

TORRES STRAIT PRAWN MANAGEMENT ADVISORY COMMITTEE	Meeting No. 14 17-18 July 2013
FINANCE 2013/14 draft budget	Agenda Item No. 5.1

RECOMMENDATION

5.1.1 That the TSPMAC **NOTES** AFMA's 2013/14 preliminary draft budget ([Attachment A](#)) for the Torres Strait Prawn Fishery (TSPF) which is based on AFMA's 2004 Cost Recovery Impact Statement (CRIS 2004).

BACKGROUND

The TSPF is jointly managed between the Queensland Department of Agriculture Fisheries and Forestry (QDAFF) and the Australian Fisheries Management Authority (AFMA). Each agency provides different services for managing the fishery. The functions provided by AFMA include:

- Monitor and develop management arrangements in the fishery (where needed) to meet obligations under relevant legislation.
- Facilitate and coordinate consultative management processes.
- Collect and monitor sound scientific data relating to the condition of the fishery to support the PZJA and its statutory obligation to "*keep constantly under consideration the condition of the fishery*".
- Develop, implement and enforce regulations to implement the PZJA's Policies.

The main function of QDAFF is to administer licensing, Vessel Monitoring System (VMS) and compliance functions. QDAFF also provide advice on policy and management of the TSPF.

In October 1996, the PZJA agreed that management of the TSPF would be cost recovered from industry using annual levies at the rate of 100% from the 1999/00 financial year. The PZJA further agreed at its 18th meeting in July 2005 that cost recovery should be based on the principles in the current AFMA CRIS (2004) as it applies to other Commonwealth fisheries, but noting that the PZJA may choose to depart from the percentages used in the CRIS. In line with this decision, CRIS 2004 is used to calculate the AFMA portion of the TSPF budget. The QDAFF portion of the budget is exempt from the CRIS as it is not a Commonwealth Department.

Budget consultation

At the first meeting of the Torres Strait Prawn Management Advisory Committee (TSPMAC) in June 2006, it was agreed that a draft budget should be provide to the TSPMAC for comment prior to its finalisation each year.

During 2012, the Commonwealth Fisheries Association Cost Efficiency Working Group recommended that additional consultation on fisheries budgets be undertaken during an earlier stage in the budgeting process. This process aims to increase

transparency and pick up any errors early in the budget process. This paper provides information on the AFMA portion of the preliminary draft budget alone. The QDAFF budget and combined AFMA/QDAFF budget will be provided at an out of session teleconference in the coming months. The combined budget is the one used as the basis of calculating TSPF levies.

DISCUSSION

AFMA 2013/14 budget for the TSPF using CRIS 2004

Attachment A provides the draft 2013/14 AFMA budget for the TSPF in comparison to the previous years (2012/13) AFMA budget.

The total AFMA TSPF budget for 2013/14 is **\$290,583**, an increase of \$33,447 from 2012/13 budget (Table 1). The industry cost recovered portion of this budget is \$278,356, an increase of \$29,012 when compared to the 2012/13 budget (\$257,136). The increase is mainly due to an increase in observer days associated with a slight increase in effort in the fishery, increased data requests for special research projects during 2012/13 and increased logbook costs to incorporate amortisation of the electronic logbook system.

Table 1. Comparison of 2012/13 and 2013/14 total AFMA budget for the TSPF

	2012/13	2013/14	Difference
Industry	\$248,304	\$278,012	\$29,708
Govt	\$8,832	\$12,571	\$3,739
Total	\$257,136	\$290,583	\$33,447

1. Salaries

There is **\$104,261** budgeted for AFMA salaries in 2013/14, an increase of \$2,695 from 2012/13 (\$101,567). There have been no changes to staff time allocated to the TSPF compared to the 2012/13 budget. The slight increase is associated with the consumer price index increased.

Table 2. Comparison of 2012/13 and 2013/14 AFMA salaries budget for the TSPF

	2012/13	2013/14	Difference
Industry	\$101,567	\$104,261	\$2,695
Govt	0	0	0
Total	\$101,567	\$104,261	\$2,695

2. Consultants and Contractors

The 2013/14 budget for consultants and contractors is **\$6,900**, a \$513 increase from the 2012/13 budget. This budget covers the sitting fees for the TSPMAC Chair and industry members to attend one two day meeting and a single one day meeting. This consultant budget increase is minor given fees for two additional members were added into the budget this financial year.

Table 3. Comparison of 2012/13 and 2013/14 consultants budget for the TSPF

	2012/13	2013/14	Difference
Industry	\$6,387	\$6,900	\$513
Govt	0	0	0
Total	\$6,387	\$6,900	\$513

3. Travel

The total travel budget for 2013/14 is **\$20,102**, a \$1,312 increase from the 2012/13 budget.

The travel budget covers costs for travel, accommodation, food and miscellaneous costs for the TSPMAC chair, industry members and AFMA members to attend two TSPMAC meetings in Cairns. The slight increase is associated with there being two additional TSPMAC industry members compared to last financial year.

Table 4. Comparison of 2012/13 and 2013/14 travel budget for the TSPF

	2012/13	2013/14	Difference
Industry	\$18,790	\$20,102	\$1,312
Govt	0	0	0
Total	\$18,790	\$20,102	\$1,312

4. Other Expenses

The total other expenses budget for 2013/14 is **\$1000**, representing no change from the 2011/12 budget. The cost covers the printing of the TSPF Handbook.

5. Overheads

For the 2013/14 financial year the amount attributable to the TSPF for overheads is **\$77,026**, an increase of \$1,830 from the 2012/13 budget (\$75,145).

Following a comprehensive review of AFMA's cost recovered budgets and allocation methodology for overheads in 2012/13, overheads have remained relatively stable between 2013/14 and 2012/13. The minor increase reflects general increases in costs.

The split between types of overheads are detailed in Table 5 below.

Table 5. AFMA overhead breakdown and change for the from 2012/13

	2012/13	2013/14	Difference
Type A overheads	\$13,932	\$14,453	\$521
Type B overheads	\$43,705	\$43,556	-\$146
Type C overheads	\$13,341	\$14,801	\$1,406
Type D overheads	\$4,167	\$4,216	\$49
Total	\$75,145	\$77,026	\$1,830

INDIRECT COSTS

6. Research Projects

This budget item funds research projects that relate broadly to Commonwealth fisheries (Broader Marine Component) and are charged to fisheries based on GVP. There are no broader marine research projects relating to TSPF in 2013/14 resulting in no budget.

	2012/13	2013/14	Difference
Industry	2,380	\$0	-\$2,380
Govt	793	\$0	-\$793
Total	3,174	\$0	-\$3,174

7. Logbooks

8. The 2013/14 budget for logbooks is **\$14,453** which is an increase of \$5,479 from the 2012/13 budget of \$8,974.

The costs under the “logbooks” item have changed slightly for 2013/14 to incorporate the amortisation cost of the electronic logbook (elog) data loader. The previous “logbooks” budget formula split costs based on the predicted amount of time the logbook section spent developing, collecting and processing logbooks and logbook data for each fishery. Under this formula, the TSPF was not contributing to the amortisation of the elog loader. The new formula requires all fisheries with the ability to utilise elogs to contribute to the amortisation costs for the loader. The “logbooks” budget is split between each fishery based on the logbook days in a particular fishery as a portion of total logbook days fished. Days for each fishery are forecast using actual logbook days¹ in the most recent full financial year.

Table 9. Breakdown and Industry and Government funding for Logbooks

	2012/13	2013/14	Difference
Industry	\$8,974	\$14,453	\$5,479
Govt	\$0	\$0	\$0
Total	\$8,974	\$14,453	\$5,479

9. Data Management

The total data management budget for the TSPF has increased by \$2,877 (258%) from \$1,114 in 2012/13 to **\$3,991** in 2013/14.

Data Management costs are charged to fisheries as actual usage based on a three year rolling average. This average is updated every three months as the data management team log all data requests and other work generated by the TSPF and reconciled this three monthly.

The data management cost in 2013/14 has been forecast based on the three year historical trends and expected usage in 2013/14. The data management budget has gone up for 2013/14 in the TSPF due to increased data requests during 2012/13. These data requests were a required to undertake the TSPF sustainability assessment project. If data requests reduce again during 2013/14 costs will likely reflect this in the 2014/15 budget.

Table 10. Breakdown of Industry and Government funding for Data Management in 2012/13 compared to 2013/14

	2012/13	2013/14	Difference
Industry	\$1,114	\$3,987	\$2,872
Govt	\$0	\$0	\$0
Total	\$1,114	\$3,987	\$2,872

10. Observers

The budget for observers in 2013/14 is based on 2.6% coverage of the actual predicted effort for the season.

¹ Logbook days are calculated based on each day an operator commences a fishing operation.

The total observer budget for the TSPF is \$62,936 with \$50,349 cost recovered from industry and \$12,587 Government funded. This represents a \$27,608 increase in the overall observer budget from the 2012/13 budget (\$44,160). The increase reflects the increase in target days from 40 to 50 to ensure the fishery reaches the 2.6% observer coverage target, given a slight increase in effort in the 2012 fishing season. The increased budget pays for sea days, land days travelling, time of in lieu and overheads.

Table 14. Breakdown of Industry and Government funding for observers in 2012/13 compared to 2013/14

	2012/13	2013/14	Difference
Industry	35,328	\$50,283	\$14,956
Govt	8,832	\$12,571	\$3,739
Total	\$44,160	\$62,854	\$18,694

QDAFF 2013/2014 draft budget for the TSPF

There has been an overall decrease in the QDAFF budget for the 2013/14 financial year of \$19,655, to a total of \$153,074. This decrease is primarily attributed to the restructure of Fisheries Queensland and Queensland Boating & Fisheries Patrol (QB & FP). This restructure principally reflects the redistribution of resources in the Department which had an invariable effect on the Torres Strait. The full breakdown of the QDAFF budget is outlined in Table 15.

Table 15. QDAFF 2012/13 draft TSPF budget.

Description	2011/12	2012/13	Difference between 2011/12 and 2012/13
Management	105,135	91,312	-13,823
Compliance (QB&FP)	67,594	61,763	-5,831
Total	172,729	153,074	-19,655

Draft combined AFMA and QDAFF 2013/2014 budget for calculating the levy

The draft levy base for the TSPF for 2013/14 is \$431,431, an increase of \$10,398.

Table 8. Combined AFMA and QDAFF 2012/13 and 2013/14 budget for the TSPF.

Description	2012/13 budget	2013/14 budget	(Decrease)/ increase between 2012/13 and 2013/14 budgets
Management (QDAFF)	105,135	91,312	(13,823)
Compliance (QB&FP)	67,594	61,763	(5,831)
Combined AFMA budget	257,136	290,583	286,553
Total budget	429,865	443,658	13793
Government contribution	8,832	12,227	3,395
Total cost recovered budget	421,033	431,431	10,398

Timing

Once the AFMA budgets are finalised, and AFMA budget acquittals from the 2012/13 financial year are complete, over and/or underspends will be applied to the 2012/13 budget and the 2014 levy calculated. The levies will be presented to the TSPMAC and PZJA for noting following their finalisation.