

Management of Commonwealth Fisheries

Australian Fisheries Management Authority

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ISSN 1036–7632 (Print)

ISSN 2203–0352 (Online)

ISBN 978-1-76033-660-8 (Print)

ISBN 978-1-76033-661-5 (Online)

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Senior Executive Director
Corporate Management Group
Australian National Audit Office
GPO Box 707
Canberra ACT 2601

Or via email:

communication@anao.gov.au.



Canberra ACT

23 June 2021

Dear Mr President
Dear Mr Speaker

In accordance with the authority contained in the *Auditor-General Act 1997*, I have undertaken an independent performance audit in the Australian Fisheries Management Authority. The report is titled *Management of Commonwealth Fisheries*. I present the report of this audit to the Parliament.

Following its presentation and receipt, the report will be placed on the Australian National Audit Office's website — <http://www.anao.gov.au>.

Yours sincerely



Grant Hehir
Auditor-General

The Honourable the President of the Senate
The Honourable the Speaker of the House of Representatives
Parliament House
Canberra ACT

AUDITING FOR AUSTRALIA

The Auditor-General is head of the Australian National Audit Office (ANAO). The ANAO assists the Auditor-General to carry out his duties under the *Auditor-General Act 1997* to undertake performance audits, financial statement audits and assurance reviews of Commonwealth public sector bodies and to provide independent reports and advice for the Parliament, the Australian Government and the community. The aim is to improve Commonwealth public sector administration and accountability.

For further information contact:
Australian National Audit Office
GPO Box 707
Canberra ACT 2601

Phone: (02) 6203 7300
Email: ag1@anao.gov.au

Auditor-General reports and information about the ANAO are available on our website:
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Audit team

Jennifer Myles
Chirag Pathak
Aden Pulford
Michael White

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Audit snapshot

Auditor-General Report No.45 2020–21

Management of Commonwealth Fisheries



Why did we do this audit?

- ▶ To provide assurance to Parliament on the ongoing effectiveness of AFMA's management of Commonwealth fisheries.



Key facts

- ▶ The Australian Fisheries Management Authority (AFMA) was established as a statutory authority in 1992.
- ▶ AFMA is involved in the management of 16 fisheries located between three and 200 nautical miles from the Australian coast.
- ▶ AFMA is solely responsible for the management of nine fisheries.
- ▶ Seven fisheries are managed jointly by AFMA and regional or international partners.



What did we find?

- ▶ AFMA's governance arrangements are partly appropriate.
- ▶ AFMA's management of individual fisheries is partly effective.
- ▶ AFMA's compliance and enforcement processes are largely effective.
- ▶ AFMA's overall management of Commonwealth fisheries is partly effective.



What did we recommend?

- ▶ The Auditor-General made nine recommendations to the Australian Fisheries Management Authority to:
 - ▶ improve performance information;
 - ▶ develop a schedule for ecological risk assessments;
 - ▶ determine its approach to managing economic risk;
 - ▶ update harvest strategies and bycatch and discard plans;
 - ▶ actively engage with all relevant stakeholders;
 - ▶ improve staff conflict of interest records;
 - ▶ publish pricing data; and
 - ▶ improve guidance for compliance staff.
- ▶ AFMA agreed to all recommendations.

\$437 million

Commonwealth fisheries gross value of production in 2018–19

8 million km²

Area of the Australian fishing zone

3700

Known species of fish in the Australian fishing zone

Summary and recommendations

Background

1. The Australian Government is involved in the management of 16 fisheries located between three and 200 nautical miles from the Australian coast. Nine fisheries are managed solely by the Australian Fisheries Management Authority (AFMA) on behalf of the Australian Government. Seven fisheries are managed jointly by AFMA and regional or international partners.

Table S.1: Commonwealth fisheries management arrangements

	Fishery name	Management arrangements
1	Bass Straight Central Zone Scallop	Managed solely by AFMA
2	Coral Sea	Managed solely by AFMA
3	Northern Prawn	Managed solely by AFMA
4	North West Slope Trawl	Managed solely by AFMA
5	Western Deepwater Trawl	Managed solely by AFMA
6	Small Pelagic	Managed solely by AFMA
7	Southern and Eastern Scalefish and Shark	Managed solely by AFMA
8	Southern Squid Jig	Managed solely by AFMA
9	Macquarie Island Toothfish	Managed solely by AFMA
10	Eastern Tuna and Billfish	Jointly managed — Western and Central Pacific Fisheries Commission
11	Southern Bluefin Tuna	Jointly managed — Commission for the Conservation of Southern Bluefin Tuna
12	Western Tuna and Billfish	Jointly managed — Indian Ocean Tuna Commission
13	Heard Island and McDonald Islands	Jointly managed — Commission for the Conservation of Antarctic Marine Living Resources
14	Skipjack Tuna (non-operational) ^a	Jointly managed — international partners
15	Norfolk Island (non-operational)	Jointly Managed — Norfolk Island Regional Council
16	South Tasman Rise (non-operational)	Jointly Managed — New Zealand

Note a: Non-operational fisheries are those considered by AFMA to be subject to little or no commercial fishing activity due to fishery closure or economic reasons.

Source: ANAO analysis of AFMA documentation.

2. AFMA was established as a statutory authority in 1992 by the *Fisheries Administration Act 1991* (Fisheries Administration Act) to manage Australia's Commonwealth fisheries and apply the provisions of the *Fisheries Management Act 1991* (Fisheries Management Act). AFMA is a non-corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), forming part of the Agriculture, Water and the Environment portfolio.

3. The AFMA Commission (the Commission) is responsible for performing and exercising the domestic fisheries management functions and powers of AFMA. The Commission comprises

seven commissioners, including the Chair, Deputy Chair and the AFMA Chief Executive Officer (CEO). The CEO assists the Commission and gives effect to its decisions.

Rationale for undertaking the audit

4. AFMA's legislated functions and objectives require the pursuit of efficient and cost effective fisheries management, balancing the principles of ecologically sustainable development with maximising net economic returns. Changing environmental conditions and fishing methods can affect fish stocks and the broader environment. This audit will provide assurance to Parliament on the ongoing effectiveness of AFMA's management of Commonwealth fisheries including through the COVID-19 pandemic and in planning for the future.

Audit objective, criteria and scope

5. The objective of the audit was to assess the effectiveness of AFMA's management of Commonwealth fisheries.

6. To form a conclusion against the audit objective, the following high-level criteria were adopted.

- Have appropriate governance arrangements been established to inform planning and management?
- Are individual fisheries management arrangements effective?
- Have effective compliance and enforcement processes been implemented?

7. This audit focussed on fisheries management arrangements and domestic compliance. The ANAO did not examine:

- compliance monitoring arrangements for international fisheries and international partnership arrangements;
- enterprise-wide risk management; or
- AFMA's management of Torres Strait fisheries under the *Torres Strait Fisheries Act 1984*.

Conclusion

8. AFMA's overall management of Commonwealth fisheries is partly effective.

9. AFMA's governance arrangements, including performance information, are partly appropriate. Performance measures contained in AFMA's corporate plan do not provide a clear assessment against its purpose and incorrect reporting has been identified. An ecological risk assessment framework has been established but re-assessments have not been completed in accordance with the framework. AFMA has not pursued a proposal to establish an economic risk assessment framework. An appropriate risk-based compliance and enforcement framework to promote compliance with fisheries management regulations has been established.

10. Individual fisheries management arrangements are partly effective. Plans and strategies implemented under Commonwealth policy have not been reviewed in a timely manner. Maximising net economic returns based on scientific modelling has not progressed. Conflict of interest arrangements for commissioners and committees are managed appropriately although administration of staff conflict of interest declarations is not effective. Public reporting on key

commercial fish stock is extensive. Aggregate pricing data collected from industry is not being reported.

11. AFMA has implemented largely effective compliance and enforcement processes. Compliance activities are informed by a structured risk assessment process. Detection, prevention and enforcement activities are largely effective. Guidance material and reporting could be improved.

Supporting findings

Governance arrangements

12. AFMA's administrative arrangements are largely appropriate. AFMA's establishment aligns with the requirements of the *Fisheries Administration Act 1991*. Collectively, performance measures contained in AFMA's corporate plan do not enable a clear assessment of AFMA's effectiveness in achieving its purpose. AFMA has incorrectly reported results in its performance statements over the past four financial years.

13. It is unclear whether AFMA's ecological risk framework is appropriate. AFMA has documented its ecological risk management framework in the 2017 *Guide to AFMA's Ecological Risk Management*. AFMA has not met its requirement to re-assess ecological risk every five years. A plan to implement fishery management strategies, which incorporate ecological risk management and are subject to a five-year review period, has not been implemented.

14. AFMA has not established a framework for economic risk assessments. A proposal to develop an economic risk assessment framework as part of a coordinated approach to managing economic issues across fisheries has not been implemented.

15. AFMA has established an appropriate risk-based compliance framework. The framework includes appropriate policy, risk management procedures, implementation activities and reporting.

Individual fisheries management arrangements

16. Plans and strategies have not been reviewed in accordance with the relevant Commonwealth legislation and policy. Stakeholder engagement with recreational and Indigenous fishing stakeholders has been limited.

17. AFMA seeks to meet the requirement to maximise net economic returns by pursuing maximum economic yield for individual fisheries. Mechanisms to maximise economic yield are not mature and progress towards establishing maximum economic yield targets for individual fisheries has been slow.

18. AFMA has established policies and processes to manage conflicts of interest for commissioners, committees and staff. Appropriate arrangements for managing conflicts of interest for commissioners and committees have been implemented. Administration of conflicts of interest declared by staff members is not effective.

19. Extensive public reporting on the status of fish stock is provided in the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) annual fisheries report and AFMA's

annual report. Detailed information on selected stock is available on AFMA's website. Pricing information on quota, lease and statutory fishing rights is not available.

Compliance and enforcement processes

20. AFMA has established appropriate risk based compliance priorities and plans. Risks are identified and monitored through biennial risk assessments and ongoing analysis. Compliance plans and programs are aligned with identified risks.

21. AFMA has implemented effective arrangements for detecting and preventing non-compliance. The majority of operators are found to be compliant with their obligations. AFMA has improved its capability to detect non-compliance by implementing electronic monitoring.

22. Enforcement actions to address non-compliance are largely effective. A small proportion of operators are responsible for a large proportion of non-compliance. Guidance for escalating the enforcement response for quota reconciliation repeat offenders could be improved. AFMA has committed to improving its management of the prosecution process.

23. Reporting on compliance and enforcement processes is largely appropriate. AFMA could improve reporting on quota evasions, bycatch mishandling and repeat offences.

Recommendations

Recommendation no. 1 The Australian Fisheries Management Authority revise its performance information to:

Paragraph 2.24

- ensure the purpose statement wholly incorporates legislated objectives;
- align key activities with the purpose; and
- include measures and targets that meet the requirements of the Public Governance, Performance and Accountability Rule 2014, section 16EA.

Australian Fisheries Management Authority response: *Agreed.*

Recommendation no. 2 The Australian Fisheries Management Authority document a re-assessment plan and schedule for ecological risk assessments and report progress towards implementation of the schedule to the Commission.

Paragraph 2.49

Australian Fisheries Management Authority response: *Agreed.*

Recommendation no. 3 The Australian Fisheries Management Authority work with its economic working group and research committee to determine AFMA's approach to managing economic risk.

Paragraph 2.60

Australian Fisheries Management Authority response: *Agreed.*

Recommendation no. 4 The Australian Fisheries Management Authority ensure harvest strategies and bycatch and discard plans meet the relevant Commonwealth policy and are available on its website.
Paragraph 3.10

Australian Fisheries Management Authority response: *Agreed.*

Recommendation no. 5 The Australian Fisheries Management Authority maintain a current register of interested parties and actively engage with all relevant stakeholders in relation to fisheries management arrangements.
Paragraph 3.32

Australian Fisheries Management Authority response: *Agreed.*

Recommendation no. 6 The Australian Fisheries Management Authority ensure conflict of interest and outside employment records for all staff are current, consistently recorded, accessible and approved where appropriate.
Paragraph 3.60

Australian Fisheries Management Authority response: *Agreed.*

Recommendation no. 7 The Australian Fisheries Management Authority resolve data quality issues with regard to quota transactions and publish pricing data.
Paragraph 3.72

Australian Fisheries Management Authority response: *Agreed.*

Recommendation no. 8 The Australian Fisheries Management Authority update the workflow contained in the quota reconciliation enforcement matrix to include detailed guidance on handling repeat offences.
Paragraph 4.28

Australian Fisheries Management Authority response: *Agreed.*

Recommendation no. 9 The Australian Fisheries Management Authority ensure staff are aware of their legislated obligations when conducting investigations and address identified capability gaps in a timely manner.
Paragraph 4.39

Australian Fisheries Management Authority response: *Agreed.*

Summary of Australian Fisheries Management Authority response

AFMA has extensive responsibilities in managing Commonwealth fisheries resources.

As identified by the ANAO audit, AFMA's overall management is delivering positive outcomes. There are opportunities for improvements and AFMA agrees with all nine recommendations by the ANAO.

Action on these recommendations should improve AFMA's assessment of its performance, currency of management strategies, delivery of compliance, and engagement and accountability with stakeholders. AFMA notes that, in seeking to progress these elements, the agency will need to balance competing needs and the availability of limited resources in and across fisheries.

Key messages from this audit for all Australian Government entities

24. Below is a summary of key messages, including instances of good practice, which have been identified in this audit and may be relevant for the operations of other Australian Government entities.

Performance and impact measurement

- Entities should include legislated objectives in their purpose, and provide a clear line of sight between purpose, key activities and measures that assess performance against the purpose.

Records management

- Entities should ensure records relating to conflict of interest declarations are current, complete and accessible.

Governance and risk management

- Governance and risk frameworks should consider available resources and feasibility of implementation to ensure intended outcomes are achieved.

Audit findings

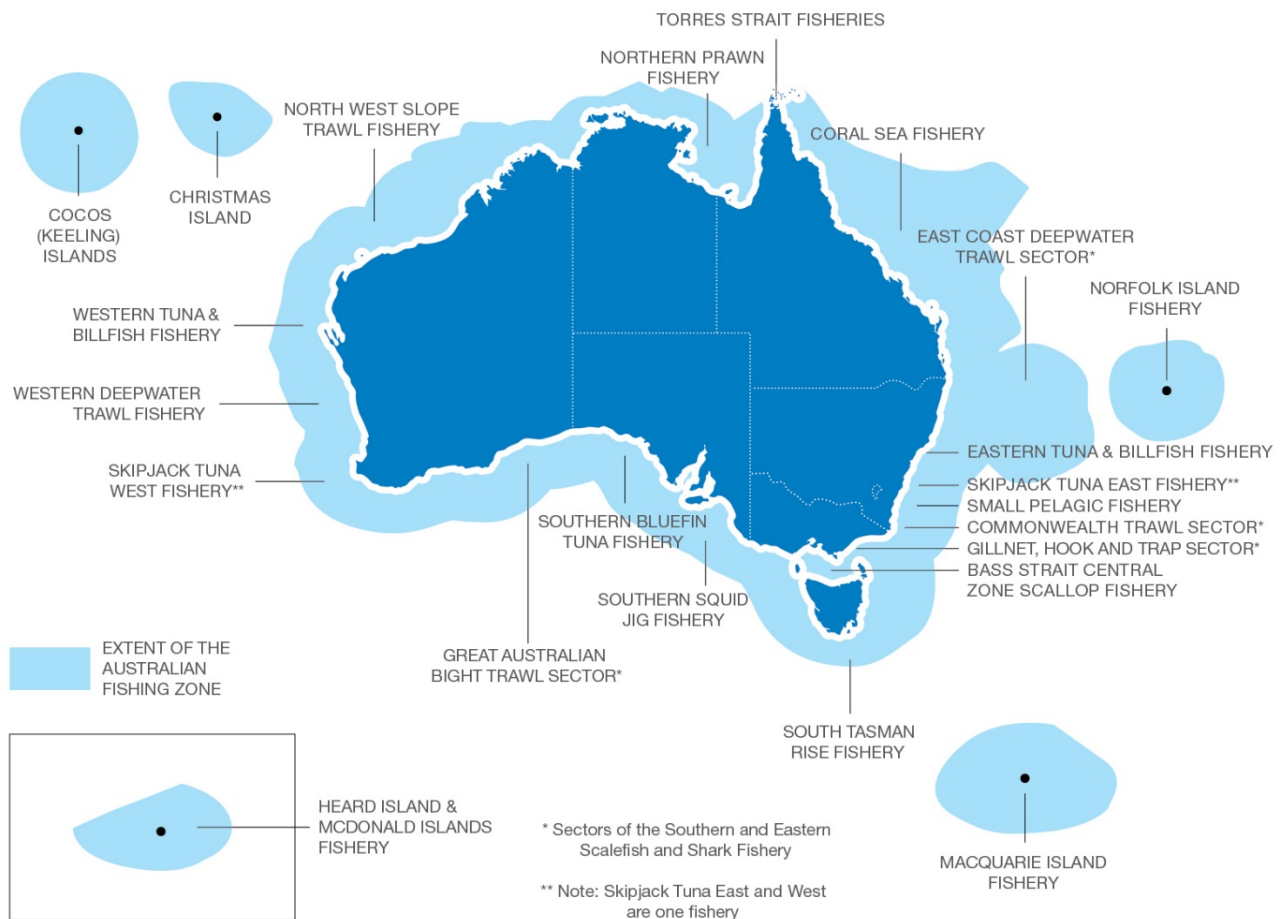
1. Background

Introduction

1.1 Australia's fishing zone covers over eight million square kilometres, making it the world's third largest. It contains around 3700 known species of fish, over 2800 species of mollusc and over 2300 species of crustaceans. Only a small proportion of these species are commercially fished.

1.2 The Australian Government generally manages fisheries in waters between three and 200 nautical miles from the Australian coast. This area is referred to as the Australian Fishing Zone. State and territory entities typically manage fisheries out to three nautical miles from the coastline.

Figure 1.1: Australian fishing zone — Commonwealth fishery locations



Note: More detailed, individual fishery maps are included at Appendix 2.

Source: AFMA.

1.3 Australia's Commonwealth fisheries generated \$437 million in gross value of production in 2018–19.¹ This represents 24 per cent of the \$1.79 billion value of Australia's total wild-capture

1 Australian Bureau of Agricultural and Resource Economics and Sciences, Fishery status reports 2020, p. 21.

fisheries.² The majority of Australia's commercial fishing activity occurs within state and territory managed fisheries.

The Australian Fisheries Management Authority

1.4 The Australian Fisheries Management Authority (AFMA) was established as a statutory authority in 1992 by the *Fisheries Administration Act 1991* (Fisheries Administration Act) to manage Australia's Commonwealth fisheries and apply the provisions of the *Fisheries Management Act 1991* (Fisheries Management Act).

1.5 Collectively, the Fisheries Administration Act and the Fisheries Management Act include 11 objectives that AFMA is required to pursue or take into account (see Table 1.1).

Table 1.1: AFMA's legislated obligations

Act and section	Summary of objective ^a
Fisheries Administration Act, section 6 Fisheries Management Act, section 3	Implement efficient and cost-effective fisheries management.
	Ensure the exploitation of fisheries and related activities is consistent with the principles of ecologically sustainable development. ^b
	Where Australia has obligations under international agreements, ensure the exploitation of fish stocks and related activities in the Australian fishing zone and the high seas are carried on consistently with those obligations.
	To the extent that Australia has obligations under international law or agreements, ensure that fishing activities by Australian flagged vessels on the high seas are conducted consistently with those obligations. ^c
	Maximise net economic returns to the Australian community from the management of Australian fisheries.
	Ensure accountability to the fishing industry and the Australian community in the management of fisheries resources.
	Achieve government targets in relation to the recovery of AFMA's costs.
	Ensure that the interests of commercial, recreational and Indigenous fishers are taken into account.
Fisheries Management Act, section 3	Ensure, through proper conservation and management measures, that the living resources of the Australian fishing zone are not endangered by over-exploitation.
	Achieve optimum utilisation of the living resources of the Australian fishing zone.
	Ensure, as far as practicable, that measures adopted in pursuit of legislated objectives must not be inconsistent with the preservation, conservation and protection of whales.

Note a: Objectives that AFMA must pursue are shaded blue. Objectives that AFMA must have regard to are unshaded.

Note b: The principles of ecologically sustainable development as defined in the Fisheries Management Act are:

- (a) decision-making processes should effectively integrate both long-term and short-term economic, environmental, social and equity considerations;
- (b) if there are threats of serious or irreversible environmental damage, lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation;

² Wild capture fisheries occur in natural marine environments as opposed to fisheries that produce farmed seafood in controlled water environments.

- (c) the principle of inter-generational equity—that the present generation should ensure that the health, diversity and productivity of the environment is maintained or enhanced for the benefit of future generations;
- (d) the conservation of biological diversity and ecological integrity should be a fundamental consideration in decision-making; and
- (e) improved valuation, pricing and incentive mechanisms should be promoted.

Note c: This objective is listed as one that AFMA must pursue in the Fisheries Administration Act and as one that AFMA is to have regard to in the Fisheries Management Act.

Source: The Fisheries Administration Act and the Fisheries Management Act.

1.6 AFMA is a non-corporate Commonwealth entity under the Public Governance, Performance and Accountability Act 2013 (PGPA Act), forming part of the Agriculture, Water and the Environment portfolio. AFMA comprises the AFMA Commission (the Commission), the Chief Executive Officer (CEO), and staff members.

1.7 The Commission comprises seven commissioners, including the Chair, Deputy Chair and the AFMA CEO. It is responsible for performing and exercising the domestic fisheries management functions and powers of AFMA. The Commission is also supported by AFMA management and a range of internal and external committees that provide information and advice on various aspects of fisheries management.

1.8 The CEO is AFMA's accountable authority. The CEO assists the Commission and gives effect to its decisions. The CEO is also responsible for performing foreign compliance functions and managing services to joint authorities of the Commonwealth and state and territory governments, including the Torres Strait. The CEO is not subject to direction by the Commission in relation to the functions and powers exercised under the PGPA Act, or in relation to foreign compliance.

1.9 AFMA is solely responsible for managing nine fisheries on behalf of the Australian Government. In addition, AFMA has developed a statutory Management Plan under section 17 of the Fisheries Management Act for four fisheries that are subject to joint management arrangements. Each of these fisheries are managed by an intergovernmental commission, of which Australia is a member. A further three jointly managed fisheries are non-operational (see Table S.1).

Fisheries management

1.10 The Fisheries Management Act provides the legislative basis for management of Commonwealth fisheries including the regulation of commercial fishing. AFMA manages fisheries by imposing regulations on the amount of fish that can be caught in a particular area and what type of equipment can be used. It does this by allocating tradable fishing concessions that specify fishing conditions for each concession holder and by monitoring compliance with those conditions. The main type of concessions in Commonwealth fisheries are statutory fishing rights, which are granted under section 31 of the Fisheries Management Act.

1.11 The Department of Agriculture, Water and the Environment's *Commonwealth Fisheries Harvest Strategy Policy, 2018* (Harvest Strategy Policy) provides a framework for applying an evidence-based approach to setting harvest levels. It defines biological and economic objectives for Commonwealth fisheries and identifies reference points to be used in individual harvest strategies. The Harvest Strategy Policy and the *Commonwealth Fisheries Bycatch Policy, 2018*, provide a basis for managing Commonwealth fisheries.

Rationale for undertaking the audit

1.12 AFMA's legislated functions and objectives require the pursuit of efficient and cost-effective fisheries management, balancing the principles of ecologically sustainable development with maximising net economic returns. Changing environmental conditions and fishing methods can affect fish stocks and the broader environment. This audit will provide assurance to Parliament on the ongoing effectiveness of AFMA's management of Commonwealth fisheries including through the COVID-19 pandemic and in planning for the future.

Audit approach

Audit objective, criteria and scope

1.13 The objective of the audit was to assess the effectiveness of AFMA's management of Commonwealth fisheries.

1.14 To form a conclusion against the audit objective, the following high-level criteria were adopted.

- Have appropriate governance arrangements been established to inform planning and management?
- Are individual fisheries management arrangements effective?
- Have effective compliance and enforcement processes been implemented?

1.15 This audit focussed on fisheries management arrangements and domestic compliance. The ANAO did not examine:

- compliance monitoring arrangements for international fisheries and international partnership arrangements;
- enterprise-wide risk management; or
- AFMA's management of Torres Strait fisheries under the *Torres Strait Fisheries Act 1984*.

Audit methodology

1.16 The audit methodology included:

- examination of plans, strategies, policies and processes relating to AFMA's responsibilities for managing Commonwealth fisheries;
- analysis of licencing, quota and compliance data; and
- interviews with relevant AFMA staff and its internal and external stakeholders.

1.17 The audit was conducted in accordance with ANAO auditing standards at a cost to the ANAO of \$430,282.

1.18 The team members for this audit were Jennifer Myles, Chirag Pathak, Aden Pulford and Michael White.

2. Governance arrangements

Areas examined

The ANAO examined the arrangements governing the Australian Fisheries Management Authority's (AFMA) administration, ecological and economic risk assessment and compliance frameworks.

Conclusion

AFMA's governance arrangements, including performance information, are partly appropriate. Performance measures contained in AFMA's corporate plan do not provide a clear assessment against its purpose and incorrect reporting has been identified. An ecological risk assessment framework has been established but re-assessments have not been completed in accordance with the framework. AFMA has not pursued a proposal to establish an economic risk assessment framework. An appropriate risk-based compliance and enforcement framework to promote compliance with fisheries management regulations has been established.

Areas for improvement

The ANAO made three recommendations aimed at improving performance information, establishing a re-assessment schedule for ecological risk assessments and determining an approach to managing economic risk.

2.1 Sound governance arrangements support consistent and objective decision-making and accountability of entities for achieving their objectives. To determine whether it has established appropriate governance arrangements, the ANAO examined whether AFMA has established appropriate:

- administrative arrangements, including performance measurement and reporting;
- ecological risk assessment frameworks;
- economic risk assessment frameworks; and
- compliance frameworks.

Have appropriate administrative arrangements been established?

AFMA's administrative arrangements are largely appropriate. AFMA's establishment aligns with the requirements of the *Fisheries Administration Act 1991*. Collectively, performance measures contained in AFMA's corporate plan do not enable a clear assessment of AFMA's effectiveness in achieving its purpose. AFMA has incorrectly reported results in its performance statements over the past four financial years.

2.2 The *Fisheries Administration Act 1991* (Fisheries Administration Act) and the *Fisheries Management Act 1991* (Fisheries Management Act) provide for the establishment of AFMA, include AFMA's objectives, and define its functions, powers and operations.

2.3 Performance statements requirements are set out in the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule). Under the PGPA Act, the purposes of a Commonwealth entity include the objectives, functions or role of the entity. Entities should also consider existing

authoritative documents when defining their purposes, such as enabling legislation as passed by the Parliament.

AFMA's establishment

2.4 AFMA comprises the AFMA Commission (the Commission), the Chief Executive Officer (CEO), and 152 staff (see Table 2.1).

Table 2.1: AFMA's organisational structure as at 30 June 2020

Chief Executive Officer		
Fisheries Management Branch	Corporate Services Branch	Fisheries Operations Branch
Executive Manager	Chief Operating Officer	General Manager
Senior Manager Demersal & Midwater	Senior Manager People, Capability & Engagement	Senior Manager Compliance Operations
Senior Manager Policy, Environment, Economics, Research	Chief Finance Officer	Senior Manager National Compliance Strategy
Senior Manager Tuna & International Fisheries	Senior Manager Legal & Parliamentary Services	Senior Manager Foreign Compliance
Senior Manager Northern Fisheries	Senior Manager Business Operational Support	
Senior Manager Fisheries Services		
Manager Torres Strait Fisheries		

Source: AFMA Annual Report 2019–20.

The Commission

2.5 The Commission is established under section 10B of the Fisheries Administration Act. It is responsible for performing and exercising the domestic fisheries management functions and powers of AFMA.³

2.6 The Fisheries Administration Act requires that commissioners have a high level of expertise in one or more selected areas, and must not hold certain positions which may cause a real or perceived conflict of interest.⁴

3 Domestic fisheries management functions and powers means the functions and powers of AFMA, other than the foreign compliance functions and powers, which are the responsibility of the CEO.

4 Paragraph 12(3)(b) states that commissioners must not hold:

- an executive position in a fishing industry association or fishing representative organisation;
- a fishing concession granted under the Fisheries Management Act;
- a licence or permit granted under Torres Strait Fisheries Act;
- an executive position in a body corporate that holds a fishing concession, licence or permit; or
- the majority of voting shares in a company that holds a fishing concession, licence or permit.

2.7 The Commission meets approximately five times per year to consider a range of information and advice provided by AFMA management and various committees. A summary of the meeting is published on AFMA's public website.

2.8 Commissioners' stated skills and expertise cover public sector governance, business, fisheries management, financial management, science, economics and law. This meets the requirement to ensure that the commissioners collectively possess expertise in all relevant areas.

2.9 All commissioners have in place a conflict of interest declaration, reporting that they do not have any interests named in paragraph 12(3)(b) of the Fisheries Administration Act. Further details on the commissioners' declarations is included at paragraphs 3.49 to 3.52.

The Chief Executive Officer

2.10 The CEO is AFMA's accountable authority.⁵ The CEO is responsible for performing and exercising the foreign compliance functions and powers of AFMA, assisting the Commission and giving effect to its decisions.⁶

2.11 The CEO is appointed by the Minister as a full-time commissioner. In addition to the conflict of interest requirements imposed on commissioners, the Act requires that the CEO not engage in paid employment outside AFMA without the Minister's approval. Further details regarding the CEO's conflict of interest declarations and approvals is included at paragraphs 3.49 to 3.52.

Committees

2.12 Under section 54 of the Fisheries Administration Act, AFMA may establish committees to assist it in the performance of its functions and the exercise of its powers. AFMA's primary advisory bodies are the Management Advisory Committees (MACs), the Resource Assessment Groups (RAGs) and the AFMA Research Committee (ARC).

Management Advisory Committees

2.13 MACs are statutory committees established under section 56 of the Fisheries Administration Act, with functions determined by AFMA. There are seven MACs covering 10 of the 13 operational fisheries listed at Table S.1.⁷ MACs provide advice to AFMA on fisheries management and operations, and report on the status of fish stocks and the impact of fishing on the marine environment. Members are appointed by the Commission and come from industry, policy, conservation, state and territory governments, recreational and research fields.

Resource Assessment Groups

2.14 RAGs are non-statutory bodies established to provide scientific advice to the Commission, AFMA management and the relevant MACs, on the biological, economic and wider ecological factors relevant to a fishery or a particular species. There are 10 RAGs covering 10 of the 13 operational fisheries listed at Table S.1.⁸ Members are appointed by the CEO following a public

5 Subsection 5A(b) of the Fisheries Administration Act specifies that the CEO is the accountable authority.

6 Foreign compliance functions and powers relate to foreign boats in the Australian Fishing Zone and boats operating outside the Australian Fishing Zone with an authorised fishing concession.

7 The Coral Sea Fishery has established a Coral Sea Fishery Stakeholder group in lieu of a MAC and a RAG. The North West Slope fishery and the Western Deepwater Trawl fishery have established the Western Trawl Fisheries Consultative Panel, in lieu of a MAC and a RAG.

8 Some RAGs cover multiple fisheries and some fisheries have multiple RAGs. The Southern Bluefin Tuna fishery does not have a RAG.

expression of interest process and include fishery scientists, industry members, fishery economists, AFMA management and other interest groups.

AFMA Research Committee

2.15 The AFMA Research Committee, in conjunction with the MACs and RAGs, develops research priorities and the five-year strategic research plan. It also reviews fishery research plans and assesses research project outcomes. The research committee comprises five members drawn from AFMA's Commission and executive management.

Performance information

2.16 The Commonwealth Performance Framework is established by the PGPA Act. It requires Commonwealth entities to measure and report the entity's performance in achieving its purposes.

2.17 Following a 2019 internal audit of the performance statements and a 2020 internal evaluation of the performance measures, AFMA revised the format of its 2020–21 Corporate Plan, its stated purpose and the associated performance measures and targets.

AFMA's purpose statement

2.18 Subsection 16E(2) of the PGPA Rule requires entities to include the purposes of the entity in their corporate plan. The purposes of an entity include the objectives, functions or role of the entity. A clear and concise statement of the purposes of an entity underpins a robust performance reporting framework.⁹ AFMA's purpose is stated in its corporate plan:

AFMA's purpose is to pursue the ecologically sustainable development (ESD) of Commonwealth fisheries for the benefit of the Australian community. This purpose will be pursued through understanding and monitoring Australia's marine living resources and regulating and monitoring commercial fishing, including domestic licensing and deterrence of illegal foreign fishing. As part of our application of ESD, AFMA is also increasing consideration of the interests of recreational and Indigenous stakeholders.

AFMA's legislated functions and objectives require the pursuit of efficient and cost effective fisheries management consistent with the principles of ESD, including the precautionary principle, and maximising the net economic returns to the Australian community from the management of Commonwealth fisheries. Over the next four years, AFMA will implement fisheries management in pursuit of sustainable and profitable fisheries by:

- simplifying regulations to reduce operational and cost burdens for industry;
- assessing and mitigating ecological and compliance risks;
- deterring illegal, unreported and unregulated fishing; and
- extending communication and improving engagement with stakeholders on the benefits of responsible management of fisheries and better align expectations.

AFMA commissions and places a high importance on scientific and economic research and risk assessments. This reflects the importance of making evidence-based decisions. Getting value for money from all of this work remains a key AFMA commitment.¹⁰

9 Department of Finance, *Resource Management Guide No. 132: Corporate plans for Commonwealth entities*, Department of Finance, Canberra, February 2020, p. 11.

10 AFMA Corporate Plan 2020–21.

2.19 AFMA's purpose statement includes a mix of objectives, activities and miscellaneous commentary, which reduces its clarity. The purpose statement addresses eight of AFMA's 11 legislated objectives.¹¹ It does not address objectives relating to accountability, cost recovery and protection of whales.

2.20 One objective relating to accountability is addressed as part of AFMA's corporate goals. Two legislated objectives relating to cost recovery and protection of whales are not explicitly addressed in either the purpose statement or the corporate goals.

AFMA's activities

2.21 Subsection 16E(2) of the PGPA Rule requires entities to identify the key activities the entity will undertake during the period to achieve its purposes.¹² AFMA has described activities that support achievement of their purpose in several sections of the corporate plan. These activities address 10 of AFMA's 11 legislated objectives. The corporate plan does not include activities relating to the preservation of whales.

AFMA's performance measures

2.22 AFMA's corporate plan includes four corporate goals, which address eight of AFMA's legislated objectives. AFMA has developed eight measures against its corporate goals. The ANAO assessed seven of these measures, which relate to the scope of the audit, and found that four measures facilitate an outcome assessment against the relevant corporate goal (see Table 2.2).

Table 2.2: AFMA's corporate goals and performance measures 2020–21

Corporate goal	Measure	Does the measure facilitate performance assessment against the corporate goal?
Management of Commonwealth fisheries consistent with principles of ecological sustainable development.	Decision-making by the Commission and Management is consistent with legislative objectives and overarching policy settings.	No. Reflects activities and relates to compliance with legislation and policy.
Maximise net economic returns to the Australian community from the management of Commonwealth fisheries.	Fishery maximum economic yield (MEY) targets are consistent with the objectives of the Fisheries Management Act and Commonwealth Fisheries Harvest Strategy and Guidelines.	Yes, when taken in conjunction with targets.
Compliance with Commonwealth fisheries laws and policies and relevant international fishing obligations and standards.	Governance arrangements for domestic compliance program in place and remain relevant.	No. Refers to an internal process.
	Effective risk-based domestic compliance programs in place.	Yes. Compliance programs provide a basis for a proxy for the sustainability of fisheries in relation to set targets.

11 AFMA is charged with eight objectives under the Fisheries Administration Act, and an additional three under the Fisheries Management Act (see Table 1.1).

12 A key activity is a distinct, significant program or area of work undertaken by an entity to assist in achieving the entity's purposes.

Corporate goal	Measure	Does the measure facilitate performance assessment against the corporate goal?
	To deter illegal, unreported and unregulated fishing by foreign fishing vessels in Australian waters.	Not assessed. ^a
Deliver efficient, cost-effective and accountable management of Commonwealth fisheries resources.	To ensure AFMA's cost recovery framework is efficient and effective, transparent and accountable, taking into consideration stakeholder feedback.	Yes. Relates to outcomes and stakeholder feedback and provides a proxy for efficient and effective management.
	1. Increase stakeholder participation and improve feedback mechanisms.	Yes. Stakeholder feedback provides a proxy for efficient and effective management.
	2. Agency Data Strategy.	No. Refers to management activity.

Note a: The audit did not assess compliance monitoring arrangements for international fisheries.

Source: ANAO analysis of AFMA's 2020–21 corporate plan.

2.23 Overall, performance information presented in AFMA's corporate plan does not address the totality of its legislated objectives. There is no clear line of sight from the legislated objectives through purposes to stated activities and measures. Improvements are required to provide the Parliament and the public with useful information in relation to AFMA's performance against its legislated objectives.

Recommendation no. 1

2.24 The Australian Fisheries Management Authority revise its performance information to:

- ensure the purpose statement wholly incorporates legislated objectives;
- align key activities with the purpose; and
- include measures and targets that meet the requirements of the Public Governance, Performance and Accountability Rule 2014, section 16EA.

Australian Fisheries Management Authority response: *Agreed.*

2.25 *AFMA appreciates the input/suggestions from ANAO to modify and develop our planning and reporting documentation. AFMA has already revised our performance information in the Portfolio Budget Statement, and in our draft Corporate Plan 2021-2024 (due to be submitted to the Minister in late May 2021) to provide a clear line of sight to our goals and to ensure that this information is useful to the Parliament and public in relation to our performance.*

2.26 *However, our approach to planning and reporting will continue to reflect the distinction between two sets of Objectives in our legislation – some that "must be pursued" by AFMA, and others that AFMA is to "have regard to". This is an important difference in terms of the weight placed on those respective objectives by the legislation, meaning they will not necessarily be dealt with equally in our performance planning and reporting.*

2.27 *AFMA does not agree that we have an overt Objective related to the protection of whales. Rather, there is an underpinning requirement that as we undertake activities relevant to the second set of Objectives, we must ensure that they are not inconsistent with the preservation, conservation and protection of whales. As such, AFMA will not have specific Goals, Objectives, Key Activities or Performance Measures directed to this issue.*

ANAO comment on the Australian Fisheries Management Authority's response

2.28 As noted in Table 1.1 of this report, subsection 3 (2) of the Fisheries Management Act lists objectives that the Minister, AFMA and Joint Authorities are to have regard to. It further states that those entities:

...must ensure, as far as practicable, that measures adopted in pursuit of those objectives must not be inconsistent with the preservation, conservation and protection of all species of whales.

Performance statements reporting

2.29 In August 2019, an internal audit found that AFMA's performance statements largely complied with relevant legislation, were clearly categorised, regularly monitored and reviewed by the Audit and Risk Committee.

2.30 The 2019 internal audit also found that AFMA had incorrectly reported against three of 10 key performance indicators in its 2016–17 and 2017–18 annual reports. The errors related to the number of economically significant stocks being on target, the number of stocks heading towards their target reference point and the number of red tape reduction initiatives completed.

2.31 On 23 October 2020, AFMA informed the ANAO that, following the 2019 internal audit, internal measures were implemented to ensure accurate reporting for future performance

statements. Paragraph 17AH(1)(e) of the PGPA Rule requires correction of material errors in the subsequent annual report. AFMA has not taken action to correct the errors identified in the August 2019 internal audit.

2.32 In addition to the errors identified in the August 2019 internal audit, the ANAO found that AFMA incorrectly reported against performance criteria 1.1 in its 2018–19 and 2019–20 annual reports as described below.

2.33 In 2018–19, AFMA reported it had partly met its target to complete five ecological risk assessments and five fishery management strategies.¹³ In 2019–20, AFMA reported it had completed six ecological risk assessments and six fisheries management strategies. In the years 2018–19 and 2019–20, AFMA completed one ecological risk assessment and did not complete any fishery management strategies.¹⁴

2.34 AFMA has undertaken to correct the errors identified in its 2016–17 to 2019–20 performance statements in its 2020–21 annual report.

Regulator performance framework

2.35 The Regulatory Performance Framework includes six key performance indicators against which regulators are required to report their performance:

- regulators do not unnecessarily impede the efficient operation of regulated entities;
- communication with regulated entities is clear, targeted and effective;
- actions undertaken by regulators are proportionate to the risk being managed;
- compliance and monitoring approaches are streamlined and coordinated;
- regulators are open and transparent in their dealings with regulated entities; and
- regulators actively contribute to the continuous improvement of regulatory frameworks.

2.36 AFMA conducts an annual self-assessment of the following core regulatory functions as required by the Regulator Performance Framework:

- developing fishery management policies, regulations and other arrangements for Commonwealth fisheries;
- licensing fishing operators in Commonwealth fisheries;
- monitoring, control and surveillance of Commonwealth domestic fishery operators;
- the detection and prosecution of illegal foreign fishers;
- engaging with stakeholders on the responsible management of fisheries; and
- promoting compliance with Australian fishing laws and relevant international fishing obligations and standards through education and enforcement operations.

2.37 In 2019–20, AFMA reported that its core regulatory functions had met the framework's six key performance indicators.

13 Fishery management strategies are designed to integrate and replace the previously separate fishery strategies to provide a single, easily understood, transparent and cost-efficient management strategy to pursue AFMA's objectives.

14 AFMA has since completed one fishery management strategy, for the Eastern Tuna and Billfish fishery, which was released in September 2020.

Stakeholder engagement

2.38 The management of Commonwealth fisheries is of interest to a wide range of stakeholders including commercial, recreational and Indigenous fishers, researchers, environmental organisations, state and territory governments and the general public. The Fisheries Management Act states that AFMA must have regard to the objective of ensuring that the interests of commercial, recreational and Indigenous fishers are taken into account.¹⁵

2.39 AFMA's stakeholder engagement is focussed on industry participants, which are well represented in AFMA's primary advisory groups — the MACs and RAGs (see Table 2.3).

Table 2.3: MAC and RAG representation

Advisory group	Number of representatives per interest group across all MACs and RAGs							
	Industry	Science	Research	Economic	Recreational	Government	Environment conservation	Indigenous
MACs	27	3	4	2	2	1	7	0
RAGs	21	18	5	6	2	1	2	0

Source: ANAO analysis of AFMA's advisory group representatives.

2.40 AFMA's stated purpose includes increasing consideration of the interests of recreational and Indigenous stakeholders. AFMA's corporate plan makes several references to improving engagement with, and accountability to recreational and Indigenous fishers. However, it does not include any activities or performance measures that support achievement and reporting of this.

2.41 In 2020, AFMA developed a draft *Stakeholder Engagement Framework 2020–2024* and a draft *Communication Plan 2020–2022*. These documents identify stakeholder groups and outline general principles of engagement. They do not include specific activities to be undertaken to increase consideration of the interests of recreational and Indigenous stakeholders.

2.42 In February 2021, AFMA informed the ANAO that an implementation strategy for stakeholder engagement is expected to be completed by 30 June 2021.

Has an appropriate framework for ecological risk assessments been established?

It is unclear whether AFMA's ecological risk framework is appropriate. AFMA has documented its ecological risk management framework in the 2017 *Guide to AFMA's Ecological Risk Management*. AFMA has not met its requirement to re-assess ecological risk every five years. A plan to implement fishery management strategies, which incorporate ecological risk management and are subject to a five-year review period, has not been implemented.

2.43 Ecological risk management (ERM) is essential to ensure Commonwealth fisheries management arrangements are consistent with the principles of ecologically sustainable

¹⁵ *Fisheries Management Act 1991* (Cth), paragraph 3(2)(e).

development. Framework design should consider available resources and the feasibility of implementation.

Fishery management strategies

2.44 The 2017 *Guide to AFMA's Ecological Risk Management* provides an overview of AFMA's ERM. A key element of AFMA's ERM is the development of fishery management strategies, which are intended to:

- outline management approaches required in each fishery to achieve its objectives and meet ecological sustainability requirements;
- integrate harvest strategies, ERM strategies, bycatch work plans, data plans and research strategies;
- include performance indicators and annual reporting;
- be developed and implemented in association with ecological risk re-assessments; and
- document management responses to ecological risk assessments.

2.45 AFMA planned to develop fishery management strategies for the 13 operational fisheries listed at Table S.1 by 2020. As at 18 January 2021, one fishery management strategy has been developed, which was for the Eastern Tuna and Billfish fishery.

Ecological Risk Assessment for the Effects of Fishing

2.46 The primary methodology underpinning AFMA's ERM is a risk assessment process referred to as the Ecological Risk Assessment for the Effects of Fishing (ERAEF).¹⁶ The ERAEF methodology considers the impacts of fishing on commercial species, by-product species¹⁷, bycatch species¹⁸, protected species, and habitats and communities.¹⁹ The ERAEF process identifies and quantifies risks to ecological sustainability.

2.47 An ERAEF has been conducted for the 13 operational fisheries listed at Table S.1.²⁰ Table 2.4 shows the ERAEF dates.

Table 2.4: Ecological risk assessments for Commonwealth fisheries

	Fishery name (excluding non-operational)	Latest ERAEF date (sub-fishery)
1	Bass Strait Central Zone Scallop	2007
2	Coral Sea	2007 (8 sub-fisheries)
3	Northern Prawn	2007

16 The ERAEF is a five-stage, hierarchical methodology for assessing ecological risks arising from fishing, with increasing levels of detail and analysis applied to hazards not eliminated at lower levels.

17 By-product is a species that is incidentally caught while fishing for another species and retained for sale.

18 Bycatch is a species that is incidentally caught and returned to the sea or killed or injured through interacting with fishing equipment.

19 The *Guide to AFMA's Ecological Risk Management*, June 2017 states: 'It should be noted that ERM has, to date, been largely focussed on assessing and managing fishery risks to species populations, but will in future include increased focus on habitats and communities.'

20 Some assessments have been conducted to sub-fishery level.

	Fishery name (excluding non-operational)	Latest ERAEF date (sub-fishery)
4	North West Slope Trawl	2007
5	Western Deepwater Trawl	2007
6	Small Pelagic	2017 (Midwater trawl sub-fishery) 2007 (Purse Seine sub-fishery) 2007 (Midwater trawl sub-fishery)
7	Southern and Eastern Scalefish and Shark	2019 (Commonwealth trawl sector, Danish seine sub-fishery) 2019 (Great Australian Bight sector, otter trawl sub-fishery) 2019 (gillnet hook and trap sector, shark gillnet sub-fishery) 2019 (Commonwealth trawl sector, otter trawl sub-fishery)
8	Southern Squid Jig	2007
9	Macquarie Island Toothfish	2007
10	Eastern Tuna and Billfish	2019 (Longline sub-fishery)
11	Southern Bluefin Tuna	2020 (purse seine sub-fishery)
12	Western Tuna and Billfish	2010
13	Heard Island and McDonald Islands	2018 (Midwater trawl sub-fishery) 2018 (Demersal Longline sub-fishery) 2018 (Demersal Trawl sub-fishery)

Source: ANAO analysis of AFMA records.

2.48 The 2017 *Guide to AFMA's Ecological Risk Management* states that fishery re-assessments under the ERAEF will be undertaken every five years. It includes a schedule for re-assessments indicating all fisheries were to commence re-assessment by 2020. Since 2017 re-assessments for five fisheries have been conducted. As at 11 February 2021, AFMA was considering changes to its ecological risk assessment framework, including revised re-assessment dates.

Recommendation no. 2

2.49 The Australian Fisheries Management Authority document a re-assessment plan and schedule for ecological risk assessments and report progress towards implementation of the schedule to the Commission.

Australian Fisheries Management Authority response: Agreed.

2.50 *AFMA is actively considering significant changes to its ecological risk assessment (ERA) framework. AFMA's Ecological Risk Management Working Group is developing a proposal to move towards a more automated and cost effective/ongoing ERA process that includes routine updating as methodology improves. A new reassessment plan and approach that is sensitive to resource constraints and competing priorities will be considered by the AFMA Commission.*

Assessments under the *Environment Protection and Biodiversity Conservation Act 1999*

2.51 An assessment of all export and all Australian Government-managed fisheries is required under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act). These assessments are conducted by the Department of Agriculture, Water and the Environment against the Commonwealth Guidelines for the Ecologically Sustainable Management of Fisheries²¹ to evaluate the ecological sustainability of fishery management arrangements.²²

2.52 All nine Commonwealth fisheries managed solely by AFMA were assessed under the EPBC Act between 2016 and 2020. Six assessments refer to the need for Ecological Risk Assessment re-assessments, either in the comments, conditions or recommendations section. One assessment refers to the expectation that a fisheries management strategy will be developed, and four refer to expected updated bycatch and discard work plans.²³ None of these documents have been updated since the EPBC Act assessments.

Has an appropriate framework for economic risk assessments been established?

AFMA has not established a framework for economic risk assessments. A proposal to develop an economic risk assessment framework as part of a coordinated approach to managing economic issues across fisheries has not been implemented.

2.53 Under the Fisheries Management Act and Fisheries Administration Act, AFMA is charged with maximising the net economic return to the Australian community from the management of Australian fisheries. Assessment of economic risks supports this outcome.

21 Department of Agriculture and Water Resources, *Guidelines for the Ecologically Sustainable Management of Fisheries*, DAWR, Canberra, 2007.

22 The Guidelines outline specific principles and objectives designed to ensure a strategic and transparent way of evaluating the ecological sustainability of fishery management arrangements.

23 The status of AFMA's bycatch and discard work plans is included at Table 3.1.

2.54 AFMA's Economic Working Group (EWG) was formally established in 2017. It meets annually to provide strategic advice to the Commission, MACs and RAGs on fisheries economic matters. It comprises an AFMA staff member, RAG economic members²⁴, and both a recreational and a commercial fishing representative. The group is intended to support AFMA in meeting its legislative objectives, in particular, maximising net economic returns to the Australian community.

2.55 At the EWG's September 2017 meeting, AFMA agreed an action to commence scoping and developing a project proposal for an economic risk assessment during 2017–18 and 2018–19.

2.56 The AFMA *Strategic Research Plan 2017–2022* includes Research Strategy 2c—Develop a coordinated approach on major fishery and cross-fishery economic issues, which includes four deliverables:

Activities under this strategy include projects that consider 1) developing fishery wide maximum economic yield (MEY) targets in multi-species fisheries, 2) operationalising risk-catch-cost framework, 3) developing efficient quota markets through a double blind concession trading system, and 4) developing [an] economic risk assessment framework.

2.57 At the annual EWG meeting in April 2018, AFMA presented a 'project concept to undertake a risk assessment of factors that could impact the economics of AFMA fisheries.'²⁵ AFMA agreed to continue to work on the proposal taking into account the EWG's input.

2.58 In April 2019, AFMA decided to review the project scope and continue to work on the economic risk assessment framework based on the working group's suggestions.

2.59 In September 2020, the economic risk assessment was dropped from the action item list and it was noted under other business that it had been difficult to decide on the scope of the proposal and whether AFMA would be able to respond to any identified risks. No formal research project has been initiated to address this proposal.

Recommendation no. 3

2.60 The Australian Fisheries Management Authority work with its economic working group and research committee to determine AFMA's approach to managing economic risk.

Australian Fisheries Management Authority response: Agreed.

2.61 *The AFMA Research Committee considered this issue at its meeting on 9 February 2021 and decided to update the Strategic Research Plan in the near future, with a key focus on developing new priorities around economic performance to ensure that the Agency's monitoring and reporting needs against this objective are met. This includes consideration of a new Fisheries Management Policy on Net Economic Returns (NER) that addresses the NER objective and describes how AFMA will measure it and meet the Commonwealth Harvest Strategy Policy.*

24 Most RAGs include an 'economic member', appointed by the AFMA CEO, to enable economic issues to be addressed on a fishery specific basis.

25 AFMA Economic Working Group Meeting 1 Minutes, 10 April 2018, Agenda item 9: Economic risk assessment project proposal, p.9.

Has an appropriate compliance framework been established?

AFMA has established an appropriate risk-based compliance framework. The framework includes appropriate policy, risk management procedures, implementation activities and reporting.

2.62 Fisheries rules and regulations are designed to protect fish stocks, access rights and the broader environment. As the regulator of Commonwealth fisheries, AFMA has an obligation to monitor and promote compliance with fisheries legislation and policy.

2.63 AFMA's compliance framework is based on education, deterrence and targeted enforcement. AFMA aims to promote voluntary compliance through engagement and education. Targeted compliance activities address deliberate non-compliance. The Fisheries Operations Branch of AFMA is responsible for managing the compliance framework, which includes the:

- National Compliance and Enforcement Policy;
- National Compliance Risk Assessment Methodology; and
- National Compliance and Enforcement Program.

2.64 The Operational Management Committee oversees the compliance program, provides strategic direction and manages the allocation of resources for compliance activities.

2.65 The National Compliance Risk Assessment Methodology sets out how the biennial National Compliance Risk Assessment is undertaken. The National Compliance Risk Assessment identifies the priority risks to be treated in the National Compliance and Enforcement Program.

2.66 The compliance program operates on the basis of the enforcement pyramid, whereby the level of enforcement action reflects the severity of the non-compliance.²⁶ Enforcement actions range from education and promotion of voluntary compliance through to criminal penalties and licence revocation for more serious offences.

2.67 AFMA uses a range of tools to monitor compliance including:

- quota reconciliation records;
- fishery closure monitoring;
- vessel monitoring systems on all vessels in Commonwealth fisheries;
- electronic monitoring in selected Commonwealth fisheries²⁷;
- targeted inspections;
- electronic log books; and
- observer program coverage.

2.68 Annual compliance reporting is publicly available against each of the compliance programs and provides results over a five-year timeframe.

2.69 The effectiveness of AFMA's compliance and enforcement program is covered in more detail in Chapter 4.

26 AFMA, National Compliance and Enforcement Policy, 2017, p.9.

27 Electronic monitoring is a system of video cameras and sensors that monitor fishing activities. It has been implemented in the Eastern Tuna and Billfish and Western Tuna and Billfish fisheries, the midwater trawl sector of the Small Pelagic fishery and the Gillnet Hook and Trap sector of the Southern and Eastern Scalefish and Shark Fishery.

3. Individual fisheries management arrangements

Areas examined

This chapter examines the management arrangements in place for individual fisheries, planning mechanisms to maximise net economic returns, arrangements for managing conflicts of interest and reporting on the outcomes of fisheries management.

Conclusion

Individual fisheries management arrangements are partly effective. Plans and strategies implemented under Commonwealth policy have not been reviewed in a timely manner. Maximising net economic returns based on scientific modelling has not progressed. Conflict of interest arrangements for commissioners and committees are managed appropriately although administration of staff conflict of interest declarations is not effective. Public reporting on key commercial fish stock is extensive. Aggregate pricing data collected from industry is not being reported.

Areas for improvement

The ANAO made four recommendations aimed at updating management plans and strategies, engaging with stakeholders, managing conflict of interest declarations and publishing pricing data.

The ANAO also suggested AFMA determine end dates for COVID-19 exemptions.

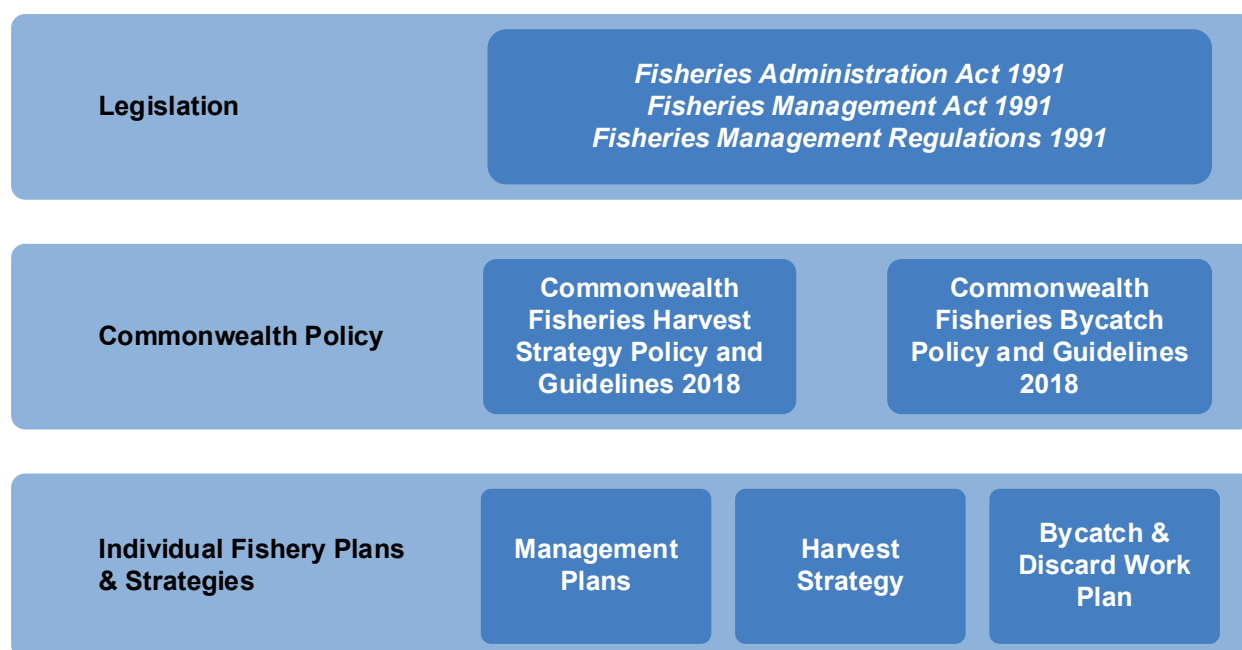
3.1 Effective management arrangements for individual fisheries support the Australian Fisheries Management Authority (AFMA) in achieving its objectives. To assess whether effective arrangements have been established for individual fisheries, the ANAO examined AFMA's:

- management plans and strategies;
- planning mechanisms for maximising net economic return;
- management of conflicts of interest; and
- internal and external reporting.

Are appropriate management plans and strategies in place for individual fisheries?

Plans and strategies have not been reviewed in accordance with the relevant Commonwealth legislation and policy. Stakeholder engagement with recreational and Indigenous fishing stakeholders has been limited.

3.2 Appropriate management plans and strategies support the effective management of Commonwealth fisheries. The ANAO examined the key plans and strategies required under legislation and Commonwealth policy.

Figure 3.1: Key fisheries management legislation, policy, plans and strategies

Source: ANAO analysis of key legislation, policy, plans and strategies for fisheries management.

Legislation, policy and plans

Statutory management plans

3.3 The *Fisheries Management Act 1991* (Fisheries Management Act) forms a key part of the legislative basis for the management of Commonwealth fisheries. Subsection 17(1) and paragraph 17(1)(a) require AFMA to determine plans of management for all fisheries unless an alternate determination is made that one is not required.

3.4 Statutory management plans have been completed for 10 fisheries (see Table 3.1). A determination that a management plan is not required has been issued for 10 fisheries, including for four fisheries that have a management plan in place.²⁸

Harvest strategies

3.5 The *Commonwealth Fisheries Harvest Strategy Policy* (Harvest Strategy Policy) applies to commercial species in Commonwealth fisheries managed by AFMA. AFMA must develop a harvest strategy for Commonwealth fisheries, including those managed jointly under international arrangements where Australia is a major harvester and no harvest strategy has been determined internationally.

3.6 Individual harvest strategies outline processes for monitoring and assessing the biological and economic conditions of commercial species and rules that control fishing activity. Harvest

28 The four fisheries that have both a management plan and a determination are: Southern Squid Jig, Macquarie Island Toothfish, Western Tuna and Billfish, and Heard and McDonald Islands.

strategies are to be reviewed at least every five years or when fishery conditions change or new knowledge emerges.²⁹

Bycatch and discard work plans

3.7 The 2018 *Commonwealth Fisheries Bycatch Policy* applies in Commonwealth fisheries managed by AFMA.³⁰ It provides a framework for managing the risk of fishing-related impacts on bycatch species in Commonwealth fisheries. Bycatch and discard work plans for individual fisheries include information on relevant species, risk, data collection, monitoring and performance evaluation to assess the effectiveness of bycatch reduction strategies. The majority of work plans cover a specified two-year period.

Plans and strategies for individual fisheries

3.8 Table 3.1 shows the status of AFMA's plans and strategies. For the nine fisheries managed solely by AFMA, two harvest strategies are undated, and three are more than five years old. Seven bycatch and discard work plans are out of date.

Fishery management strategies

3.9 In 2017, AFMA planned to develop fishery management strategies, which were intended to integrate harvest strategies, bycatch and discard work plans with ecological risk assessment strategies, data plans and research strategies. However, this plan has not been implemented (see paragraph 2.44).

Table 3.1: Currency of plans and strategies for operational fisheries

No.	Fishery	Management Plan (latest update)	Determination issued under paragraph 17(1)(a)	Harvest strategy (latest update)	Bycatch and discard work plan
1	Bass Strait Central Zone Scallop	2020	nil	2015	2015–2017
2	Coral Sea (4 sectors)	nil	1991	2019 ^a	2010–2012
				Undated ^b	
3	Northern Prawn	2011	nil	2019	2014–2016
4	North West Slope Trawl	nil	1991	2011	2010–2012
5	Western Deepwater Trawl	nil	nil	2011	2010–2012
6	Small Pelagic	2013	nil	2017	2014–2016
7	Southern and Eastern Scalefish and Shark	2016	nil	2019	2018–2019
8	Southern Squid Jig	2011	1991	Undated	2021
9	Macquarie Island Toothfish	2016	1991	2020	2013
10	Eastern Tuna and Billfish ^c	2016	nil	Undated	2014–2016

29 Department of Agriculture and Water Resources, *Commonwealth Fisheries Harvest Strategy Policy*, Second Edition, DAWR, Canberra, 2018, p. 12.

30 This policy defines bycatch as a species that is incidentally caught and returned to the sea or killed or injured through interacting with fishing equipment.

No.	Fishery	Management Plan (latest update)	Determination issued under paragraph 17(1)(a)	Harvest strategy (latest update)	Bycatch and discard work plan
11	Southern Bluefin Tuna	2020	nil	2020	2020
12	Western Tuna and Billfish	2016	1991	Undated	2014–2016
13	Heard Island and McDonald Islands	2016	1991	2020	2013

Note a: Aquarium sector.

Note b: Lobster and Trochus, Sea Cucumber and Line Trawl and Trap sectors.

Note c: In 2020, a fishery management strategy was developed for the Eastern Tuna and Billfish fishery, which includes a bycatch strategy and a harvest strategy for one of five key commercial stocks in this fishery.

Note: Out of date and undated documents are shaded orange.

Source: ANAO analysis of AFMA documentation.

Recommendation no. 4

3.10 The Australian Fisheries Management Authority ensure harvest strategies and bycatch and discard plans meet the relevant Commonwealth policy and are available on its website.

Australian Fisheries Management Authority response: Agreed.

3.11 *AFMA is reviewing its plans and scheduling of assessments, subject to an assessment of priorities and available resources in and across fisheries. The AFMA website will provide a source of information on fisheries' plans and assessments.*

Assessment of fish stock

3.12 AFMA is responsible for the management of 65 fish stock in nine fisheries managed solely by AFMA and 31 fish stock in seven jointly-managed fisheries.

3.13 Commercial fish stocks in Commonwealth fisheries are regularly assessed by the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) using data and assessments compiled by regional fisheries organisations and input from AFMA and the Commonwealth Scientific and Industrial Research Organisation.³¹

3.14 Commonwealth fish stock status is expressed in three categories.

- Overfished — fish stock with a biomass below the biomass limit reference point or below its specified indicator limit reference point.³²
- Subject to overfishing — when a stock is experiencing too much fishing and the rate of removals from a stock is likely to result in the stock becoming overfished.
- Uncertain — there is inadequate or inappropriate information to make a reliable assessment.

31 Australian Bureau of Agricultural and Resource Economics and Sciences, *Fishery status reports 2020*, Canberra October 2020.

32 Biomass — Total weight or volume of a stock or of a component of a stock.

Stock solely managed by AFMA

3.15 The 2019 status of the 65 fish stock in the nine fisheries solely managed by AFMA was reported by ABARES in October 2020.³³

- Seven stock (11 per cent), all in the Southern and Eastern Scalefish and Shark fishery, are overfished.
- The status of nine stock (14 per cent) is uncertain with respect to their biomass and it cannot be determined whether they are currently overfished.
- No stock are subject to overfishing.
- Twelve stock (18 per cent) are uncertain with respect to whether they are subject to overfishing. Ten of the uncertain stock are in the Southern and Eastern Scalefish and Shark fishery.

Stock managed jointly by AFMA and other parties

3.16 The 2019 status of the 31 stock in the seven jointly managed fisheries was reported by ABARES in October 2020.³⁴

- Five stock (16 per cent) are overfished.
- Five stock (16 per cent) are uncertain with regard to their biomass. The fishing mortality of two (seven per cent) of these stock is uncertain.
- Four stock (13 per cent) are subject to overfishing.
- Stock of Striped Marlin in the Western Tuna and Billfish fishery is both overfished and is subject to overfishing, is 'heavily depleted', and its status has remained unchanged for the last two assessment years.³⁵

Application of the precautionary principle

3.17 The Fisheries Management Act requires that AFMA manages fisheries in a manner consistent with the principles of ecologically sustainable development, including the exercise of the precautionary principle. The precautionary principle is defined in the Harvest Strategy Policy:

Where there are threats of serious or irreversible environmental damage, lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation. In the application of the precautionary principle, public and private decisions should be guided by:

- careful evaluation to avoid, wherever practicable, serious or irreversible damage to the environment; and
- an assessment of the risk-weighted consequences of various options.³⁶

33 See Appendix 1.

34 See Appendix 1.

35 The Western Tuna and Billfish Fishery is jointly managed with the Indian Ocean Tuna Commission. In 2019, Australia's catch of Striped Marlin was less than one tonne, or 0.03 per cent of the total catch taken by the member countries.

36 Department of Agriculture and Water Resources, *Commonwealth Fisheries Harvest Strategy Policy*, 2018, p.20.

3.18 The 2017 *Guide to AFMA's Ecological Risk Management* states that fishing activities 'pose high risks in the absence of information, evidence or logical argument to the contrary'.³⁷ However, AFMA has issued Black Tiger Prawn broodstock collection licences since 2006 and only conducted a stock assessment in 2020, which was inconclusive (see paragraph 3.22).³⁸

Harvesting of Black Tiger Prawn broodstock in the Northern Prawn fishery

3.19 The Northern Prawn Fishery (NPF) is the highest valued Commonwealth managed fishery and generated \$118 million in gross value of production in 2018–19.

3.20 AFMA manages the fishery through a co-management arrangement with a collective of industry participants known as Northern Prawn Fishery Industry Pty Ltd (NPFI).³⁹ NPFI is responsible for a range of services including:

- data management;
- tendering for trawl operators to collect live broodstock; and
- administering access to the NPF for trawl operators under conditional fishing permits, for the supply of broodstock to prawn aquaculture establishments.

3.21 AFMA has provided permits to collect Black Tiger Prawn broodstock for aquaculture farms since 2006. The rate of removal has increased from 800 prawns in 2006 to 9,000 in 2017. In 2018, AFMA was requested to increase the broodstock harvest limit to 20,000. AFMA declined to increase the limit pending the results of a stock assessment. AFMA also identified increasing pressure on broodstock due to the rapid growth in aquaculture as an emerging issue in its 2018–19 and 2019–20 annual reports.

3.22 In February 2019, the NPF Resource Assessment Group recommended a Sustainability Assessment for Fishing Effects be conducted as a matter of urgency. This request flowed in part from the high number of sawfish bycatch caught during broodstock harvesting activities.⁴⁰ In early 2021, AFMA released a stock assessment for the Black Tiger Prawn. The assessment was inconclusive in relation to the status of the stock due to lack of data. It did not assess the effects of broodstock harvesting on other species or the wider environment.

3.23 Given the continuing absence of data on the status of this stock and the effect harvesting may have on the environment, broodstock harvesting presents risks for AFMA's compliance with the precautionary principle. These risks have not been properly assessed.

37 AFMA, *Guide to AFMA's Ecological Risk Management*, June 2017, p. 50.

38 Broodstock are a group of mature individuals used in aquaculture for breeding purposes. For prawns this is generally mature males or females of a certain size that are considered to be sexually mature as 'spawners' in hatcheries.

39 AFMA procured NPFI services for two financial years for \$1,125,000. Sections 88 and 92 of the Fisheries Administration Act provides for co-management arrangements and delegation by the CEO to primary stakeholders.

40 Bycatch is a species that is incidentally caught and returned to the sea or killed or injured through interacting with fishing equipment. The reported number of Sawfish bycatch caught during broodstock collection activities increased from 15 in 2017 to 291 in 2018 and declined to 34 in 2019 and 32 in 2020, based on manual reporting by permit holders.

Managing stakeholder engagement

3.24 The objectives of the *Fisheries Administration Act 1991* (Fisheries Administration Act) require that AFMA ensure the interests of commercial, recreational and Indigenous fishers are taken into account. The Act also provides for AFMA to consult with industry, the public and state and territory entities that have similar functions to AFMA. AFMA's purpose statement includes an undertaking to increase consideration of recreational and Indigenous stakeholders.

Interested parties

3.25 Section 17A of the Fisheries Management Act requires AFMA to maintain a register, which is updated annually, of interested parties to be notified with respect to making or changing management plans. For three of the past four years, AFMA has published a notice in the Commonwealth Gazette, inviting parties interested in receiving information about draft management plans to be included on a register. Registers from 2017 to 2020 contain the following information.

- 2017 — two entries.
- 2018 — no register.
- 2019 — one entry.
- 2020 — no entries.

Key stakeholders

3.26 AFMA maintains a separate list of key stakeholders. This list contains 34 entries in four stakeholder categories: environmental non-government organisations; industry; recreational; and government.⁴¹ While this list is more comprehensive than the section 17A registers, it is not used to inform interested parties of changes to fisheries management arrangements.

Amendment of the Southern Bluefin Tuna Management Plan

3.27 Southern Bluefin Tuna is an important recreational fishing species. Interested parties for the Southern Bluefin Tuna fishery include state governments, who are responsible for regulating recreational fishing, relevant recreational fishing bodies that represent recreational fishers, as well as Indigenous stakeholders.

3.28 On 7 September 2020, AFMA concluded a 30-day consultation period on amending the Southern Bluefin Tuna management plan to include five per cent of the total allowable catch for recreational fishing. AFMA have advised that the Australian Government ran an extensive consultation process with state governments and recreational fishers. The proposed amendments were published on the AFMA internet site.

3.29 State government fishery management entities and recreational fishing bodies were not included in the register maintained under section 17A of the Fisheries Management Act. Therefore,

41 None of the entries in the list of key stakeholders appear in the section 17A registers.

they were not explicitly notified by AFMA of proposed amendments.⁴² Consequently, not all relevant interested parties had the opportunity to provide input to the proposed changes.

3.30 In this instance, AFMA may have complied with the Fisheries Management Act requirements to maintain a register and notify changes to the management plan. However, AFMA did not ensure the interests of recreational and Indigenous stakeholders were taken into account in line with the corporate plan's stated intent of increasing consideration of their interests.

3.31 AFMA should have reasonably expected input from affected state governments and other parties, and should review notification processes to provide for a more comprehensive consultation process.

Recommendation no. 5

3.32 The Australian Fisheries Management Authority maintain a current register of interested parties and actively engage with all relevant stakeholders in relation to fisheries management arrangements.

Australian Fisheries Management Authority response: Agreed.

3.33 *AFMA's Stakeholder Engagement Framework and Communication Plan 2020-2022 was endorsed by the AFMA Commission on 5 May 2021 and will form the basis for AFMA's future engagement posture with stakeholders. However, this is a living document, and AFMA recognises that additional work is required to supplement and refine our implementation strategy for stakeholder engagement.*

COVID-19 pandemic response

3.34 AFMA implemented the government's \$10.4 million levy relief package by waiving levy payments that were due on or after 1 April 2020 and refunding 2019–20 levies paid.

3.35 AFMA received 20 requests from industry for exemptions during the COVID-19 pandemic. Requests included setting total allowable catch without conducting a biomass survey, early season start dates, selling directly from the vessel⁴³, amending quota carry over requirements and waiving the requirements for a human observer.

3.36 The Fisheries Management Branch assessed the risks and sought appropriate approvals for the exemptions. Eight exemptions were approved by the Commission, eight were approved internally and four were not approved due to the risk being unacceptable. A number of these exemptions do not have set end dates. AFMA should continue to review the actions taken in response to exemption requests and determine end dates for all exemptions.

42 The Southern Bluefin Tuna Management Advisory Committee included a representative from the NSW state government and a recreational fishing body. However, the Victorian Fisheries Authority and the Victorian recreational fishing peak body advised the ANAO that they were not explicitly notified of the proposed change.

43 AFMA officers assessed the risk and made exceptions to allow vessels to sell from the boat as access to certain ports was restricted due to the impact of COVID-19, enabling trade to continue in the COVID-19 environment.

Are appropriate planning mechanisms in place to maximise net economic return?

AFMA seeks to meet the requirement to maximise net economic returns by pursuing maximum economic yield for individual fisheries. Mechanisms to maximise economic yield are not mature and progress towards establishing maximum economic yield targets for individual fisheries has been slow.

3.37 The Fisheries Management Act requires AFMA to maximise the net economic returns to the Australian community from the management of Australian fisheries. The Commonwealth Harvest Strategy Policy defines the net economic return over a particular period as the difference between fishing revenue and fishing costs.

AFMA's use of economic targets

3.38 AFMA seeks to meet the requirement to maximise the net economic returns to the Australian community by pursuing maximum economic yield (MEY) for individual fisheries. The Harvest Strategy Policy notes that fishery level MEY is an overarching objective for the implementation of harvest strategies, and should be achieved by specifying targets for key commercial stocks.⁴⁴

3.39 MEY occurs when the difference between the revenue and cost from fishing is the largest. Determining MEY requires developing bio-economic models that take the dynamics of stocks, costs and prices into account.⁴⁵ These models integrate the economics of the fishery with the biological characteristics of fish stock and assist in deriving the optimal biomass and fishing effort level to achieve MEY.

3.40 For stocks that do not have an operational bio-economic model, MEY targets can be based on proxies.⁴⁶ Proxies for the MEY target can be based on measures such as biomass estimates, fishing method, vessel size and days fished. However, proxies used in Commonwealth fisheries are based on biomass estimates only.

3.41 The Harvest Strategy Policy advises reliance on proxies only in the absence of better information. These are default values and remain a last resort target. When using a proxy, the Policy states that the default values should be 0.48 times the unfished biomass or 1.20 times the biomass at maximum sustainable yield.⁴⁷

3.42 Of the 65 stocks in the nine fisheries managed solely by AFMA, three stocks in the Northern Prawn fishery use a quantitative MEY target based on bio-economic modelling. Three stocks in the Southern and Eastern Scalefish and Shark fishery use a partial bio-economic model. The remainder use various proxies based on biomass estimates.

44 Key commercial stocks are defined as contributing more than 1.7 per cent of fishery gross value production or more than 500 tonnes annual catch.

45 CM Dichmont et al., 'On implementing maximum economic yield in commercial fisheries', Proceedings of the National Academy of Sciences of the United States of America, 107 (1), 2010, p.17.

46 In the context of fisheries harvest strategy policy, a proxy is an estimated figure used to represent the value of a reference point, where the actual value is not known.

47 Maximum sustainable yield is the maximum average annual catch that can be removed from a stock over an indefinite period under prevailing environmental conditions.

3.43 In December 2015, AFMA's Economic Working Group (EWG) raised concerns about using proxies instead of setting accurate MEY targets. Appropriate economic targets and efficient quota markets were listed under the most important issues for AFMA. In September 2017, the EWG noted that the Commonwealth Research Advisory Committee had identified Multispecies MEY as a high priority research area and a scoping proposal had been prepared.

3.44 MEY has been discussed annually at EWG meetings and a number of projects have been considered. However, progress on implementing MEY in Commonwealth fisheries has been slow. In November 2020, the Commission agreed to develop a policy to define AFMA's objective of maximising economic returns to 'better inform efforts to develop economic indicators'.⁴⁸

Quota management arrangements

3.45 Quotas control the maximum effort or catch in a fishery by setting a limit known as the Total Allowable Catch (TAC) or the Total Allowable Effort (TAE). Fishing quotas, also called Individual Transferrable Quotas (ITQs), provide a share of the fish catch or fishing effort allowed in a fishery to an individual operator. Eight fisheries have controls in the form of ITQs.

3.46 In October 2020, ABARES reported that seven of the 13 operational fisheries have either high unused TAC or high non-participation rates. The report stated this can 'indicate that the economic incentive to participate actively in the fishery is lacking and that the overall economic performance of the fishery is likely to be low.' ABARES noted 'for some fisheries, the reasons for persistently high latency remain unclear and warrant further investigation'.⁴⁹

3.47 AFMA's data also shows that significant amounts of quota are not being used. For example in the Southern and Eastern Scalefish and Shark fishery, significant amounts of quota for the majority of key commercial stock was uncaught for the 2018–19 season (see Appendix 3).

Have appropriate arrangements been implemented for managing conflicts of interest?

AFMA has established policies and processes to manage conflicts of interest for commissioners, committees and staff. Appropriate arrangements for managing conflicts of interest for commissioners and committees have been implemented. Administration of conflicts of interest declared by staff members is not effective.

3.48 Effective management of conflicts of interest should be a central component of an entity's integrity framework. The *Public Governance, Performance and Accountability Act 2013* (PGPA Act) imposes a duty to disclose material personal interests on corporate and non-corporate Commonwealth entities. Poor practice, or the perception of poor practice, in the management of conflicts of interest can undermine trust and confidence in AFMA's fisheries management activities.

AFMA CEO and commissioners

3.49 The Chief Executive Officer (CEO) and commissioners are required to comply with employment and disclosure of interest requirements in the *Fisheries Administration Act 1991*

48 AFMA Commission meeting – Chairman's summary, 12–13 November 2020, p. 2.

49 Australian Bureau of Agricultural and Resource Economics and Sciences, Fishery status reports, October 2020, p. 28.

(Fisheries Administration Act) and the PGPA Act. Both Acts require a register of interests to be maintained.

3.50 Section 20 of the Fisheries Administration Act imposes specific requirements on the CEO and the commissioners.⁵⁰

- Prior to appointment, commissioners must provide the Minister with a written statement of any material personal interests related to the work of the Commission.
- Once appointed, commissioners must also disclose interests under section 29 of the PGPA Act.
- Commissioners must not engage in paid employment that conflicts or may conflict with the proper performance of their duties without the Minister's approval.

3.51 The CEO has additional responsibilities.

- Maintain a register of disclosed interests under section 29 of the PGPA Act.
- Must not engage in paid employment outside the duties of the CEO's office without the Minister's approval.

3.52 The CEO and all six commissioners disclosed their interests before appointment in a document titled 'Private interests declaration', which was provided to the Minister.

AFMA committees

3.53 Three Fisheries Administration Papers outline policies relating to conflicts of interest arrangements for committee members.

- Fisheries Management Paper 1 outlines the requirement for declaring conflicts of interest for Management Advisory Committee (MAC) members.
- Fisheries Administration Paper 12 outlines the requirement for declaring conflicts of interest for Resource Assessment Group (RAG) members.
- Fisheries Administration Paper 7 outlines the requirement for declaring conflicts of interest for Industry Members appointed to AFMA committees.

3.54 Conflict of interest requirements for MAC and RAG members are generally clear within AFMA documentation and require members to declare interests if there is any doubt about a perceived or actual conflict. The ANAO found that MACs and RAGs meet the conflict of interest declaration requirements of the relevant Fisheries Administration Paper.

AFMA staff

3.55 The following conflict of interest policies and processes apply to all AFMA staff.

- Accountable Authority Instructions (AAI) include the requirement to disclose material personal interests relating to the affairs of AFMA and declare interests if there is any doubt.⁵¹
- The *Conduct and Ethics Policy* outlines the requirement to:

50 The AFMA CEO is also a Commissioner however some provisions in the legislation apply only to the CEO.

51 AFMA Accountable Authority Instructions, June 2020, p. 16.

- notify senior staff if a potential or actual conflict of interests arises so that appropriate action can be taken; and
- obtain CEO approval prior to undertaking any paid or unpaid employment outside of official duties.⁵²
- All new starters to AFMA are required to complete a Declarations of Interest form as part of their induction package.
- Employees are reminded of their obligation to declare interests as part of quarterly performance and development discussions.⁵³

3.56 Key documents such as signed declarations of current staff members made prior to 2015–16 were archived externally. The conflicts declared are not reflected in the current registers. This impacts on AFMA’s ability to manage conflicts.

3.57 A conflict of interest declaration could not be located for 11 current staff members, employed between 2017 and 2020. This indicates non-compliance with AFMA’s induction policy.

3.58 AFMA maintains two annual registers to record declarations made by AFMA staff: a declaration of interests register; and an outside employment register. The ANAO assessed each register from 2017 to 2020 and found the following inconsistencies:

- In 2017 and 2018, the declaration of interest registers recorded approval of any declarations made in the comments column. In 2019 and 2020, approvals were not recorded.⁵⁴
- In 2017, 2018 and 2019, the outside employment registers recorded approvals in the comments column.⁵⁵ In 2020, no approvals were recorded.
- Six staff members indicated they were in paid employment outside of AFMA in the declaration of interests register. Only two were recorded in the outside employment register for the relevant year.
- Nine staff members declared directorships, committee positions and volunteer roles in the declaration of interests register. Four of these were approved in the declaration of interest register. None were included in the outside employment register.

3.59 Failure to approve outside employment declarations in 2020 indicates non-compliance with AFMA’s Conduct and Ethics Policy and AAls. Inconsistencies in record keeping indicate a lack of appropriate management of policy and process. These shortcomings can lead to real and perceived conflicts of interest.

52 AFMA Conduct and Ethics Policy, 2016, pp. 10–12.

53 Executive Level 2 officers and above complete this declaration in June and December each year.

54 The 2019 register includes one comment indicating the staff member was advised to complete an outside employment authority form.

55 One of 12 entries in the 2019 outside employment register did not record an approval.

Recommendation no. 6

3.60 The Australian Fisheries Management Authority ensure conflict of interest and outside employment records for all staff are current, consistently recorded, accessible and approved where appropriate.

Australian Fisheries Management Authority response: *Agreed.*

3.61 *AFMA will review its approach and systems for recording staff conflict of interest and outside employment to ensure staff awareness and record completeness.*

Is reporting on the outcomes of fisheries management appropriate?

Extensive public reporting on the status of fish stock is provided in the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) annual fisheries report and AFMA's annual report. Detailed information on selected stock is available on AFMA's website. Pricing information on quota, lease and statutory fishing rights is not available.

Fisheries data reporting

3.62 ABARES publishes an annual report on fisheries, which provides an independent evaluation of the biological and economic status of fish stocks. The reports cover all fish stock managed solely or jointly by AFMA. ABARES also makes available extensive data on fish stock on its website. This data can be downloaded and analysed by researchers, academics or anyone interested in conducting their own analysis of fish stock.

3.63 AFMA's annual report includes:

- the combined gross value of production for all fisheries;
- stock status for all the key target species jointly or solely managed by AFMA;
- information summarising stocks subject to overfishing; and
- information highlighting achievements in fisheries such as Marine Stewardship Council certifications.

3.64 AFMA's website includes reporting on target species information. This includes information on biology of the species, sustainability, habitat, fishing methods and management of catch. The information is presented in a format that is accessible and useful to the general public.

3.65 AFMA's performance reporting as part of the Commonwealth Performance Framework is discussed in Chapter 2.

Fisheries management system

3.66 PISCES is an information system developed by AFMA to manage fisheries information relating to licences, vessels, quotas and leases. PISCES is used to generate reports including:

- Monthly Catchwatch reports for eight fisheries provide information about catch rates and remaining Total Allowable Catch. They are used by industry for monitoring catches, quota

availability and landing information. Five reports are publicly available. Two of the publicly available reports are out of date.⁵⁶

- Daily over-quota reports which are provided to the AFMA compliance team.
- Ad hoc reporting provided to fisheries managers on request.

3.67 ANAO analysis of data from PISCES identified two reports that included quota holdings of a deregistered company. This can impact the accuracy of the quota balance calculations.⁵⁷ AFMA's procedure for processing registrations and lease transfers did not include a requirement to check whether companies were registered with Australian Securities and Investment Commission. AFMA advised that it has recently amended the procedure to include this check.

Reporting pricing data

3.68 In 2017, AFMA sought advice from the EWG on how to increase the transparency and efficiency of the quota market. The EWG advised AFMA that aggregate pricing and trade data should be published to promote:

- reduced transaction costs;
- fairer market prices; and
- increased availability.

3.69 AFMA's website notes that publishing quota price information can improve flexibility and efficiency of the quota market, make trading easier and provide buyers and sellers more confidence in the market.

3.70 In July 2017, AFMA notified concession holders that they must report the prices of all transferred quota and statutory fishing rights. AFMA has collected this information but not been able to make it available because of data anomalies such as:

- significantly elevated fish prices. For example, the seasonal median price for Orange Roughy was \$1.50 per kg but was recorded as having been traded for approximately \$85,000 per kg;
- forty-seven entries were blank;
- approximately 50 per cent of transactions recorded estimated prices; and
- twenty per cent recorded the price as \$0.00.

3.71 AFMA should resolve data quality issues and publish pricing data.

56 The last report for the Southern Bluefin Tuna fishery is dated July 2016. The last report for the Small Pelagic fishery is dated October 2019.

57 AFMA has advised that one of these reports is no longer in use.

Recommendation no. 7

3.72 The Australian Fisheries Management Authority resolve data quality issues with regard to quota transactions and publish pricing data.

Australian Fisheries Management Authority response: *Agreed.*

3.73 *AFMA will undertake work to resolve trading price data quality issues to the extent possible and practical, and publish price data subject to AFMA's Information Disclosure Policy.*

4. Compliance and enforcement processes

Areas examined

This chapter examines AFMA's compliance and enforcement program in relation to the identification and prioritisation of risks, the development and execution of compliance plans and the application of enforcement actions.

Conclusion

AFMA has implemented largely effective compliance and enforcement processes. Compliance activities are informed by a structured risk assessment process. Detection, prevention and enforcement activities are largely effective. Guidance material and reporting could be improved.

Areas for improvement

The ANAO made two recommendations aimed at improving guidance on managing repeat offences and ensuring staff are aware of their legislated obligations when conducting investigations.

The ANAO also suggested that AFMA improve reporting on quota evasions and bycatch mishandling.

4.1 Effective compliance and enforcement processes support the management of fish stocks, access rights and the sustainability of the ocean environment.

4.2 To assess the effectiveness of the Australian Fisheries Management Authority's (AFMA's) compliance and enforcement processes, the ANAO examined whether AFMA has established:

- appropriate risk-based compliance priorities and plans;
- effective prevention, detection and enforcement activities; and
- appropriate reporting.

Have appropriate risk based compliance priorities and plans been established?

AFMA has established appropriate risk based compliance priorities and plans. Risks are identified and monitored through biennial risk assessments and ongoing analysis. Compliance plans and programs are aligned with identified risks.

4.3 Appropriate risk-based compliance priorities and plans enable resources to be directed to the areas of highest risk in order to achieve objectives efficiently.

Identification of compliance risks and setting of priorities

4.4 A biennial National Compliance Risk Assessment (NCRA) is used to set compliance priorities as part of AFMA's broader risk management framework.⁵⁸ AFMA's risk management framework is

⁵⁸ The 2019–21 NCRA included 42 risk categories across 10 fisheries. For example, risk categories included 'Failure to fit, carry or use a by-catch reduction device' and 'Failure to have a Vessel Monitoring System (VMS) operating as required'.

designed to meet the Commonwealth risk management policy and adhere to the Australian and New Zealand standard on risk management systems.

4.5 Risks are assessed in each fishery, and are aggregated into national risk ratings. Treatments are applied to the ratings, and the residual risk is subject to moderation by the Operational Management Committee (OMC).⁵⁹

4.6 The OMC uses the finalised risk ratings to determine which risks will be prioritised in the National Compliance and Enforcement Program (NCEP). For each prioritised compliance risk a compliance risk management team is formed. This has been completed for each priority risk identified by the most recent NCRA.

4.7 AFMA assesses the risk posed by individual vessels using a multiple risk aggregation index.⁶⁰ Fish receivers are assessed based on the multiple risk aggregation index ratings of vessels that land their catch with them.⁶¹ AFMA prioritises the inspection of the highest risk vessels and receivers.

4.8 New risks and significant changes to existing risk ratings identified outside of NCRA are raised at the OMC. The OMC determines their prioritisation and the treatment plan.

Development of compliance plans

4.9 AFMA publishes the NCEP annually. The NCEP sets out priority compliance risks identified in the NCRA and treatment programs. Compliance risk management teams are formed to implement treatment programs to address prioritised risks. There are currently four compliance risk management teams operating:

- Torres Strait;
- quota evasion;
- misreporting threatened and endangered species interactions; and
- bycatch mishandling.

4.10 Business as usual programs operate to monitor risks that AFMA considers have been previously addressed. Risks subject to business as usual programs are:

- quota reconciliation;
- fishery closure monitoring; and
- vessel monitoring system.

59 In the 2019–21 NCRA, 11 of the 42 risk categories were adjusted by the OMC.

60 The multiple risk aggregation index ranks a vessel's risk level based on the aggregate of a number of characteristics including the results of inspections and the previous year's scores.

61 Commercial fishers in 10 of the 16 Commonwealth fisheries must land their catch with an AFMA licensed fish receiver.

Table 4.1: Non-compliance 2017 to 2020

Year	Quota evasion	Misreported threatened and endangered species interactions	Mishandling of bycatch	Failing to reconcile excess quota within the required timeframe	Fishing during closures	VMS operating	E-monitoring operating
2017	2	3	12	29	2	20	2
2018	3	2	22	24	1	20	3
2019	4	7	10	1	2	8	5
2020	3	6	9	13	2	32	8

Source: ANAO analysis of data extracted from AFMA's case management system.

4.11 Fisheries officers may propose discrete compliance operations through field work referrals with reference to the NCEP and multiple risk aggregation index ratings. These are reviewed by the OMC and, if judged appropriate, operationalised.

Review of compliance priorities and plans

4.12 Auditor-General Report No.20 2012–13 *Administration of the Domestic Fishing Compliance Program* reviewed AFMA's national compliance and enforcement program. At the time, the ANAO identified that NCRA was a sound risk assessment and observed that by moving to biennial risk assessments AFMA would see greater efficiencies.

4.13 Since moving to a biennial model, AFMA has completed four NCRA's. In each NCRA, AFMA has appropriately identified changes in its risk landscape, and adjusted its priorities accordingly. Risk treatments that have matured have moved from priority programs to maintenance programs.

Ongoing review of compliance risk

4.14 Auditor-General Report No.20 2012–13 recommended AFMA develop a structured approach to monitoring existing and emerging risks between the biennial risk assessments. AFMA monitors risks and identifies emerging risks between NCRA's through quarterly OMC meetings. Bycatch mishandling is an example of AFMA managing risks between biennial risk assessments (see paragraph 4.21). AFMA has not documented this approach in the NCEP.

Are compliance activities effective at detecting and preventing non-compliance?

AFMA has implemented effective arrangements for detecting and preventing non-compliance. The majority of operators are found to be compliant with their obligations. AFMA has improved its capability to detect non-compliance by implementing electronic monitoring.

4.15 The primary purpose of the compliance program is to prevent, detect and reduce non-compliance, thereby protecting fishery resources.

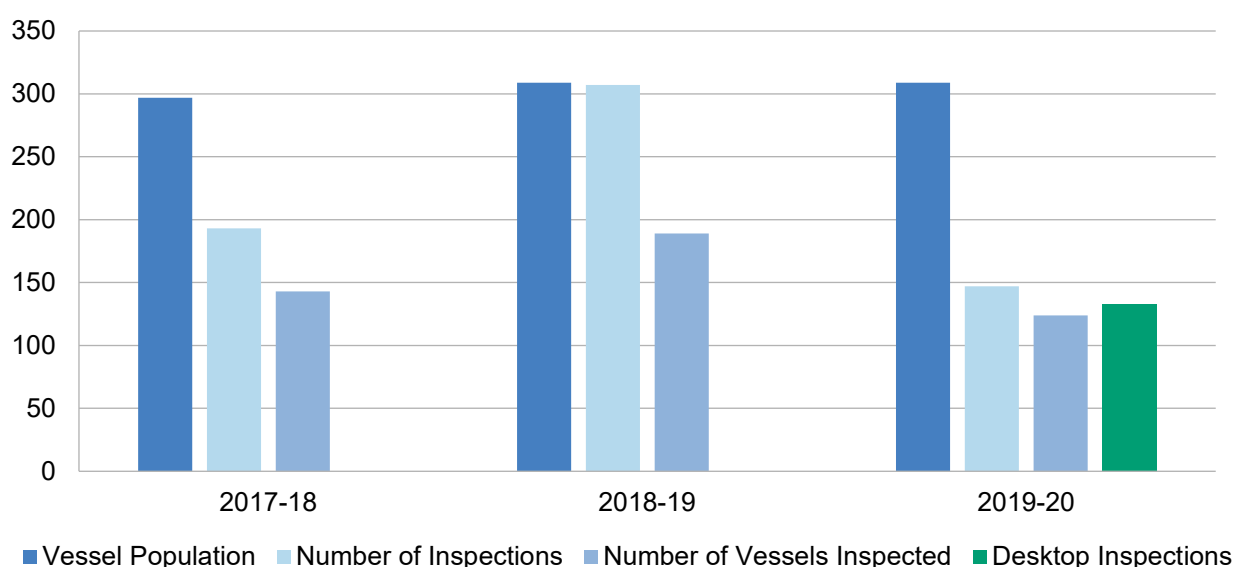
Prevention and detection activities

4.16 AFMA encourages voluntary compliance through communication and education. A range of compliance related information is available through the AFMA website. AFMA also endeavours to educate operators through pre-season briefings, media releases, SMS messaging, social media, routine inspections and as a result of investigations.

4.17 AFMA conducts inspections to detect non-compliance and to prevent non-compliance through the presence of fisheries officers.⁶² Inspections are prioritised through the multiple risk aggregation index. In April 2020, AFMA commenced desktop inspections to supplement the reduced number of field inspections being conducted due to the COVID-19 pandemic. AFMA completed 133 desktop inspections in 2020. Details of inspections are provided in Figure 4.1.

4.18 In addition to inspections, AFMA prevents and detects non-compliance through Vessel Monitoring Systems (VMS)⁶³, electronic or e-monitoring⁶⁴, monitoring of operator's quota status, and monitoring of operator's logbook submissions.

Figure 4.1: Inspections and desktop inspections 2017–18 to 2019–20



Note a: Excludes vessels operating in the Torres Strait.

Note b: Some vessels were subject to multiple desktop inspections.

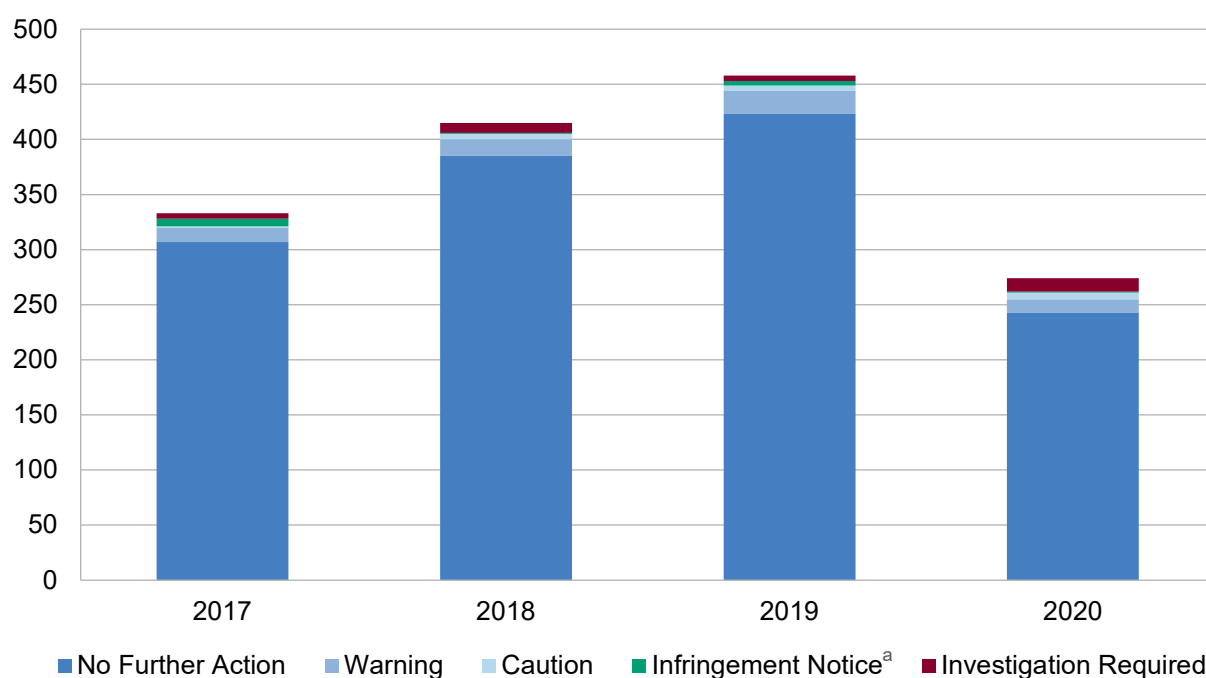
Source: ANAO analysis of data extracted from AFMA information system.

4.19 From 2017 to 2020, approximately six per cent of inspections resulted in an enforcement action, and a further two per cent required further investigation (see Figure 4.2).

62 Types of non-compliance identified in inspections include: not having logbook on the vessel; failure to complete logbook; and the preparation of take-home packs at sea without a fish receiver.

63 Vessel Monitoring Systems (VMS) monitoring involves GPS tracking of vessels.

64 Electronic monitoring (e-monitoring) is a system of video cameras and sensors capable of monitoring and recording fishing activities, which can be reviewed later to verify what fishers report in their fishing logbooks.

Figure 4.2: Inspection outcomes 2017 to 2020

Note a: Commonwealth Fisheries Infringement Notice (Infringement Notice) is a fine issued for breaches of section 93, 95 or 100 of the *Fisheries Management Act 1991*.

Note: 133 desktop inspections were conducted in 2020, with three resulting in investigations. The outcomes of these inspections are not included in the figure.

Source: ANAO analysis of data extracted from AFMA information system.

4.20 All Commonwealth fishing vessels must have VMS installed and operating at all times. AFMA uses VMS to monitor the positioning and speed of commercial fishing vessels operating in Commonwealth fisheries. VMS data can be used to determine if a vessel has entered an area that is closed to commercial fishing. Between 2016–17 and 2019–20, AFMA has reported over 95 per cent compliance with VMS obligations.

Reducing non-compliance

4.21 After the completion of the 2015–17 NCRA and 2015–16 NCEP, AFMA introduced e-monitoring.⁶⁵ In fisheries where e-monitoring was implemented, AFMA identified that bycatch mishandling was an emerging risk and responded by developing the bycatch mishandling compliance risk management team program. Following this, AFMA has reported that the number of instances of bycatch mishandling dropped from 4.2 per month prior to October 2016, to 2 per month in 2019–20.

4.22 AFMA has reported reduced non-compliance in areas where compliance risk management programs have been applied. However, as AFMA have not recorded the activities undertaken by compliance risk management teams, it is not possible to identify how the success of the program

⁶⁵ E-monitoring was implemented in four fisheries: Eastern Tuna and Billfish fishery; Western Tuna and Billfish fishery; Southern and Eastern Scalefish and Shark fishery (Gillnet, Hook and Trap sector); and Small Pelagic fishery (Midwater Trawl sector).

was achieved. This limits AFMA's ability to repeat the activities that led to improved compliance or apply them to other areas of non-compliance.⁶⁶

4.23 AFMA has used covert operations to determine industry levels of non-compliance with regard to a specific risk category. AFMA intends to use these covert activities to determine the effectiveness of previous risk treatments.

Are enforcement actions to address non-compliance effective?

Enforcement actions to address non-compliance are largely effective. A small proportion of operators are responsible for a large proportion of non-compliance. Guidance for escalating the enforcement response for quota reconciliation repeat offenders could be improved. AFMA has committed to improving its management of the prosecution process.

4.24 Effective application of enforcement actions promotes increased compliance.

Effective application of enforcement actions

4.25 AFMA outlines seven responses to non-compliance in its Operational Guidelines and National Compliance and Enforcement Policy.

- Educate the operator of their obligations.
- Give the operator a verbal warning.
- Issue the operator with an official caution.
- Issue the operator an Infringement Notice.
- Order a boat to return to port and not leave until directed.
- Suspend or cancel a fishing concession or fish receiver permit.
- Refer the matter to the Commonwealth Director of Public Prosecutions (CDPP) for prosecution.

4.26 As part of the national compliance and enforcement policy, AFMA has developed eight enforcement matrices, which provide guidance for fisheries officers on conducting investigations and applying enforcement actions.⁶⁷ Seven of the eight enforcement matrices address repeat offences. The enforcement matrix for breaches to the 28-day quota reconciliation obligation does not include specific guidance for handling repeat offences.⁶⁸

4.27 From 1 July 2016 to 15 October 2020, there were 65 investigations into breaches of this obligation resulting in an enforcement action. Of these, 43 per cent were repeat offences. None of these cases received a response beyond an official caution. In one instance, an operator failed to

66 AFMA has not conducted a quality assurance review on a compliance risk management team program since 2014.

67 Matrices have been developed for: bycatch mistreatment; failure to report an interaction with a threatened, endangered or protected species; failure to reconcile quota; non-compliance with regards to bycatch reduction devices; compliance with closures; VMS non-compliance and a variant applied when the zero-tolerance threshold is reached; and offences committed in the Northern Prawn Fishery.

68 The 28-day quota reconciliation obligation is a requirement of subsection 22(4) of the Fisheries Management Act. Breaches of these requirements are an offence under paragraph 95(1)(d) of the Act, punishable by a fine of up to 250 penalty units.

comply with the obligation six times in the span of 19 months and received an official caution each time.

Recommendation no. 8

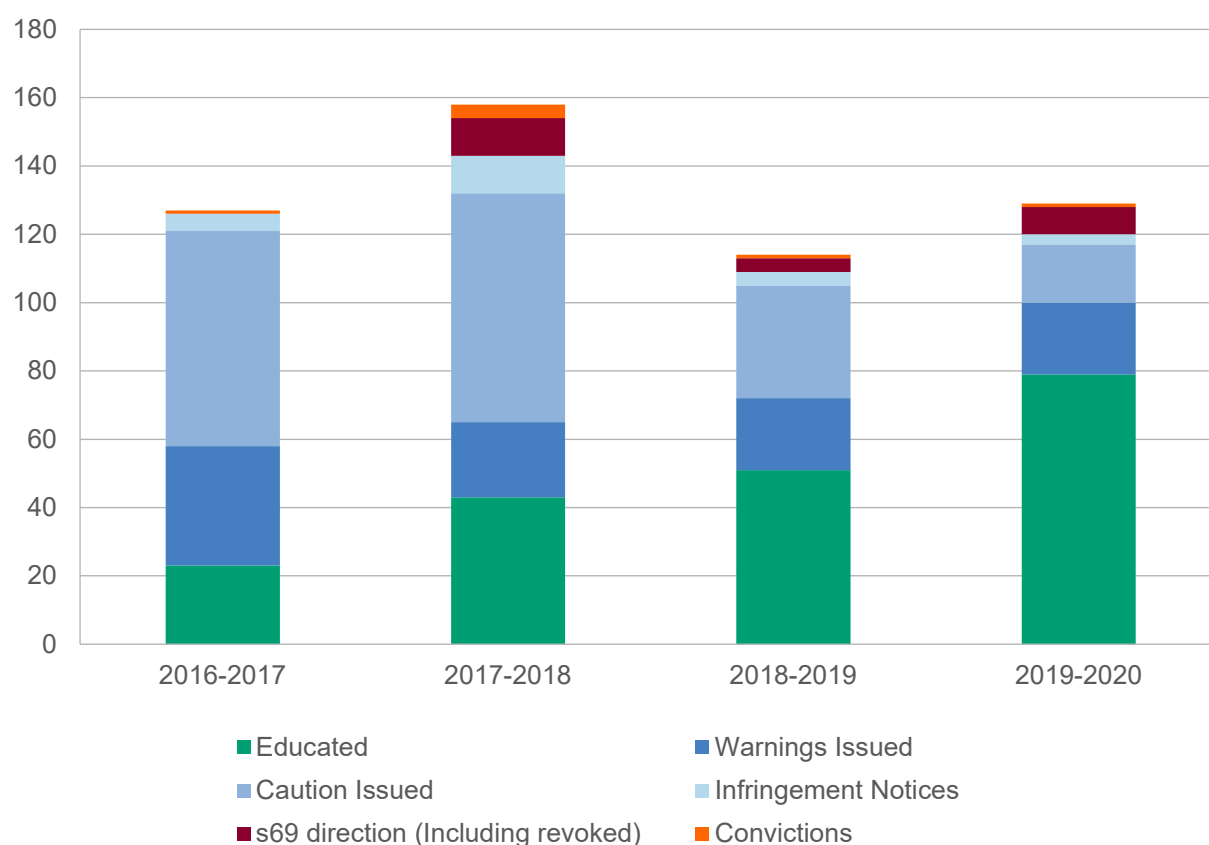
4.28 The Australian Fisheries Management Authority update the workflow contained in the quota reconciliation enforcement matrix to include detailed guidance on handling repeat offences.

Australian Fisheries Management Authority response: *Agreed.*

4.29 *AFMA will review the matrix to provide further specific guidance on handling repeat offenders as required. ANAO's analysis using recidivist rates as a methodology in assessing the 'effectiveness' of compliance responses/actions was particularly interesting. AFMA is looking to adopt this methodology as an additional measure to monitor compliance effectiveness.*

4.30 An investigation is commenced in response to an allegation of non-compliance. From 1 July 2016 to 15 October 2020, AFMA conducted 751 domestic investigations. Of these, 317 concluded with an enforcement action being applied. Sixty per cent of operators that were subject to an enforcement action were not subject to a second action within the period examined.

Figure 4.3: Enforcement responses 2016–17 to 2019–20



Note a: Note: Section 69 of the *Maritime Powers Act 2013* enables fisheries officers to issue directions such as cease fishing.

Source: ANAO analysis of data extracted from AFMA's case management system.

4.31 In 2019–20 the majority of non-compliance incidents were closed with the outcome of ‘NFA — Educated.’⁶⁹ This outcome indicates AFMA has informed an operator of their obligations with the goal of increasing voluntary compliance.

4.32 There are 240 vessels operating in Commonwealth fisheries other than the Torres Strait.⁷⁰ From 1 July 2016 to 15 October 2020, as the result of investigations, 194 enforcement actions other than education were applied to 92 of these vessels. Forty-two of these vessels received more than one enforcement action and were subject to 144 of the enforcement actions applied.

4.33 When responding to non-compliance, AFMA’s objective is to stop the non-compliant behaviour and prevent it occurring again. As such, a compliance response is effective if it prevents repeat offences of the same kind.⁷¹ The ANAO assessed domestic investigations from 1 July 2016 to 15 October 2020 to determine the proportion of operators that reoffended after an enforcement action was applied.

- Education as a response to non-compliance was 87 per cent effective.
- Warnings were 87 per cent effective.
- Cautioning non-compliant operators was 71 per cent effective.
- Infringement Notices were 90 per cent effective.

4.34 Bycatch mishandling was the risk category subject to the largest amount of ineffective compliance treatments. Nine operators continued to be non-compliant after being educated and a further six continued to be non-compliant after receiving a caution. The treatment of bycatch mishandling was only 63 per cent effective from 1 July 2016 to 15 October 2020, decreasing to 47 per cent when considering the period 1 January 2019 to 15 October 2020.

4.35 AFMA uses a case management system to record and track investigations, intelligence and other compliance information. The case management system has not been configured so that reports detailing repeat offences can be generated. This inhibits analysis of recidivism, which is essential for determining the effectiveness of treatments.

Facilitating prosecutions

4.36 Since 2018, AFMA has referred briefs regarding 24 fishers to the CDPP for prosecution. In four instances the CDPP declined to pursue the brief.

- 18 March 2019 — declined due to lack of admissible evidence. The CDPP identified that an interview conducted by fisheries officers in 2018 was inadmissible due to breaches of section 23H of the *Crimes Act 1914* (Cth) (Crimes Act).⁷²
- 27 March 2019 — declined due to lack of admissible evidence. The CDPP identified that a formally recorded interview conducted in 2018 was inadmissible due to breaches of

69 NFA means no further action.

70 As at May 2020.

71 Appendix 4 contains a breakdown of the effectiveness of enforcement responses by risk category.

72 Section 23H of the *Crimes Act 1914* (Cth) places additional obligations on investigating officials in relation to interviewing Aboriginal or Torres Strait Islander suspects. This includes requirements to notify a representative of an Aboriginal legal assistance organisation in the state or territory in which the person is located and to provide appropriate access to an interview friend.

section 23H of the Crimes Act. Further, the brief was received by prosecutors the day before charges expired.⁷³

- 22 July 2020 — declined due to lack of evidence. The CDPP identified that the evidence did not sufficiently identify the individual that AFMA wished to prosecute.
- 14 August 2020 — declined as the CDPP determined an offence had not occurred because AFMA had not provided the operator with appropriate notification of fishery rules.⁷⁴

4.37 The CDPP provided training to AFMA staff on 17 May 2017 and 12 October 2020. The training covered the preparation of briefs and the conduct of investigations, including section 23H of the Crimes Act.

4.38 In response to feedback from the CDPP, AFMA has committed to providing all briefs to the CDPP at least three months prior to the limitation period expiring, and to recording interactions that involve warnings and identification of persons of interest.

Recommendation no. 9

4.39 The Australian Fisheries Management Authority ensure staff are aware of their legislated obligations when conducting investigations and address identified capability gaps in a timely manner.

Australian Fisheries Management Authority response: Agreed.

4.40 *AFMA conducts a range of mandatory training and requires mandatory qualifications of officers. We will continue to update guidance documentation to ensure staff are aware of their obligations in the conduct of investigations to complement training, including that provided by the Commonwealth Director of Public Prosecutions.*

Is reporting on compliance and enforcement processes appropriate?

Reporting on compliance and enforcement processes is largely appropriate. AFMA could improve reporting on quota evasions, bycatch mishandling and repeat offences.

4.41 In each National Compliance and Enforcement Program, AFMA reports on the performance against targets set in the previous NCEP. AFMA has developed performance measures that include a mixture of activities and outcomes. These include measures covering:

- levels of non-compliance for priority risks;
- the volume of inspections conducted; and
- levels of port attendance by fisheries officers.

73 AFMA reported that fisheries officers were not aware that offences would expire after one year under the *Torres Strait Fisheries Act 1984*, as they were familiar with the two-year expiration date in the *Fisheries Management Act 1991*.

74 The Fisheries Management Act requires AFMA to notify operators seven days prior to instituting a closure. In this case, AFMA did not provide the operator with appropriate notification of a closure.

4.42 Performance measures do not include the number of quota evasions detected or the number of bycatch mishandling non-compliances by category.⁷⁵ Performance reporting could be improved by developing measures for these non-compliances.

4.43 In the 2020–21 NCEP, AFMA did not fully report on the performance targets set in 2019–20. In three of the 42 targets, AFMA set the target as a percentage, but reported the number of occurrences. This prevents the reader comparing performance with previous years.

4.44 AFMA reports internally on the activity and performance of the Fisheries Operations Branch on a weekly, monthly and annual basis. The reports are published on the Fisheries Operations Branch intranet sub-site, and effectively communicate the status of branch activities. Reports include:

- recent and upcoming investigations, prosecutions, operations and other branch activity;
- the volume of reports of non-compliance;
- the number of investigations regarding a specific offence type;
- compliance rates for VMS and e-monitoring; and
- performance against targets established in the NCEP.



Grant Hehir
Auditor-General

Canberra ACT
23 June 2021

⁷⁵ Bycatch mishandling is classified into five categories in the enforcement matrix: Minor and Negligent; Minor and Intentional; Moderate and Negligent; Moderate and Intentional; Serious (negligent or intentional).

Appendices

Appendix 1 Australian Fisheries Management Authority response



Australian Government
Australian Fisheries Management Authority

18 May 2021

Mr Grant Hehir
Auditor-General for Australia
Australian National Audit Office
GPO Box 707
CANBERRA ACT 2601

Dear Mr Hehir

The Australian Fisheries Management Authority (AFMA) welcomed the opportunity to participate in the audit of Management of Commonwealth Fisheries.

AFMA has considered the proposed audit report. The expansive scope of the audit provided useful third party scrutiny of administrative arrangements across the agency.

The report identifies a number of positive outcomes from AFMA's overall management of Commonwealth fisheries, as well as recommending areas for increased focus. These should improve AFMA's assessment of its performance, currency of management strategies, delivery of compliance, and engagement and accountability with stakeholders. AFMA agrees with all nine recommendations, recognising that, in seeking to progress these elements, AFMA will need to balance competing needs and the availability of limited resources in and across fisheries.

While the audit identifies areas for further improvement in AFMA's fisheries administration and some governance arrangements, AFMA does not agree that the content of the proposed report, or the recommendations, support the conclusion that AFMA's overall management of Commonwealth fisheries is only partly effective. The Australian Bureau for Agricultural and Resource Economics and Sciences prepares an annual Fishery Status Report. The most recent report (2019 results) highlights that the vast majority of Commonwealth stocks are managed at levels where they are not overfished or subject to overfishing. The report also highlights that the value of Commonwealth fisheries in 2019 was higher than the average of the previous 10 years. These are the results of an effective management regime.

Thank you again for ANAO's recommendations and audit findings. These will provide a constructive approach to assist AFMA in increasing its effectiveness in managing Commonwealth fisheries.

Yours sincerely

Wez Norris
Chief Executive Officer

Canberra
PO Box 7051
Canberra Business Centre ACT 2610
P 02 6225 5555 F 02 6225 5500

Darwin
PO Box 131
Darwin NT 0801
P 08 8943 0333 F 08 8942 2897

Thursday Island
PO Box 376
Thursday Island QLD 4875
P 07 4069 1990 F 07 4069 1277

Lakes Entrance
PO BOX 408
Lakes Entrance VIC 3909
P 0447 019 916

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ANAO comment on AFMA summary response

Paragraphs 3.15 and 3.16 of the report include Australian Bureau of Agricultural and Resource Economics and Sciences reporting.

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Appendix 2 Individual fishery maps for operational fisheries

Figure A.1: Bass Strait Central Zone Scallop Fishery Map



Source: AFMA 2018–19 Annual Report.

Figure A.2: Coral Sea Fishery Map



Source: AFMA 2018–19 Annual Report.

Figure A.3: Northern Prawn Fishery Map



Source: AFMA 2018–19 Annual Report.

Figure A.4: North West Slope Fishery Map



Source: AFMA 2018–19 Annual Report.

Figure A.5: Western Deepwater Trawl Fishery Map



Source: AFMA 2018–19 Annual Report.

Figure A.6: Small Pelagic Fishery Map



Source: AFMA 2018–19 Annual Report.

Figure A.7: Southern and Eastern Scalefish and Shark Fishery Map



Source: AFMA 2018–19 Annual Report.

Figure A.8: Southern Squid Jig Fishery Map



Source: AFMA 2018–19 Annual Report.

Figure A.9: Macquarie Island Toothfish Fishery Map



Source: AFMA 2018–19 Annual Report.

Figure A.10: Eastern Tuna and Billfish Fishery Map



Source: AFMA 2018–19 Annual Report.

Figure A.11: Southern Bluefin Tuna Fishery Map



Source: AFMA 2018–19 Annual Report.

Figure A.12: Western Tuna and Billfish Fishery Map



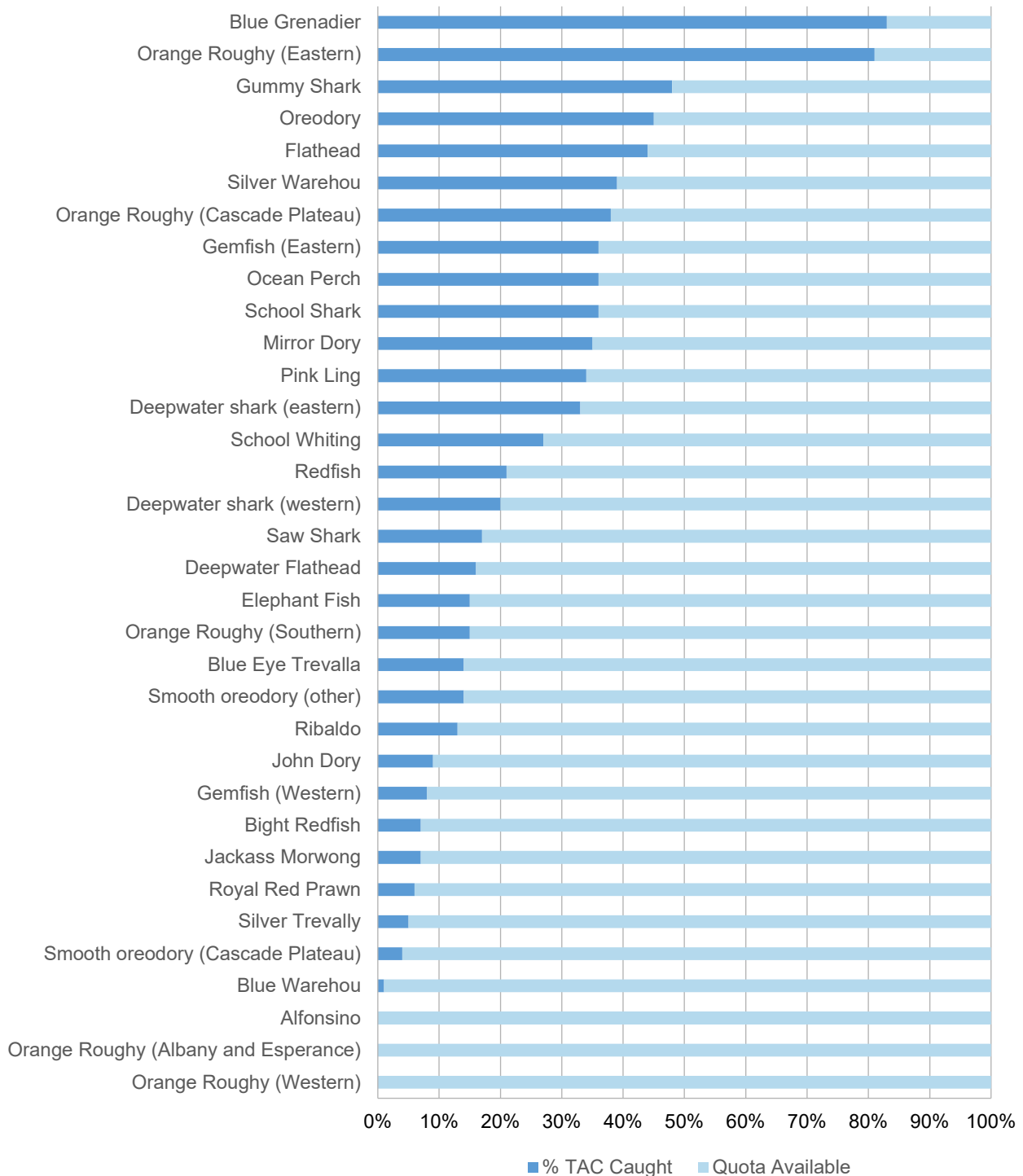
Source: AFMA 2018–19 Annual Report.

Figure A.13: Heard and McDonald Islands Fishery Map



Source: AFMA 2018–19 Annual Report.

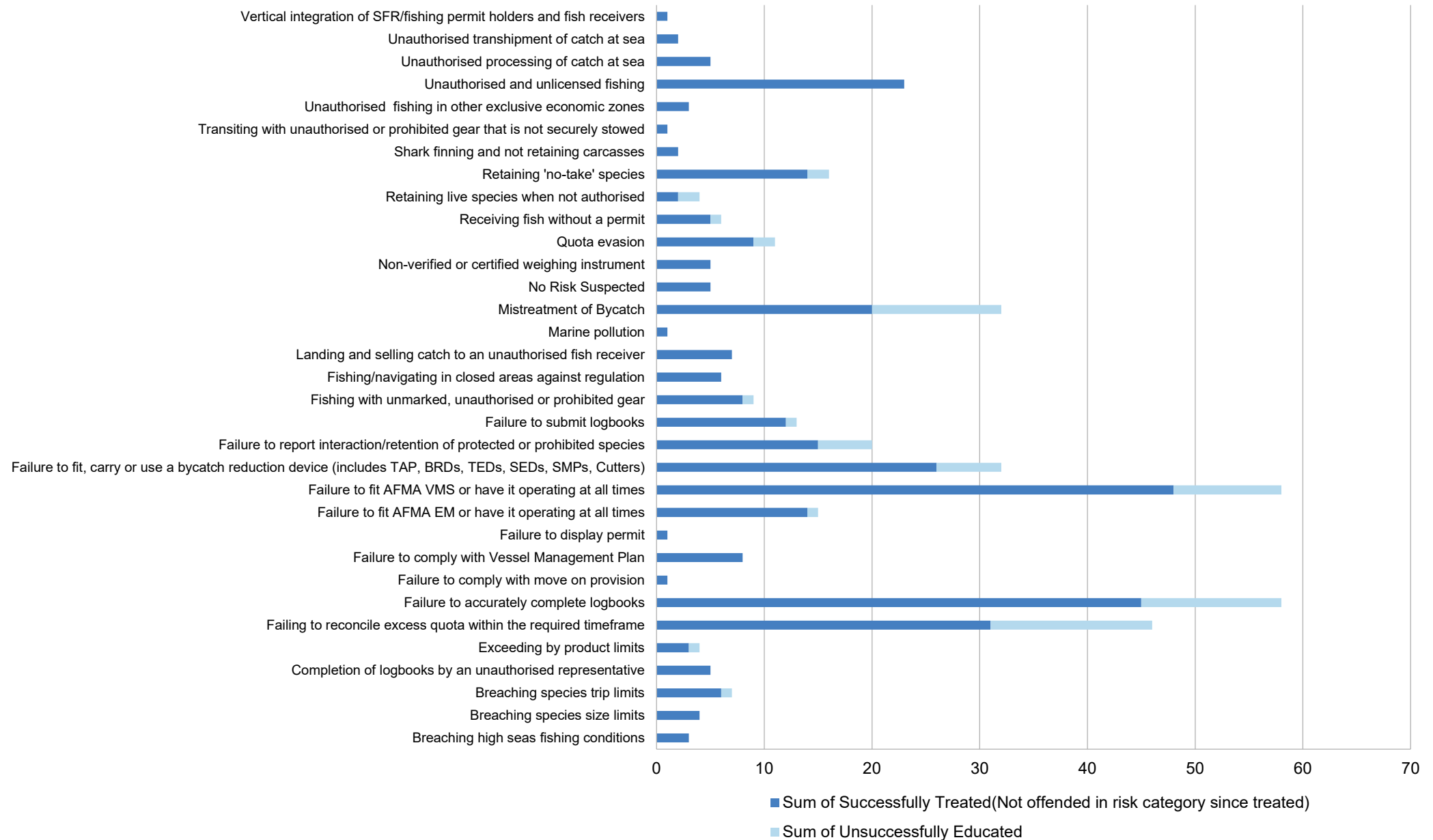
Appendix 3 Catch and available quota in the Southern and Eastern Scalefish and Shark fishery



Note: Percentage of total allowable catch caught (dark blue) against the percentage of quota available (light blue), ordered by total allowable catch caught. Fishing season is 1 May 2020 to 30 April 2021 and data is from 19 November 2020.

Source: ANAO analysis of AFMA data.

Appendix 4 Effectiveness of responses to non-compliance July 2016 to October 2020



Note a: This analysis was done per-operator. If an operator were to receive an enforcement response multiple times, it would only be considered one ineffective treatment.

Note b: Compliance responses were identified as effective if, after their application there was no subsequent non-compliance within that risk category by that operator. Compliance responses were identified as ineffective if, after their application there was further non-compliance within that risk category by the operator.

Source: ANAO analysis of data extracted from AFMA case management system.