

Audit Reports Summaries

Audit Report No. 32 1995-96

Tabled 25 June 1996

Summary

Australian Fisheries Management Authority

COMMONWEALTH FISHERIES MANAGEMENT

Performance Audit

Background

The Australian Fisheries Management Authority (AFMA) is the Commonwealth statutory authority responsible for ensuring the sustainable use of Commonwealth fishery resources. AFMA was established under the *Fisheries Administration Act 1991* and its management authority is contained in the *Fisheries Management Act 1991*.

AFMA's area of jurisdiction extends to the outer boundary of the Australian Fishing Zone. In 1994-95 the estimated gross value of the catch from fisheries under AFMA's control was \$300 million. By comparison, the gross value of the catch from fisheries under the control of the States and the Northern Territory was estimated to be \$1.3 billion. The AFMA staff (87 as at 30 June 1995) and budget (operating expenditure for 1994-95 was \$16.9 million) are less than those of most State fisheries management agencies.

Scope of the audit

This performance audit was conducted to examine the efficiency and administrative effectiveness of Commonwealth fisheries management, with particular emphasis on AFMA's systems and procedures for planning and operations. In addition, the audit sought to determine whether AFMA is gathering and reporting to the Parliament appropriate accountability information on its performance.

The audit findings

In its almost five years of operation, AFMA has developed a wide range of systems and procedures to provide an administrative framework directed at achieving its objectives. AFMA's management processes are appropriate for its role and include comprehensive consultation with industry. The ANAO made 39 recommendations for administrative improvements.

The legislation sets five main objectives for AFMA to achieve. The ANAO examined AFMA's activities related to these legislated objectives and found:

- *Objective 1: Implement efficient and cost-effective fisheries management on behalf of the Commonwealth.*

While AFMA has made significant progress towards achieving this objective there are, however, significant impediments, many of which are outside AFMA's control. These include unresolved jurisdictional arrangements, complex inter-agency arrangements, a lack of administrative policies covering some fundamental day-to-day fisheries management issues, and too few statutory management plans (SMPs) in place.

AFMA has consistently given high priority to the resolution of the jurisdictional arrangements and is progressing the development of management plans in anticipation of their finalisation.

- *Objective 2: Ensure that the exploitation of fisheries resources and the carrying on of any related activities are conducted in a manner consistent with the principles of ecologically sustainable development, in particular the need to have regard to the impact of fishing activities on non-target species and the marine environment.*

As illustrated by the following factors, AFMA cannot be certain that it is achieving ecologically sustainable development. Stock assessments have been carried out for only a very small percentage of the fish caught in Commonwealth waters, whether a target or other species. There is little knowledge about Commonwealth fishery habitats, nurseries and the environmental impact of commercial fishing for most of the Commonwealth fisheries. No environmental impact assessment has been conducted for any Commonwealth fishery decision. Also, due to the high level of latent effort, fish stocks cannot be regarded as being adequately protected from the possibility of excessive commercial fishing. Latent effort refers to unused or under-utilised fishing permits.

AFMA is developing the concept of biological reference points with the assistance of the Management Advisory Committees (MACs) and research organisations and has now established a relationship with the Environment Protection Authority. It has also now established a system to enable thorough evaluation of research proposals and the development of research priorities.

- *Objective 3: Maximise economic efficiency in the exploitation of fisheries resources.*

Based upon AFMA's statistics for fishing permits, statutory rights and boats, the use of inherently inefficient input controls and the ineffectiveness of the quota system in the South East Fishery, there is little evidence to indicate that there has been a significant improvement in economic efficiency in Commonwealth fisheries since AFMA was established.

AFMA is improving its guidance to planning staff on setting allowable catch levels. It has also increased its monitoring of developments in fishing technology to make input controls more effective.

- *Objective 4: Ensure accountability to the fishing industry and the Australian community in the Authority's management of fisheries resources.*

The ANAO found that AFMA has complied in a timely fashion with the production of its statutory reporting requirements. However, the ANAO also found that neither AFMA's annual reports nor the relevant sections in the Budget-related papers accord with the expectations of performance reporting guidelines in that AFMA's reporting, in the main, is work flow-related and does not provide an indication of level of achievement of legislative objectives. As a result the picture provided by AFMA annual reports regarding the state of Commonwealth fisheries is significantly different from internally available

information. AFMA's annual reports should be enhanced accordingly.

AFMA has agreed to provide in its reports more comprehensive information on its achievement of objectives.

- *Objective 5: Achieve Government targets in relation to the recovery of the costs of the Authority.*

AFMA reports relevant aggregated statistics in the financial section of its annual report (total recoverable and total recovered to date) and has agreed to provide additional performance information to improve its accountability against this objective.

Summary

Overall, the ANAO concluded that there was scope to enhance AFMA's efficiency and administrative effectiveness in the following areas to better fulfil its statutory objectives:

- *definition of jurisdiction.* The solution to this issue is beyond AFMA's power to rectify because it depends on arrangements between the Commonwealth and the States/Northern Territory.
Current arrangements:
 - leave jurisdiction over many fish species divided resulting in inefficient and, in some cases, ineffective management;
 - add costs to the fishing industry; and
 - are ineffective in obtaining compliance with fishery management plans;
- *resolution of legislative powers.* Legal advice obtained by AFMA indicates there is a need to resolve certain legislative powers related to the imposition of fishing controls to protect stocks;
- *operational direction.* Although the AFMA Board has established a number of policies to guide the activities of AFMA officers and the MACs, significant fundamental issues are not covered;
- *operational information.* There is insufficient information on fishing stock levels, available fishing effort and catch statistics to enable a realistic assessment of the Authority's efficiency and effectiveness;
- *imposition of fishing controls.* Analysis of AFMA's decision-making regarding the limits placed on commercial fishing are, almost without exception, set in favour of maintaining viable fish catches even in the face of precautionary or contrary stock assessments;
- *environmental impact assessment.* The introduction of a program of environmental impact assessments is required; and
- *reporting to Parliament.* The measures used by AFMA to report to Parliament on its performance should be based upon both efficiency and effectiveness measures such as achievement of catch limits, the removal of latent fishing effort, and the reduction of environmental impact for all the fisheries that AFMA is responsible for, rather than work flow measures.

AFMA's response

Of the ANAO's 39 recommendations, AFMA accepts twelve recommendations and part of another, accepts in principle fifteen recommendations and part of two others, and disagrees with ten recommendations, and parts of five others.