

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY

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AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Fisheries Management Authority (AFMA) was established under the *Fisheries Administration Act 1991* (FAA) to manage Australia's Commonwealth fisheries on behalf of the Australian community in accordance with the *Fisheries Management Act 1991* (FMA).

The AFMA Commission is responsible for exercising AFMA's domestic fisheries management functions and powers under the FAA and FMA. The Chief Executive Officer (CEO) of AFMA is responsible for assisting the Commission, including giving effect to its decisions and is also a Commissioner. The CEO is also responsible for exercising AFMA's foreign compliance functions, is the accountable authority under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and the agency head for the purposes of the *Public Service Act 1999*.

AFMA's legislated functions and objectives require the pursuit of efficient and cost effective fisheries management consistent with the principles of ecologically sustainable development (ESD), including the precautionary principle, and maximising the net economic returns to the Australian community from the management of Commonwealth fisheries. As part of its consideration of ESD, AFMA is seeking to increase its understanding of, and ways to account for, social impacts of its management decisions. Following initial public consultation, AFMA proposes to release a position statement in mid-2019 to provide transparency about how AFMA currently considers the social aspects of the ESD principles in the management of Commonwealth fisheries. The statement will evolve over time reflecting changing stakeholder expectations, emerging market requirements and changes in AFMA's operating environment.

AFMA is to have regard to the impact of fishing on non-target species and on the long-term sustainability of the marine environment as well as taking into account the interests of commercial, recreational and Indigenous fishers in the management of Commonwealth fisheries. AFMA is implementing new Fisheries Management Strategies following the release of the Commonwealth Fisheries Harvest Strategy and the Commonwealth Bycatch Policy in November 2018 with a focus on improving fishery management performance. AFMA continues to improve the understanding of the impacts of climate change through the project: Adaptation of Commonwealth Fisheries Management to Climate Change, with CSIRO as the co-investigator. The project assesses how well Commonwealth fisheries management will cope with the projected impacts of climate change. A diverse array of stakeholders will generate priorities, strategies and recommendations for adaptation by Commonwealth fisheries management.

AFMA Budget Statements

AFMA delivers a range of regulatory services to the Commonwealth fishing industry through fisheries management arrangements, compliance programs, licensing services and develops operational policies and regulations. AFMA uses information gained from scientific research and its own monitoring activities to identify Australian marine living resources potentially affected by Commonwealth fisheries and implements measures to pursue sustainable fishing.

AFMA's role includes developing and implementing risk-based domestic compliance programs, participating in the Australian Government's civil maritime surveillance and response arrangements and engaging internationally to improve the management of fish stocks beyond the Australian Fishing Zone. Activities include education, enforcement and vessel disposal activities to protect Commonwealth fisheries from illegal fishing, participation in international fora to provide specialist advice and delivering capacity building programs to deter illegal, unreported and unregulated fishing beyond Australia's borders.

AFMA also provides fisheries management and domestic compliance services for the Protected Zone Joint Authority (PZJA) under the *Torres Strait Fisheries Act 1984* (TSFA). Decisions under this legislation are made by the PZJA, which comprises the Commonwealth as Chair, and the Torres Strait Regional Authority and the Queensland Government as other members. The key objectives of the TSFA are to acknowledge and protect the traditional way of life and livelihood of traditional inhabitants, including their rights in relation to traditional fishing and to protect and preserve the marine environment and fauna and flora in, and in the vicinity of, the Protected Zone. The Torres Strait Fisheries (Quotas for Tropical Rock Lobster (Kaiar)) Management Plan 2018 provides for the setting of sustainable harvest limits for Tropical Rock Lobster and for the allocation of quota for commercial fishing for Tropical Rock Lobster between traditional inhabitants and non-traditional commercial fishers.

When developing and implementing fisheries management arrangements, AFMA works in partnership with the public and key stakeholders, including commercial fishing operators, the prescribed peak industry body, sectoral industry associations, Indigenous communities, recreational and charter fishing representatives, researchers, environment/conservation organisations, state and territory agencies and others with an interest in Commonwealth fisheries management. AFMA engages with stakeholder groups through management advisory committees, resource assessment groups, scientific panels, working groups, liaison meetings, port visits, and electronic newsletters to concession holders in Commonwealth fisheries. AFMA consults with the public on the development of, and amendments to, fishery management plans, using contemporary digital, web and social media communication channels.

In managing Commonwealth fisheries, AFMA applies the Australian Government's cost recovery policy through its Cost Recovery Implementation Statement (CRIS). The Commonwealth commercial fishing industry pays for activities directly attributed to, and recoverable from, the fishing industry while the Government pays for compliance and enforcement activities that benefit the broader community. AFMA conducts periodic reviews of its cost-recovered activities and where applicable, applies technological and other solutions to reduce and to help minimise costs and improve efficiency in the delivery of its regulatory services to the Commonwealth fishing industry.

To fulfil its functions, AFMA commissions and places a high importance on scientific and economic research and risk assessments to inform its decision making.

AFMA's goals and strategies are aimed at continuing to deliver ecologically sustainable and economically efficient Commonwealth fisheries over the current and forecast period.

Our purpose

The ecologically sustainable development of Commonwealth fisheries for the benefit of the Australian community.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classification.

Table 1.1: Australian Fisheries Management Authority – Resource Statement – Budget Estimates for 2019–20 as at April 2019

	2018–19 ^(a) Estimated actual \$'000	2019–20 Estimate \$'000
Departmental		
Annual appropriations – ordinary annual services^(b)		
Outcome 1	20,517	20,345
Section 74 external revenue ^(c)	3,105	2,328
Prior year appropriations available ^(d)	14,238	8,261
Total departmental annual appropriations	37,860	30,934
Special accounts^(e)		
Appropriation receipts ^(f)	20,677	20,345
Non-appropriation receipts	14,300	14,520
Total special account receipts	34,977	34,865
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	<i>(20,677)</i>	<i>(20,345)</i>
Total departmental resourcing	52,160	45,454
Administered		
Annual appropriations – ordinary annual services^(b)		
Outcome 1	5,506	5,588
Total administered annual appropriations	5,506	5,588
Total administered resourcing	5,506	5,588
Total resourcing for AFMA	57,666	51,042
	2018–19	2019–20
Average staffing level (number)	177	177

(a) Annual appropriation amounts appearing for 2018–19 do not include the Appropriation Bills (No. 3) and (No. 4) 2018–19, as they had not been enacted at the time of publication. For AFMA, the Bills include \$0.172 million in departmental appropriation.

(b) Appropriation Bill (No. 1) 2019–20.

(c) Estimated retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

(d) These amounts reflect opening special account balances only.

(e) For further information on special appropriations and special accounts, please refer to *Budget Paper No. 4 – Agency Resourcing*. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.

(f) Amounts credited to the special account(s) from entity AFMA's annual appropriations.

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

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

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to the Australian Fisheries Management Authority are detailed in *Budget Paper No. 2: Budget Measures 2019–20* and are summarised below.

Table 1.2: Australian Fisheries Management Authority 2019–20 Budget measures
Part 1: Measures announced since the 2018–19 Mid-Year Economic and Fiscal Outlook (MYEFO)

AFMA does not have any 2019–20 Budget measures.

Part 2: Other measures not previously reported in a portfolio statement

AFMA does not have any measures not previously reported in a portfolio statement.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in annual reports – to provide an entity's complete performance story.

The most recent corporate plan for the Australian Fisheries Management Authority can be found at:

<https://www.afma.gov.au/sites/default/files/uploads/2018/06/AFMA-Corporate-Plan-2018-21-FINAL.pdf>.

The most recent annual performance statement for the Australian Fisheries Management Authority can be found at:

<https://www.afma.gov.au/sites/default/files/uploads/2018/06/AFMA-Annual-Operational-Plan-2018-19-FINAL.pdf>.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Ecologically sustainable and economically efficient Commonwealth fisheries, through understanding and monitoring Australia’s marine living resources and regulating and monitoring commercial fishing, including domestic licensing and deterrence of illegal foreign fishing.

Linked programs

<p>Department of Agriculture and Water Resources</p> <hr style="border-top: 1px dotted black;"/> <p>Programs:</p> <ul style="list-style-type: none"> • Program 1.4: Fishing Industry • Program 2.1: Biosecurity and Export Services
<p>Contribution to Outcome 1 made by linked program:</p> <p>The Australian Fisheries Management Authority and Department of the Agriculture and Water Resources engage on fisheries management to ensure a sustainable, productive and profitable fishing industry.</p>
<p>Department of the Environment and Energy</p> <hr style="border-top: 1px dotted black;"/> <p>Program:</p> <ul style="list-style-type: none"> • Program 1.4: Conservation of Australia’s Heritage and the Environment
<p>Contribution to Outcome 1 made by linked program:</p> <p>The Australian Fisheries Management Authority and Department of the Environment and Energy engage on fisheries management to ensure a sustainable, productive and profitable fishing industry.</p>
<p>Department of Home Affairs</p> <hr style="border-top: 1px dotted black;"/> <p>Program:</p> <ul style="list-style-type: none"> • Program 1.1: Border Enforcement
<p>Contribution to Outcome 1 made by linked program:</p> <p>The Australian Fisheries Management Authority provides the fisheries focus within the Australian Government Civil Maritime Surveillance and Response Program and is responsible for the administration of legislation on illegal fishing in the Australian Fishing Zone. AFMA deters and prevents illegal foreign fishing by carrying out education programs, cooperative enforcement operations, prosecution of offenders, confiscation of boats and capacity building projects.</p>

2.1.1 Budgeted expenses for Outcome 1

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

Table 2.2.1 Budgeted expenses for Outcome 1

Outcome 1: Ecologically sustainable and economically efficient Commonwealth fisheries, through understanding and monitoring Australia's marine living resources and regulating and monitoring commercial fishing, including domestic licensing and deterrence of illegal foreign fishing.					
	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Program 1.1: Australian Fisheries Management Authority					
Administered expenses					
Ordinary annual services (Appropriation Bill (No. 1))					
Illegal Foreign Fishing Vessel Caretaking and Disposal	5,506	5,588	5,683	5,838	5,881
Departmental expenses					
Departmental appropriation ^(a)	24,825	22,263	22,444	23,035	23,229
Special account					
AFMA Special account	14,300	14,520	14,665	14,812	14,960
Expenses not requiring appropriation in the Budget year ^(b)	1,599	1,573	1,711	1,511	1,486
Total expenses for program 1.1	46,230	43,944	44,503	45,196	45,556
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill (No. 1))	5,506	5,588	5,683	5,838	5,881
Departmental expenses					
Departmental appropriation ^(a)	24,825	22,263	22,444	23,035	23,229
Special account	14,300	14,520	14,665	14,812	14,960
Expenses not requiring appropriation in the Budget year ^(b)	1,599	1,573	1,711	1,511	1,486
Total expenses for Outcome 1	46,230	43,944	44,503	45,196	45,556
	2018–19	2019–20			
Average staffing level (number)	177	177			

(a) Expenses funded from both 'ordinary annual services' (Appropriation Bill No. 1 2019–20) and 'revenue from independent sources' (section 74 of the PGPA Act).

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, and audit fees.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as Government priorities change.

2.1.2 Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019–20 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – Ecologically sustainable and economically efficient Commonwealth fisheries, through understanding and monitoring Australia’s marine living resources and regulating and monitoring commercial fishing, including domestic licensing and deterrence of illegal foreign fishing.	
Program 1.1 – Australian Fisheries Management Authority	
Objective	The ecologically sustainable development of Commonwealth fisheries for the benefit of the Australian community.
Delivery	<p>AFMA manages Commonwealth fisheries resources consistent with principles of ecological sustainable development by:</p> <ul style="list-style-type: none"> • Developing management arrangements that: : <ul style="list-style-type: none"> ○ Support the implementation of Commonwealth fisheries policies including the Harvest Strategy and Bycatch Policies; ○ Implement AFMA’s revised Ecological Risk Management Framework; ○ Recover overfished stocks and prevent overfishing; and ○ Ensure commercial, recreational and Indigenous fishing information is used in decision making. • Investing in and applying scientific and economic research to decision making on fish stocks, sub-stocks, species (target and non-target species) and the impact of fishing on the marine environment. <p>AFMA maximises the net economic returns to the Australian community from the management of Commonwealth fisheries by:</p> <ul style="list-style-type: none"> • Reviewing management arrangements to take into account commercial, recreational and Indigenous fishing interests when maximising net economic returns from the commercial sector. • Increasing catch levels within sustainable total allowable catches (TACs) by conducting and considering implementation of research focussed on under caught TACs. • Managing exploratory fisheries (potentially underutilised fisheries). • Understanding impacts of resource allocation between commercial, recreational and Indigenous fishers.

Continued on following pages

Contributions to Outcome 1 (continued)

Program 1.1 – Australian Fisheries Management Authority (continued)	
Delivery (continued)	<p>AFMA ensures compliance with Commonwealth fisheries laws and policies and relevant international fishing obligations and standards by:</p> <ul style="list-style-type: none"> • Operating an effective compliance and enforcement regime encompassing: <ul style="list-style-type: none"> ○ Measures to maximise voluntary compliance; ○ Risk-based, intelligence driven, and targeted domestic operations; and ○ Building and maintaining strategic links and relationships with relevant law enforcement agencies. • Operating effective foreign fisheries compliance enforcement and capacity building by: <ul style="list-style-type: none"> ○ Implementing strategies to deter and eliminate illegal, unreported and unregulated (IUU) foreign fishing in Australian waters and on the high seas where Australia has an interest; and ○ Delivering capacity building programs internationally and supporting key regional and international fishing bodies. <p>AFMA delivers effective, cost efficient and accountable management of Commonwealth fisheries resources by:</p> <ul style="list-style-type: none"> • Pursuing ministerial directives and government initiatives to improve regulation and administration generally in the Australian Government sector including: <ul style="list-style-type: none"> ○ Exploring opportunities to streamline fisheries assessment and management processes; and ○ Implementing new fisheries policies for harvest strategies and bycatch to improve fishery management performance. • Reviewing business processes and systems, information flows and financial management arrangements through: <ul style="list-style-type: none"> ○ Assessing and mitigating high financial and operating risks; and ○ Developing an e-business plan that considers cost effective and efficient use of electronic systems for logbooks, monitoring and licensing. • Increasing AFMA accountability and stakeholder engagement through: <ul style="list-style-type: none"> ○ Expanded membership of management advisory committees (MACs) and resource assessment groups (RAGs); and ○ Capability development for recreational and Indigenous stakeholders.

Continued on following pages

Contributions to Outcome 1 (continued)

Performance information			
Year	Performance criteria ^(a)	Targets	
2018–19	1. Complete an Ecological Risk Assessment (ERA) and Fisheries Management Strategy (FMS) for each fishery every five years. (Number of fisheries). ^(b)	5	
	2. The number of high risk rated species from ERAs declines.	88	
	3. Fisheries reporting on general bycatch quantity ^(c) each year. (Number of fisheries).	5	
	4. Fisheries reporting decreasing volume of general bycatch each year. (Number of fisheries).	3	
	5. Interaction rates with Threatened Endangered and Protected species (TEPs) decreasing each year. (Number of fisheries).	3	
	6. For economically significant stocks: ^(d)		
	a. maximise the number of key commercial stocks with harvest strategy targets based on Maximum Economic Yield (MEY) or the best available proxy. ^{(e),(f)}	At least 15.	
	b. improve the number of stocks in (a) assessed as being on target. ^(f)	4	
	c. for those stocks in (a) that are assessed as not on target, improve the number that are heading towards their target reference point. ^(g)	6	
	7. Major fisheries have harvest strategies that meet the Harvest Strategy Policy 2018 (HSP2018) within 3 years. (Number of fisheries).	0	

Continued on following pages

Contributions to Outcome 1 (continued)

Performance information (continued)		
Year	Performance criteria^(a)	Targets
2018–19 (continued)	8. Other fisheries have harvest strategies that meet the HSP2018 within 4 years. (Number of fisheries).	0
	9. Percentage of treatment targets for all priority domestic compliance risks met.	90 per cent. ^(h)
	10. Percentage of apprehended foreign IUU vessels and suspected illegal entry vessels (SIEVs) delivered to AFMA disposed of.	100 per cent.
	11. Industry cost recovery charges do not exceed the levels derived by increasing the 2005–06 recoveries by the Consumer Price Index (CPI) each year.	<\$18.8 million.
2019–20	1. Complete an ERA and FMS for each fishery every five years. (Number of fisheries). ^(b)	5
	2. The number of high risk rated species from ERAs declines.	80
	3. Fisheries reporting on general bycatch quantity ^(c) each year. (Number of fisheries).	8
	4. Fisheries reporting decreasing volume of general bycatch each year. (Number of fisheries).	6
	5. Interaction rates with TEPs decreasing each year (Number of fisheries).	5

Continued on following pages

Contributions to Outcome 1 (continued)

Performance information (continued)		
Year	Performance criteria^(a)	Targets
2019–20 (continued)	6. For economically significant stocks: ^(d)	
	a. maximise the number of key commercial stocks with harvest strategy targets based on MEY or the best available proxy. ^{(e),(f)} .	At least 15.
	b. improve the number of stocks in (a) assessed as being on target. ^(f)	4
	c. for those stocks in (a) that are assessed as not on target, improve the number that are heading towards their target reference point. ^(g)	7
	7. Major fisheries have harvest strategies that meet the HSP2018 within three years. (Number of fisheries).	6
	8. Other fisheries have harvest strategies that meet the HSP2018 within four years. (Number of fisheries).	2
	9. Percentage of treatment targets for all priority domestic compliance risks met.	90 per cent. ^(h)
	10. Percentage of apprehended foreign IUU vessels and SIEVs delivered to AFMA disposed of.	100 per cent.
11. <i>Percentage of briefs of evidence relating to foreign offenders submitted to the Commonwealth Director of Public Prosecutions within 7–10 days from their arrival in Australia.</i>	<i>90 per cent.^(h)</i>	

Continued on following pages

Contributions to Outcome 1 (continued)

Performance information (continued)		
Year	Performance criteria^(a)	Targets
2019–20 (continued)	12. Industry cost recovery charges do not exceed the levels derived by increasing the 2005–06 recoveries by the CPI each year.	<\$19.0 million.
2020–21 and beyond	1. <i>Complete an ERA and FMS for each fishery every five years. (Number of fisheries).</i> ^(b)	(all forward years) 5.
	2. <i>The number of high risk rated species from ERAs declines.</i>	(2020–21) 70 (2021–22) 60 (2022–23) 50
	3. <i>Fisheries reporting on general bycatch quantity^(c) each year. (Number of fisheries).</i>	(2020–21) 11 (2021–22) 15 (2022–23) 15
	4. <i>Fisheries reporting decreasing volume of general bycatch each year. (Number of fisheries).</i>	(2020–21) 10 (2021–22) 15 (2022–23) 15
	5. <i>Interactions with TEPs decreasing each year. (Number of fisheries).</i>	(2020–21) 8 (2021–22) 10 (2022–23) 15
	6. <i>For economically significant stocks:^(d)</i>	
	a. <i>maximise the number of key commercial stocks with harvest strategy targets based on MEY or the best available proxy.^{(e),(f)}</i>	(all forward years) At least 15.
	b. <i>improve the number of stocks in (a) assessed as being on target.^(f)</i>	(all forward years) 4.
	c. <i>for those stocks in (a) that are assessed as not on target, improve the number that are heading towards their target reference point.^(g)</i>	(all forward years) 7.

Continued on following pages

Contributions to Outcome 1 (continued)

Performance information (continued)		
Year	Performance criteria^(a)	Targets
2020–21 and beyond (continued)	7. <i>Major fisheries have harvest strategies that meet the HSP2018 within three years. (Number of fisheries).</i>	(2020–21) 8 (2021–22) 10 (2022–23) 10
	8. <i>Other fisheries have harvest strategies that meet the HSP2018 within four years. (Number of fisheries).</i>	(2020–21) 4 (2021–22) 4 (2022–23) 5
	9. <i>Percentage of treatment targets for all priority domestic compliance risks met.</i>	(all forward years) 90 per cent. ^(h)
	10. <i>Percentage of apprehended foreign IUU vessels and SIEVs delivered to AFMA disposed of.</i>	(all forward years) 100 per cent.
	11. <i>Percentage of briefs of evidence relating to foreign offenders submitted to the Commonwealth Director of Public Prosecutions within 7–10 days from their arrival in Australia.</i>	90 per cent. ^(h)
	12. <i>Industry cost recovery charges do not exceed the levels derived by increasing the 2005–06 recoveries by the CPI each year.</i>	(2020–21) <\$19.3 million (2021–22) <\$19.7 million (2022–23) <\$20.2 million

Continued on following page

Contributions to Outcome 1 (continued)

Performance information (continued)	
Purposes⁽ⁱ⁾	<p>AFMA is responsible for:</p> <ul style="list-style-type: none"> • Managing Commonwealth fisheries resources consistent with principles of ecological sustainable development; • Maximising net economic returns to the Australian community from the management of Commonwealth fisheries; • Promoting compliance with Commonwealth fisheries laws and policies and relevant international fishing obligations and standards; • Delivering effective, cost efficient and accountable management of Commonwealth fisheries resources; and • Considering the economic benefits for recreational and Indigenous stakeholders as well as commercial fishers.

- (a) New or modified performance criteria that reflect new or materially changed programs are shown in italics.
- (b) Ecological Risk Assessments for Commonwealth managed fisheries and sub-fisheries have been completed. Species considered to be potentially at high risk are the subject of mitigation measures and further assessment. This may mean that projections of numbers of high risk species may vary from year to year. In addition, AFMA is currently applying a revised environmental risk assessment methodology which may lead to changes in reported values in future.
- (c) Bycatch other than TEPs.
- (d) Please note that not all Commonwealth fish stocks can be managed by MEY, for example, those managed under international regional bodies.
- (e) Where higher and lower value species are caught together, different targets for the lower value species may maximise net economic returns overall.
- (f) Assessment methodologies are being reviewed, projections may vary.
- (g) In AFMA managed fisheries, not including jointly and internationally managed fisheries.
- (h) Some targets do not set a 100 per cent level of achievement. This reflects the operational environment for AFMA in managing a wide range of commercial, recreational and Indigenous stakeholders and their impacts on Commonwealth marine resources.
- (i) Refers to updated purposes that will be reflected in the 2019–20 Corporate Plan.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019–20 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

The financial statements are prepared on an accrual basis where revenues and expenses are recognised as and when the resources are received and used. The entity resourcing table recognises cash resources available to be used during the period and includes amounts recognised as revenue in previous periods.

3.1.2 Explanatory notes and analysis of budgeted financial statements

AFMA expects to maintain a balanced budget position over the forward years, before depreciation and amortisation.

AFMA collects levies via regulations under the *Fishing Levy Act 1991*, in accordance with the *Fisheries Management Act 1991*, *Fisheries Administration Act 1991*, Australian Government cost recovery policy and AFMA's Cost Recovery Implementation Statement.

Administered income reflects the fines imposed by AFMA for domestic and international illegal fishing activities and the receipt of administered revenue for expenditure incurred.

Administered expenditure reflects payments to the providers of illegal foreign fishing vessel caretaking and disposal services.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
EXPENSES					
Employee benefits	21,383	21,617	21,829	22,043	22,259
Supplier expenses	17,742	15,166	15,280	15,804	15,930
Depreciation and amortisation	1,599	1,573	1,711	1,511	1,486
Total expenses	40,724	38,356	38,820	39,358	39,675
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	2,423	2,193	2,237	2,281	2,327
Rental income	428	135	135	135	135
Levies and licence fees provided via crediting right to special account	14,300	14,520	14,665	14,812	14,960
Total own-source revenue	17,151	16,848	17,037	17,228	17,422
Gains					
Other	45	45	45	45	45
Total gains	45	45	45	45	45
Total own-source income	17,196	16,893	17,082	17,273	17,467
Net cost of (contribution by) services	23,528	21,463	21,738	22,085	22,208
Revenue from Government	19,908	19,890	20,027	20,574	20,722
Surplus (deficit) attributable to the Australian Government	(3,620)	(1,573)	(1,711)	(1,511)	(1,486)
Total comprehensive income (loss)	(3,620)	(1,573)	(1,711)	(1,511)	(1,486)
Total comprehensive income (loss) attributable to the Australian Government	(3,620)	(1,573)	(1,711)	(1,511)	(1,486)
Note: Impact of net cash appropriation arrangements					
	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000
Total comprehensive income (loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations.	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations ^(a)	1,599	1,573	1,711	1,511	1,486
Total comprehensive income (loss) – as per the statement of comprehensive income	(1,599)	(1,573)	(1,711)	(1,511)	(1,486)

(a) From 2010–11, the Government introduced net cash appropriation arrangements where Bill No. 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill No. 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	8,261	7,879	7,879	7,879	7,497
Trade and other receivables	1,418	1,418	1,418	1,418	1,418
Total financial assets	9,679	9,297	9,297	9,297	8,915
Non-financial assets					
Land and buildings	4,271	3,675	3,089	2,503	1,917
Property, plant and equipment	2,027	1,890	1,681	1,483	1,456
Intangibles	225	222	146	271	253
Other	234	234	234	234	234
Total non-financial assets	6,757	6,021	5,150	4,491	3,860
Total assets	16,436	15,318	14,447	13,788	12,775
LIABILITIES					
Payables					
Suppliers	2,744	2,744	3,126	3,508	3,508
Accrued expenses	670	670	670	670	670
Total payables	3,414	3,414	3,796	4,178	4,178
Provisions					
Employee provisions	5,261	5,261	5,261	5,261	5,261
Total provisions	5,261	5,261	5,261	5,261	5,261
Total liabilities	8,675	8,675	9,057	9,439	9,439
Net assets	7,761	6,643	5,390	4,349	3,336
EQUITY*					
Parent entity interest					
Contributed equity	12,969	13,424	13,882	14,352	14,825
Reserves	4,199	4,199	4,199	4,199	4,199
Retained surplus (accumulated deficit)	(9,407)	(10,980)	(12,691)	(14,202)	(15,688)
Total Equity	7,761	6,643	5,390	4,349	3,336

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

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019–20)

	Retained earnings	Revaluation Asset Reserve	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2019				
Balance carried forward from previous period	(9,407)	4,199	12,969	7,761
Adjusted opening balance	(9,407)	4,199	12,969	7,761
Comprehensive income				
Surplus (deficit) for the period	(1,573)	-	-	(1,573)
Total comprehensive income	(1,573)	-	-	(1,573)
of which:				
Attributable to the Australian Government	(1,573)	-	-	(1,573)
Transactions with owners				
Contributions by owners				
Departmental Capital Budget (DCBs)	-	-	455	455
Sub-total transactions with owners	-	-	455	455
Estimated closing balance as at 30 June 2020	(10,980)	4,199	13,424	6,643
Closing balance attributable to the Australian Government	(10,980)	4,199	13,424	6,643

Prepared on Australian Accounting Standards basis.

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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sale of goods and rendering of services	3,105	2,328	2,372	2,416	2,462
Appropriations	19,908	19,890	20,027	20,574	20,722
Other	14,300	14,520	14,665	14,812	14,960
Total cash received	37,313	36,738	37,064	37,802	38,144
Cash used					
Employees	21,383	21,617	21,829	22,043	22,259
Suppliers	17,697	15,121	14,853	15,377	15,885
Total cash used	39,080	36,738	36,682	37,420	38,144
Net cash from (used by) operating activities	(1,767)	-	382	382	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant, equipment and intangibles	4,979	837	840	852	855
Total cash used	4,979	837	840	852	855
Net cash from (used by) investing activities	(4,979)	(837)	(840)	(852)	(855)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	769	455	458	470	473
Total cash received	769	455	458	470	473
Net cash from (used by) financing activities	769	455	458	470	473
Net increase (decrease) in cash held	(5,977)	(382)	-	-	(382)
Cash and cash equivalents at the beginning of the reporting period	14,238	8,261	7,879	7,879	7,879
Cash and cash equivalents at the end of the reporting period	8,261	7,879	7,879	7,879	7,497

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
CAPITAL APPROPRIATIONS					
Capital budget – Bill 1 (DCB)	597	455	458	470	473
Total capital appropriations represented by:	597	455	458	470	473
Total new capital appropriations represented by:					
Purchase of non-financial assets	597	455	458	470	473
Total items	597	455	458	470	473
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ^(a)	143	-	-	-	-
Funded by capital appropriation – DCB ^(b)	626	455	458	470	473
Funded internally from departmental resources ^(c)	4,210	382	382	382	382
TOTAL	4,979	837	840	852	855
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	4,979	837	840	852	855
Total cash used to acquire assets	4,979	837	840	852	855

(a) Includes current Appropriation Act No. 2 appropriations.

(b) Does not include annual finance lease costs. Include purchases from current and previous years' Departmental Capital Budgets (DCBs).

(c) Includes the following sources of funding:

- annual and prior year appropriations;
- internally developed assets;
- section 74 Retained revenue receipts;
- proceeds from the sale of assets; and
- the AFMA Special Account under section 94B of the FAA.

Prepared on Australian Accounting Standards basis.

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

Table 3.6: Statement of asset movements (Budget year 2019–20)

	Land	Buildings	Other property, plant and equipment	Intangibles	L&B IP&E held for sale	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2019						
Gross book value	975	4,313	2,624	6,740	2	14,654
Accumulated depreciation/amortisation and impairment	-	(1,017)	(597)	(6,515)	(2)	(8,131)
Opening net book balance	975	3,296	2,027	225	-	6,523
CAPITAL ASSET ADDITIONS						
Estimated expenditure on new or replacement assets						
By purchase – appropriation ordinary annual services ^(a)	-	-	373	464	-	837
Total additions	-	-	373	464	-	837
Other movements						
Depreciation/amortisation expense	-	(596)	(510)	(467)	-	(1,573)
Total other movements	-	(596)	(510)	(467)	-	(1,573)
As at 30 June 2020						
Gross book value	975	4,313	2,997	7,204	2	15,491
Accumulated depreciation/amortisation and impairment	-	(1,613)	(1,107)	(6,982)	(2)	(9,704)
Closing net book balance	975	2,700	1,890	222	-	5,787

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2019–20 for depreciation/amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
EXPENSES					
Supplier	5,506	5,588	5,683	5,838	5,881
Total expenses administered on behalf of Government	5,506	5,588	5,683	5,838	5,881
Net Cost of (contribution by) services	5,506	5,588	5,683	5,838	5,881
Surplus (Deficit)	(5,506)	(5,588)	(5,683)	(5,838)	(5,881)
Total comprehensive income (loss)	(5,506)	(5,588)	(5,683)	(5,838)	(5,881)

Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
ASSETS					
Financial assets					
Receivables	1,058	1,844	1,844	1,844	1,844
Total financial assets	1,058	1,844	1,844	1,844	1,844
Total assets administered on behalf of Government	1,058	1,844	1,844	1,844	1,844
LIABILITIES					
Payables					
Suppliers	57	57	57	57	57
Total payables	57	57	57	57	57
Total liabilities administered on behalf of Government	57	57	57	57	57
Net assets/(liabilities)	1,001	1,787	1,787	1,787	1,787

Prepared on Australian Accounting Standards basis.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash used					
Suppliers	5,506	5,588	5,683	5,838	5,881
Total cash used	5,506	5,588	5,683	5,838	5,881
Net cash from (used by) operating activities	(5,506)	(5,588)	(5,683)	(5,838)	(5,881)
Net increase (decrease) in cash held	(5,506)	(5,588)	(5,683)	(5,838)	(5,881)
Cash from Official Public Account for:					
– Appropriations	5,506	5,588	5,683	5,838	5,881
Cash and cash equivalents at end of reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.10: Statement of administered asset movements (Budget year 2019–20)

The schedule of administered asset movements on behalf of Government is nil.