

<b>TORRES STRAIT PRAWN MANAGEMENT ADVISORY COMMITTEE</b>	<b>Meeting No. 15 17 June 2014</b>
<b>FINANCE Combined AFMA and Fisheries Queensland 2014/15 draft budget</b>	<b>Agenda Item No. 5.1 For Noting</b>

## RECOMMENDATION

### 1.1 That the TSPMAC NOTES:

- a) the combined AFMA and QDAFF 2014/15 draft budget for the Torres Strait Prawn Fishery (TSPF).
- b) that AFMA's portion of the draft budget is based on AFMA's 2004 Cost Recovery Impact Statement (CRIS 2004). This is not applied to the QDAFF component of the budget.

## BACKGROUND

The draft AFMA budget for the TSPF was provided to the TSPMAC for comment at a teleconference in May 2014. This paper has now been updated to include the Queensland Fisheries draft budget.

The TSPF is jointly managed between Fisheries Queensland under the Queensland Department of Agriculture Fisheries and Forestry 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 to meet obligations under relevant legislation.
- Facilitate and coordinate consultative management processes.
- Collect and monitor 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 Fisheries Queensland is to administer licensing, Vessel Monitoring System (VMS) and compliance functions. Fisheries Queensland also provide advice on policy and management of the TSPF.

In October 1996, the PZJA agreed that TSPF management costs would be recovered from industry through annual levies. This was introduced over several years, with 100% recovery starting from the 1999/00 financial year. In July 2005 the PZJA also agreed that cost recovery should be based on the principles in the AFMA CRIS (2004), noting that the PZJA may choose to depart from the percentages used in the CRIS. In line with this decision, CRIS 2004 continues to be used to calculate the AFMA portion of the TSPF budget, despite a new CRIS (2009) being adopted for other AFMA managed fisheries. The QDAFF portion of the budget is exempt from the CRIS as it is not a Commonwealth Department.

## DISCUSSION

### **AFMA 2014/15 budget for the TSPF**

Attachment 1 provides the draft 2014/15 AFMA budget for the TSPF compared to the 2013/14 AFMA budget.

The total AFMA TSPF budget for 2014/15 is **\$283,697**, an increase of \$5,054 from 2013/14 (Table 1). The industry cost recovered portion of this budget is \$270,757, an increase of \$7,223 when compared to the 2013/14 budget (\$263,534). The increase is attributable to the inclusion of the AFMA Bycatch Program in the cost-recovered budget for 2014/15. Other areas of the budget largely went down.

**Table 1.** Comparison of 2013/14 and 2014/15 total AFMA budget for the TSPF

	2013/14	2014/15	Difference
Industry	\$263,534	\$270,757	\$7,223
Gov't	\$15,109	\$20,252	\$5,143
<b>Total</b>	<b>\$278,012</b>	<b>\$291,010</b>	<b>\$12,366</b>

#### **1. Salaries**

There is **\$84,461** budgeted for AFMA salaries in 2014/15, an increase of \$1,187 from 2013/14 (\$83,274). There have been no changes to staff time allocated to the TSPF compared to the 2013/14 budget. There are no currently agreed salary increases for 2014/15 onwards until a new Enterprise Agreement can be negotiated. It is anticipated that it will occur by the end of the 2013/14 financial year and the impacts of a 2 percent increase have been incorporated into the 2014/15 draft budget.

**Table 2.** Comparison of 2013/14 and 2014/15 AFMA salaries budget for the TSPF

<b>AFMA Salaries Budget</b>	
Total salaries expenditure budgeted 2013/14	\$83,274
Total salaries expenditure budgeted 2014/15	\$84,461
<b>This is a total increase of</b>	<b>\$1,187</b>

#### **2. Consultants and Contractors**

The 2014/15 budget for consultants and contractors is **\$20,783**, a \$3,983 increase from the 2013/14 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. The minor increase is associated with additional time being budgeted for the TSPMAC chair to undertake pre and post meeting duties.

**Table 3.** Comparison of 2013/14 and 2014/15 consultants budget for the TSPF

<b>Consultants budget</b>	
Total consultants expenditure budgeted 2013/14	\$16,800
Total consultants expenditure budgeted 2014/15	\$20,783
<b>This is a total increase of</b>	<b>\$3,983</b>

### 3. Travel

The total travel budget for 2014/15 is **\$19,411**, a \$691 decrease from the 2013/14 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.

**Table 4.** Comparison of 2013/14 and 2014/15 travel budget for the TSPF

Travel budget	
Total travel expenditure budgeted 2013/14	\$20,102
Total travel expenditure budgeted 2014/15	\$19,411
<b>This is a total decrease of</b>	<b>\$691</b>

### 4. Other Expenses

The total other expenses budget for 2014/15 is **\$1,773**, an increase of \$773 from the 2013/14 budget. The cost covers the printing of the TSPF Handbook and gazettal of legislative instruments. The increase is to cover the cost of registering the Total Allowable Effort limit on the Federal Register of Legislative Instruments.

### 5. Overheads

For the 2014/15 financial year the amount attributable to the TSPF for overheads is **\$65,863**, an increase of \$2,369 from the 2013/14 budget (\$63,495).

Overheads have remained relatively stable between 2013/14 and 2014/15. There has been a change to the type D overheads to better reflect the distribution of internal workloads for cost recovered and government activities. A full explanation is available in [Attachment 1](#))

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

**Table 5.** AFMA overhead breakdown and change for the from 2013/14

	AFMA overheads budget		
	2013/14	2014/15	Difference
Type A overheads	\$13,052	\$13,013	-\$39
Type B overheads	\$34,826	\$34,730	-\$96
Type C overheads	\$11,798	\$10,322	-\$1,475
Type D overheads	\$3,819	\$7,798	\$3,979
<b>Total</b>	<b>\$63,495</b>	<b>\$65,863</b>	<b>\$2,369</b>

## **INDIRECT COSTS**

### 6. Bycatch

AFMA has reviewed its Bycatch and Discard Workplan and from 2014/15 onwards AFMA will seek to cost recover 50 per cent of the Bycatch Program from Industry. Until now this has been fully government funded, however from 2014/15 onwards AFMA will not receive external (grant) funding for the Program. Given the importance of reducing discards and bycatch in Commonwealth fisheries, and because there are both public and private benefits in doing so, the program is proposed to be funded equally by industry and government in 2014-15.

There are two main components to the Bycatch and Discard Program, the first is the baseline work that is undertaken for all Commonwealth managed fisheries, this includes the development and implementation of Bycatch and Discard Workplans, undertaking the review component of the workplans in a consistent matter, assisting with Ecological Risk Management Plans and developing indicators for high risk species, and day to day work on Bycatch and Discard matters. The second component is specific projects to address key bycatch and discard concerns in a particular Commonwealth managed fishery. This component of the budget has not been fully developed to allow for industry consultation on appropriate projects for the coming financial year.

The cost recovered component for the TSPF for 2014/15 is \$7,313. Costs associated with the Bycatch and Discard Program will be acquitted at the end of the financial year to reflect the actual work undertaken by the team in each fishery.

Bycatch program budget			
	2013/14	2014/15	Difference
Industry	\$0	\$7,313	\$7,313
Govt	\$0	\$7,313	\$7,313
<b>Total</b>	<b>\$0</b>	<b>\$14,625</b>	<b>\$14,625</b>

## 7. Logbooks

The 2014/15 budget for logbooks is **\$14,961** which is an increase of \$533 from the 2013/14 budget of \$14,428.

The costs under the “logbooks” item 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 days<sup>1</sup> in the most recent full financial year.

**Table 9.** Breakdown and Industry and Government funding for Logbooks

Logbook budget	
Total logbook expenditure budgeted 2013/14	\$14,428
Total logbook expenditure budgeted 2014/15	\$14,961
<b>This is a total increase of</b>	<b>\$533</b>

## 8. Data Management

The total data management budget for the TSPF has increased by \$436 from \$3,998 in 2013/14 to **\$4,434** in 2014/15.

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

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.

**Table 10.** Breakdown of Industry and Government funding for Data Management in 2014/15 compared to 2013/14

<b>Data Management budget</b>	
Total data management expenditure budgeted 2013/14	\$3,998
Total data management expenditure budgeted 2014/15	\$4,434
<b>This is a total increase of</b>	<b>\$436</b>

## 9. Observers

The budget for observers in 2014/15 is based on 50 sea days or 2.6% coverage of the actual predicted effort for the season (1,923 days).

The total observer budget for the TSPF is \$64,698 with \$51,758 cost recovered from industry and \$12,940 Government funded. This represents a (\$10,847) decrease in the overall observer budget from the 2013/14 budget (\$75,545). The number of observer days budgeted for has not changed, and the decrease reflects the lower reductions to administration costs for the observer program.

**Table 14.** Breakdown of Industry and Government funding for observers in 2014/15 compared to 2013/14

<b>Observer budget</b>			
	<b>2013/14</b>	<b>2014/15</b>	<b>Difference</b>
Industry	\$60,436	\$51,758	-\$8,678
Gov't	\$15,109	\$12,940	-\$2,169
<b>Total</b>	<b>\$75,545</b>	<b>\$64,698</b>	<b>-\$10,847</b>

## QDAFF 2014/2015 draft budget for the TSPF

There has been an overall increase in the QDAFF budget for the 2014/15 financial year of \$6,487 to a total of \$160,670. This increase is primarily attributed to two pay increases one that was not budgeted for that came into effect in December 2013 of 2.2% and another 2.2% increase scheduled for December 2014. The full breakdown of the QDAFF budget is outlined in Table 15.

**Table 15.** QDAFF 2012/13 draft TSPF budget.

<b>Description</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Difference between 2011/12 and 2012/13</b>
Management	91,882	94,920	+3,038
Compliance (QB&FP)	62,301	65,750	+3,449
<b>Total</b>	<b>154,183</b>	<b>160,670</b>	<b>+6,487</b>

**Draft combined AFMA and QDAFF 2014/2015 budget for calculating the levy**

The draft levy base for the TSPF for 2014/15 is \$431,428, an increase of \$24,342.

**Table 8.** Combined AFMA and QDAFF 2013/14 and 2014/15 budget for the TSPF.

Description	2013/14 budget	2014/15 budget	(Decrease)/ increase between 2013/14 & 2014/15 budgets
<b>Management (QDAFF)</b>	\$91,882	\$94,920	\$3,038
<b>Compliance (QB&amp;FP)</b>	\$62,301	\$65,750	\$3,449
<b>Combined AFMA budget</b>	\$278,012	\$291,010	\$12,366
<b>Total budget</b>	\$432,195	\$451,680	\$18,823
<b>Government contribution</b>	\$15,109	\$20,252	\$5,143
<b>Total cost recovered budget</b>	\$407,086	\$431,428	\$24,342

**Timing**

Comments on the preliminary draft AFMA budget were provided following the May budget teleconference. The final budget will be released and 2013/14 over or underspends will be applied and the 2015 levy calculated. The levies will be presented to the TSPMAC and PZJA for noting following their finalisation.