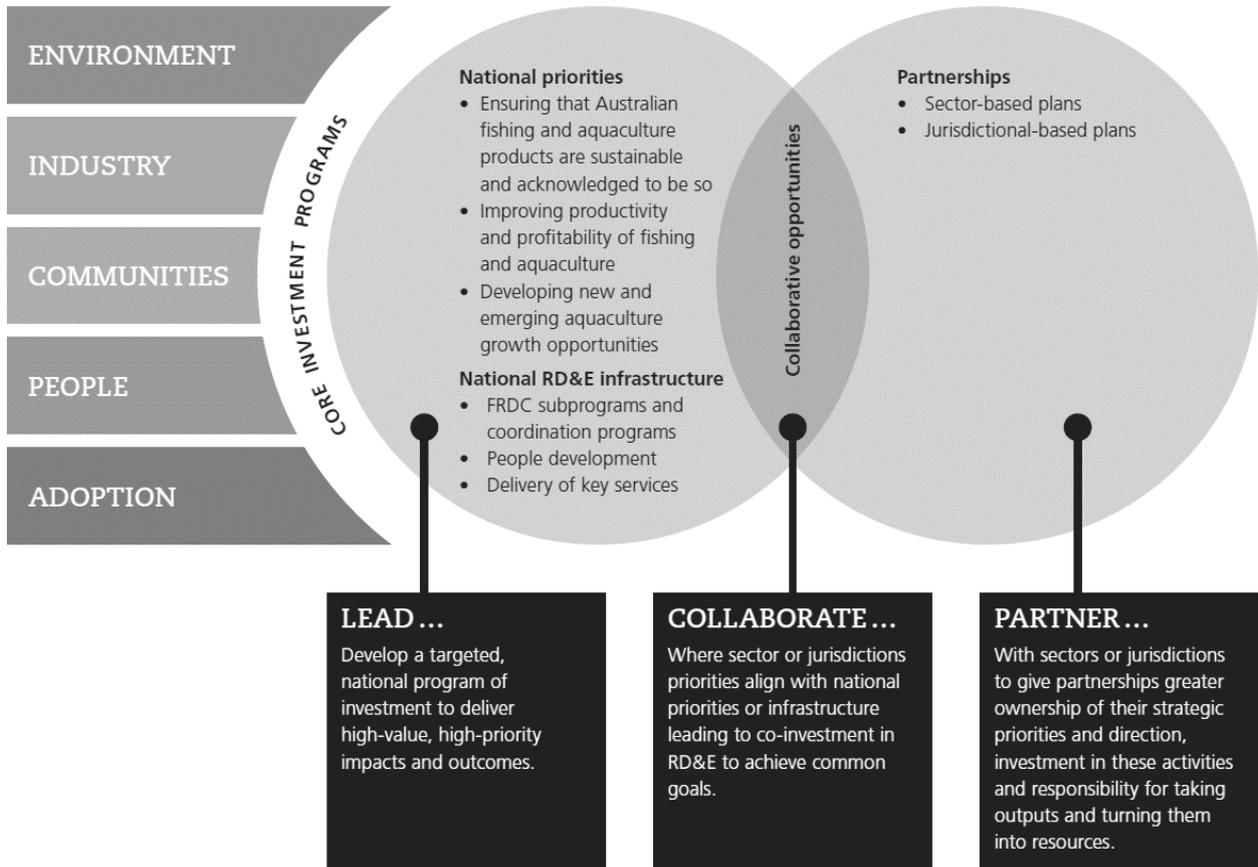
* Note the percentages from year to year may vary depending on changes to priorities and the funding of differing size projects to meet the FRDC's balanced portfolio – long/short – big/small.

PIRD Act requirements

	2016–17	2017–18	2018–19	2019–20
	\$,000	\$,000	\$,000	\$,000
Remuneration and allowances to directors and committee members	435	445	455	465
Cost recovery expenses to pay to the Commonwealth	15	15	15	15
Selection committee expenses and liabilities (if applicable)	NIL	60	10	NIL

Planned Outputs for 2016-17

FRDC RD&E Framework 2015-20



National Priority 1 – 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. Many 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 it is both a challenge and opportunity for 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 species and species of conservation significance, and the broader marine environment.

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

Deliverables	Performance indicator	Target 2016-17
<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 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"> Information on the performance and value of Australia’s fisheries is available. The number of species in the national Status of Australian Fish Stocks Reports increases to include 200 species RD&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 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. 	<p>114 species included in Status of Australian Fish Stocks Reports.</p>

National Priority 2 – 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.

Deliverables	Performance indicator	Targets 2016-17
<p>RD&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&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&E on habitat rehabilitation to increase productivity and profitability</p> <p>RD&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&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"> • Provide RD&E to support increased trade of fishing and aquaculture products into countries with Free Trade Agreements by some 300% • Understand the quantity of potential production from Australia's fishing and aquaculture resources • Understand and improve the utilisation of fisheries resources by Indigenous Australians • Identify obstacles and opportunities to increase productivity through habitat 	<p><i>Facilitate seafood and aquaculture businesses to participate in two 'in-country' Wine Australia events</i></p> <p><i>One report completed on quantity of potential production from Australia's fishing and aquaculture resources.</i></p>

National Priority 3 – Development of new and emerging aquaculture growth opportunities

Aquaculture has seen a steady growth over the past 30 years, with some sectors (such as Atlantic 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.

Deliverables	Performance indicator	Target 2016-17
<p>A nationally-coordinated strategy for new seafood industry growth</p> <p>RD&E to address barriers to aquaculture development including improved:</p> <ul style="list-style-type: none"> - hatchery production technologies, - breeds, - feeds and feeding systems, - husbandry, - health systems, and - market access and/or value add. 	<ul style="list-style-type: none"> • There are two or more emerging aquaculture opportunities/species for which RD&E has identified clear commercial opportunities and technologies for good production and profitability growth. 	<p><i>500 tonnes of additional production from previous year.</i></p>

Partner

The FRDC will provide a vehicle so that sectors or jurisdictions may leverage funding where there is alignment between their RD&E priorities and those at the national level. This will encourage sectors to collaborate.

Collaboration in specific areas of RD&E such as people development, service functions and social sciences will be actively encouraged by the FRDC.

The FRDC will enter into partnership agreements with specific sectors and jurisdictions to jointly develop and implement their RD&E priorities. These agreements will set out guidelines, timelines and evaluation processes, from funding applications to the adoption of RD&E outputs. This will help link sector-based or jurisdictional plans with the FRDC RD&E Plan, and ensure they incorporate the objects of the PIRD Act (see page 8). Further information on partnership agreements is in the

Aim: By 2020, provide an investment framework that gives partnerships (specific sectors and jurisdictions) greater ownership of their strategic priorities and direction, investment in these activities and responsibility for taking outputs and turning them into outcomes.

Strategy: Enter into partnership agreements with specific sectors and jurisdictions to jointly develop and invest against RD&E priorities.

Deliverables	Performance indicator	Target 2016-17
<p>Where sector or jurisdictions priorities align with national priorities or infrastructure leading to co-investment in RD&E to achieve common goals.</p> <p>Give partnerships greater ownership of their strategic priorities and direction. It will be their responsibility to ensure investments are outcome focused.</p>	<ul style="list-style-type: none"> • Partners have a RD&E plan. • Partners invest in a balanced portfolio across the FRDC purpose themes – environment, industry, communities, people and extension. 	<p><i>90 per cent of partners have a current RD&E Plan.</i></p> <p><i>Investment results in a balanced portfolio.</i></p>

Management and accountability

The FRDC delivers and promotes the proper use and management of RD&E services that are ethical, 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 Water Resources and the other RDCs to develop an approach to measuring efficiency that will be incorporated into its performance measurement framework.

Deliverables and services for 2016-17

- 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 2016-17

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

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

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 mechanisms

A key focus for the FRDC is to establish a robust industry marketing collection process. At present the amended PIRD Act does not allow for the FRDC to collect voluntary marketing funds. During 2016-17 the FRDC will work with both the Minister and Department of Agriculture and Water Resources to seek amendments to rectify this situation.

The FRDC will also focus on assisting the industry – Australian Prawn Farmers (APFA) and Australian Wild Abalone (AWA) progress towards developing full statutory marketing levies.

Development of export market activities

A key deliverable for the FRDC in the 2015-20 RD&E Plan is to increase exports of seafood by 300% to countries where Australia has signed a new free trade agreement (China, Korea, and Japan).

To meet this performance indicator the FRDC will undertake a range of activities for industry that will help facilitate their ability to promote into global markets. The activities will include:

- Development of an export trade statistics database
- Partnering with Wine Australia to facilitate Australian seafood companies participate in joint trade marketing activities.
- Establish a process to utilise the Export Market Development Grants Scheme to undertake seafood specific activities
- Investigate the development of seafood specific trade events in key markets.

Assessment of Performance

The FRDC will develop a range of key performance indicators both quantitative and qualitative for the Marketing Program. 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.

Key performance indicator for 2016-17

- *Facilitate seafood and aquaculture businesses to participate in two 'in-country' Wine Australia events*
- *Establish and promote Export market database*

The FRDC

FRDC is a statutory corporation within the Australian Government’s Agriculture and Water Resources portfolio and is accountable to the Parliament of Australia through the Minister for Agriculture and Water Resources. 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 replaced *the Commonwealth Authorities and Companies Act 1997*.

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. 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.

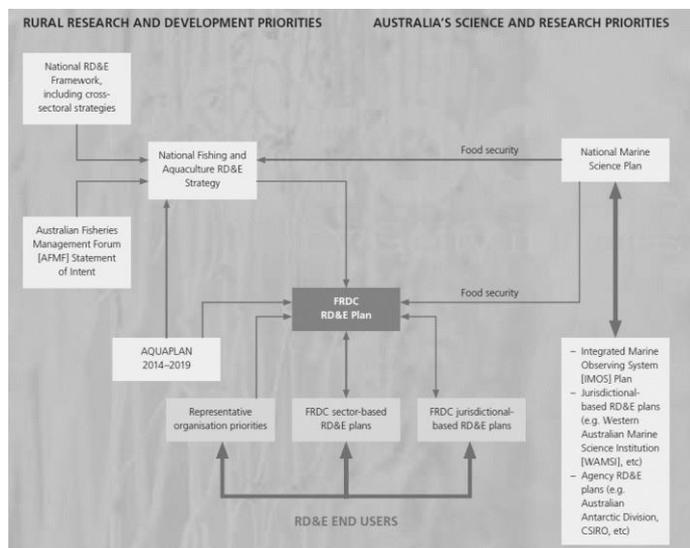
The FRDC has improved the way it will plan, prioritise and invest in RD&E. A major achievement in this area has been the development of industry partnership agreements which have given greater freedom in the RD&E investment process and have better aligned these priorities with end-user needs. In this 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. In the case of the recreational fishing industry, it does not occur in a true market, but nonetheless the economic activity generated from the activity. 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.

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.



Strategic planning environment

Planning environment

On 1 July 2015 the FRDC RD&E Plan 2015-20 commenced. The five-year RD&E Plan was developed through a comprehensive process of environmental scanning, consultation and analysis. Consultation has included the Assistant Minister to the Minister for Agriculture and Water Resources, the Department of Agriculture and Water Resources, 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 and Water Resources, the Assistant Minister to the Minister and the Department of Agriculture and Water Resources 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 is assisting with developing the National RD&E Strategy and has consulted widely with these groups in developing its FRDC RD&E Plan. 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.

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 provides 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. 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 2016-17 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/benefitsofresearch/

The Australian fishing and aquaculture sectors

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. Australian fishing and aquaculture 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, contribute substantially to regional employment and regional identity, 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 fresh individually sourced food.

Australia's commercial seafood production only accounts for around 28 per cent of domestic consumption. Combined with the relative 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 by a long standing and iconic industry.

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: Gross value of production and production for Australian fishing and aquaculture results 2013–14*

Australian Fisheries Statistics *	2012-13	2013-14
The wild catch sector earned more and caught.	\$1.4 b from 157 252 t	\$1.5 b from 152 210 t
The aquaculture sector earned and produced slightly less.	\$1.0 b from 80 066 t	\$0.99 b from 74 913 t
Overall production declined despite increased revenue being generated.	\$2.4 b from 237,318	\$2.5 b from 227 123 t

* The figures quoted from 2014 *Australian Fisheries Statistics* (published December 2015), and are from the latest edition that can be downloaded from the FRDC website — www.frdc.com.au

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 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:

- regular meetings with FRDC's four representative organisations,
- biannual meetings with Department of Agriculture and Water Resources to discuss progress on implementing the Funding Agreement,
- 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),
- Research Advisory Committees (RACs),
- 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,
- membership of the Council of Rural Research and Development Corporations and its sub-committees and working groups, and
- membership of the National Marine Science Committee.

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.

Research Advisory Committees (RACs)

The FRDC supports a network of RACs – one covering Commonwealth fisheries and one in each state and the Northern Territory. The RACs 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 research funding applications are submitted through, reviewed and prioritised by the RACs.

The RACs represent the fishing industry, fisheries managers and researchers; and most also have environmental and other community interest representation. RACs are a new approach for FRDC, but represent the next evolutionary step from the jurisdictionally based Fisheries Research Advisory Boards (FRABs) which have served the FRDC well since its inception.

Australian Government

The Minister for Agriculture and Water Resources and his Department 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, Assistant Minister and the FRDC. The Australian Fisheries Management Authority (AFMA) 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 of the Commonwealth, state and territory government agencies responsible for management of fisheries and aquaculture. 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 2016-17.

- 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 2016-17, 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.

Sector industry bodies

The FRDC continues 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 and Water Resources;
- Australian Fisheries Management Authority (AFMA);
- State/Territory fisheries governments and research centres;
- Commonwealth Scientific and Industrial Research Organisation (CSIRO);
- Universities;
- Cooperative Research Centres (CRCs);
- Other Rural RDCs and companies; and
- Private sector.

The FRDC Governance framework

The Board

The FRDC Board oversees corporate governance of the corporation and sets its strategic direction. The key areas for focus in 2016-17 are:

- Implementation of the FRDC RD&E Plan for 2015-20;
- Implementing the new organisational structure;
- Investigation of opportunities to commercialise assets;
- 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.

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: National Seafood Industry Alliance, 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 Research Advisory Committees (RACs) 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 RACs, 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.

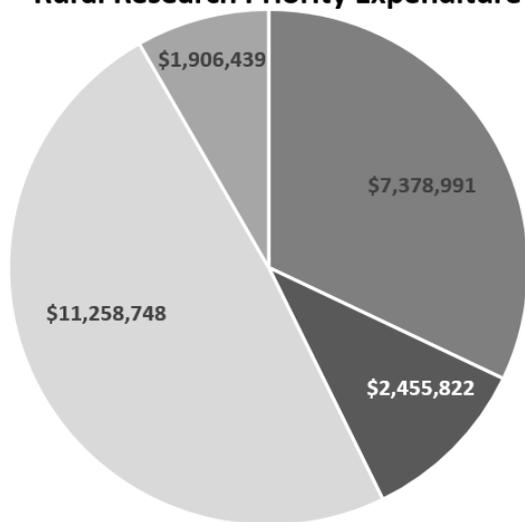
The SRPs will complement the broad base of support for research provided by the Australian Government and will foster a more coordinated and strategic approach within the identified areas.

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

Rural Research Priorities

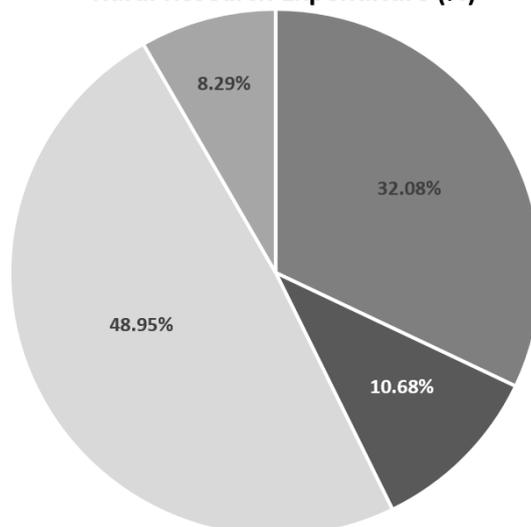
RD&E Priorities	Total expenditure	
	\$	%
Advanced technology	7,378,991	32.08
Biosecurity	2,455,822	10.68
Soil, water and managing natural resources	11,258,748	48.95
Adoption of R&D	1,906,439	8.29
TOTAL	23,000,000	100

Rural Research Priority Expenditure (\$)



- Advanced technology
- Biosecurity
- Soil, water and managing natural resources
- Adoption of R&D

Rural Research Expenditure (%)

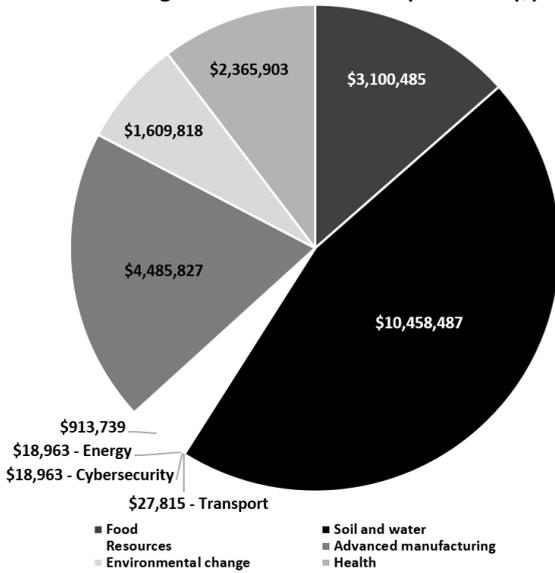


- Advanced technology
- Biosecurity
- Soil, water and managing natural resources
- Adoption of R&D

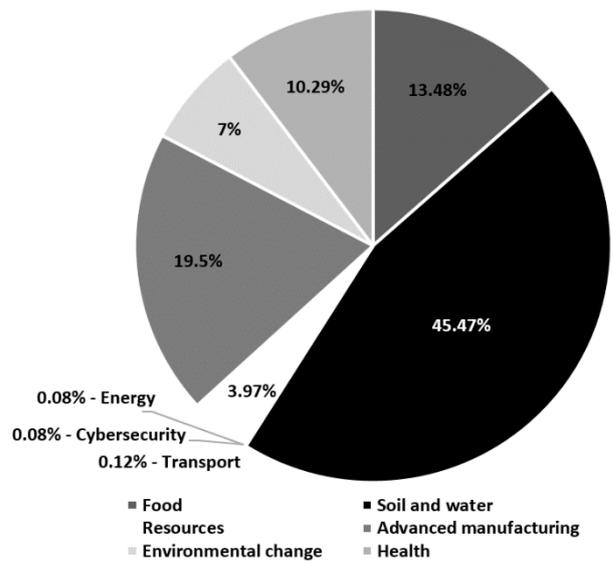
Strategic Research Priorities

	Total expenditure	
	\$	%
Food	3,100,485	13.48
Soil and water	10,458,487	45.47
Transport	27,815	0.12
Cybersecurity	18,963	0.08
Energy	18,963	0.08
Resources	913,739	3.97
Advanced manufacturing	4,485,827	19.50
Environmental change	1,609,818	7.00
Health	2,365,903	10.29
Total	23,000,000	100

Strategic Research Priorities Expenditure (\$)



Strategic Research Priorities Expenditure (%)



Portfolio Budget Statements 2016-17

Tables from the 2016-17 Portfolio Budget Statements

Table 1.1: Fisheries Research and Development Corporation – Resource Statement — Budget Estimates for 2016–17 as at Budget May 2016

	<i>2015–16 estimated actual \$'000</i>	<i>2016–17 estimate \$'000</i>
Opening balance/cash reserves at 1 July	3,183	5,219
Funds from Government		
Special appropriations¹		
<i>Primary Industries Research and Development Act 1989, s. 30A(3) & s. 30B(9) – Fisheries R&D Corporation</i>	<i>20,244</i>	<i>21,431</i>
<i>Total special appropriations</i>	20,244	21,431
Total funds from Government	20,244	21,431
Funds from industry sources		
Levies ²	1,000	1,100
<i>less amounts paid to the CRF</i>	<i>(1,000)</i>	<i>(1,100)</i>
Industry contributions	8,332	7,900
Total funds from industry sources	8,332	7,900
Funds from industry sources		
Interest	250	225
Sale of goods and services	17	11
Other	1,502	1,002
Total funds from industry sources	1,769	1,238
Total net resourcing for FRDC	33,528	35,788

	2015–16	2016–17
Average staffing level (number)	14.1	19.1

- FRDC is not directly appropriated as it is a corporate Commonwealth entity under the PGPA Act. Appropriations are made to the Department of Agriculture and Water Resources and then paid to FRDC and are considered departmental for all purposes.
- The levies are collected under the *Primary Industries Research and Development Act 1989* (PIRD Act) and the Fishing Levy Regulations and are remitted to the Department of Agriculture and Water Resources and transferred to the CRF. An equivalent amount of FRDC management levy is paid by the Department of Agriculture and Water Resources to FRDC under a special appropriation under the PIRD Act.

CRF – Consolidated Revenue Fund

Prepared on a resourcing (i.e. appropriations available) basis.

Please note: All figures shown above are GST exclusive – these may not match figures in the cash flow statement.

Outcome 1: Increased economic, social and environmental benefits for Australian fishing and aquaculture, and the wider community, by investing in knowledge, innovation, and marketing.

Table 2.1.1: Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by programme, as well as by Administered and Departmental funding sources.

Outcome 1: Increased economic, social and environmental benefits for Australian fishing and aquaculture, and the wider community, by investing in knowledge, innovation, and marketing.					
	2015–16 Estimated actual \$'000	2016–17 Budget \$'000	2017–18 Forward estimate \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000
Programme 1.1: Fisheries Research and Development Corporation					
Revenue from Government					
Special appropriations					
<i>Primary industries Research and Development Act 1989, s. 30A(3) & s. 30B(9) – Fisheries R&D Corporation</i>	20,244	21,431	21,827	22,228	22,949
Revenues from industry sources	6,850	6,122	7,550	7,800	8,100
Revenues from other independent sources	1,729	398	1,642	1,780	1,325
Total expenses for programme 1.1	28,823	27,951	31,019	31,808	32,374
Outcome 1 totals by resource type					
Revenue from Government					
Special appropriations	20,244	21,431	21,827	22,228	22,949
Revenues from industry sources	6,850	6,122	7,550	7,800	8,100
Revenues from other independent sources	1,729	398	1,642	1,780	1,325
Total expenses for Outcome 1	28,823	27,951	31,019	31,808	32,374
	2015–16	2016–17			
Average staffing level (number)	14.1	19.1			

3.2.1 BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1 Comprehensive income statement (showing net cost of services) (for the period ended 30 June)

	2015–16 Estimated actual \$'000	2016–17 Budget \$'000	2017–18 Forward estimate \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000
EXPENSES					
Employee benefits	2,613	3,200	3,280	3,362	3,446
Supplier expenses	1,300	1,520	1,600	1,700	1,800
Grants	24,250	23,000	25,250	25,650	26,010
Depreciation and amortisation	200	231	245	268	290
Other	460	-	644	828	828
Total expenses	28,823	27,951	31,019	31,808	32,374
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	15	3	10	10	10
Interest	250	225	250	250	250
Contributions	6,850	6,122	7,550	7,800	8,100
Other	1,502	1,002	1,802	2,002	2,002
Total own-source revenue	8,617	7,352	9,612	10,062	10,362
Total own-source income	8,617	7,352	9,612	10,062	10,362
Net cost of (contribution by) services	20,206	20,599	21,407	21,746	22,012
Revenue from Government ¹					
Commonwealth contribution	20,244	21,431	21,827	22,228	22,586
Total revenue from Government	20,244	21,431	21,827	22,228	22,586
Surplus/(deficit) attributable to the Australian Government	38	832	420	482	574
Total comprehensive income/(loss) attributable to the Australian Government	38	832	420	482	574

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

Prepared on Australian Accounting Standards basis.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2015–16 Estimated actual \$'000	2016–17 Budget \$'000	2017–18 Forward estimate \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	5,219	7,602	8,763	9,616	10,565
Trade and other receivables	4,867	3,041	2,194	1,758	1,353
Investments	5	5	5	5	5
Total financial assets	10,091	10,648	10,962	11,379	11,923
Non-financial assets					
Property, plant and equipment	56	46	41	33	23
Intangibles	899	1,227	1,338	1,428	1,498
Inventories	10	9	7	5	4
Total non-financial assets	965	1,282	1,386	1,466	1,525
Total assets	11,056	11,930	12,348	12,845	13,448
LIABILITIES					
Payables					
Suppliers	161	174	164	169	190
Projects	201	201	201	201	201
Other	85	85	85	85	85
Total payables	447	460	450	455	476
Provisions					
Employee provisions	854	883	892	902	910
Total provisions	854	883	892	902	910
Total liabilities	1,301	1,343	1,342	1,357	1,386
Net assets	9,755	10,587	11,006	11,488	12,062
EQUITY*					
Reserves	244	244	244	245	247
Retained earnings	9,511	10,343	10,762	11,243	11,815
Total Equity	9,755	10,587	11,006	11,488	12,062

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

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2016–17)

	Retained earnings \$'000	Revaluation Asset Reserve \$'000	Total equity \$'000
Opening balance as at 1 July 2016			
Balance carried forward from previous period	9,511	244	9,755
Adjusted opening balance	9,511	244	9,755
Comprehensive income			
Surplus (deficit) for the period	832	-	832
Total comprehensive income	832	-	832
of which:			
Attributable to the Australian Government	832	-	832
Estimated closing balance as at 30 June 2017	10,343	244	10,587
Closing balance attributable to the Australian Government	10,343	244	10,587

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2015–16 Estimated actual \$'000	2016–17 Budget \$'000	2017–18 Forward estimate \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	17	11	12	12	10
Receipts from Australian Government	19,244	20,331	20,677	21,028	21,386
Contributions	10,834	10,002	10,712	10,620	10,889
Interest	250	225	250	250	250
Total cash received	30,345	30,569	31,651	31,910	32,535
Cash used					
Employees	2,500	3,200	3,280	3,362	3,446
Suppliers	1,309	1,436	1,610	1,695	1,780
Projects	24,250	23,000	25,250	25,650	26,010
Total cash used	28,059	27,636	30,140	30,707	31,236
Net cash from (used by) operating activities	2,286	2,933	1,511	1,203	1,299
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	50	50	50	50	50
Purchase of Intangibles	200	500	300	300	300
Total cash used	250	550	350	350	350
Net cash from (used by) investing activities	(250)	(550)	(350)	(350)	(350)
Net increase (decrease) in cash held	2,036	2,383	1,161	853	949
Cash and cash equivalents at the beginning of the reporting period	3,183	5,219	7,602	8,763	9,616
Cash and cash equivalents at the end of the reporting period	5,219	7,602	8,763	9,616	10,565

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement

	2015–16 Estimated actual \$'000	2016–17 Budget \$'000	2017–18 Forward estimate \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources ¹	250	550	350	350	350
TOTAL	250	550	350	350	350
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	250	550	350	350	350
Total cash used to acquire assets	250	550	350	350	350

1. Includes the following source of funding:
– internally developed assets.

Consistent with information contained in the Statement of Asset Movements and the Budgeted Statement of Cash Flows.

Table 3.6: Statement of asset movements (Budget year 2016–17)

	Other property, plant and equipment \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2016			
Gross book value	113	1,181	1,294
Accumulated depreciation/amortisation	(57)	(283)	(340)
Opening net book balance	56	898	954
CAPITAL ASSET ADDITIONS			
Estimated expenditure on new or replacement assets			
By purchase – other	50	500	550
Total additions	50	500	550
Other movements			
Depreciation/amortisation expense	(60)	(171)	(231)
Total other movements	(60)	(171)	(231)
As at 30 June 2017			
Gross book value	163	1,681	1,844
Accumulated depreciation/amortisation	(117)	(454)	(571)
Closing net book balance	46	1,227	1,273

Prepared on Australian Accounting Standards basis.

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