



FRDC

FISHERIES RESEARCH &
DEVELOPMENT CORPORATION

Annual Operational Plan 2018-19

Knowledge for fishing and aquaculture into the future

FRDC Vision

The FRDC's vision is for Australia to have vibrant fishing and aquaculture adopting world-class research to achieve sustainability and prosperity.

The planned outcome for the corporation

Increased economic, social and environmental benefits for Australian fishing and aquaculture, and the wider community, by investing in knowledge, innovation, and marketing.

The Corporation

FRDC is a statutory corporation within the Australian Government's Agriculture and Water Resources portfolio and is accountable to the Parliament of Australia through the Minister for Agriculture and Water Resources. Revenue for Research, Development and Extension (RD&E) investment comes via a co-funding model between the Australian Government and the commercial fishing and aquaculture industries.

The Corporation was formed on 2 July 1991 and operates under two key pieces of legislation the *Primary Industries Research and Development Act 1989* (PIRD Act), and the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

Portfolio Minister

The portfolio Minister for Agriculture and Water Resources is the Hon. David Littleproud. The Assistant Minister to the Minister for Agriculture and Water Resources is Senator the Hon. Anne Ruston.

Stakeholders

FRDC works with a diverse, complex and geographically dispersed group of stakeholders across fishing and aquaculture. For example, Indigenous fishers may participate in customary fishing, conduct aquaculture and commercial fishing, and fish recreationally.

Representative Organisations

The FRDC has four ministerially declared representative organisations:

- Seafood Industry Australia (representing the seafood industry);
- Australian Recreational and Sport Fishing Industry Confederation Inc., trading as Recfish Australia (representing recreational and sport fishers);
- Commonwealth Fisheries Association (representing commercial fishers operating in Commonwealth waters); and
- National Aquaculture Council (representing the aquaculture industry).

The FRDC also involves the Indigenous Reference Group in all its representative organisation activities.

Environmental Scan

Financial Forecasts

The operating environment, looking forward in 2018-19 for the FRDC and fishing and its aquaculture stakeholders, poses a number of potential economic challenges, which may impact the FRDC on a number of fronts.

At the macro level, the Australian Bureau of Agricultural and Resource Economics and Sciences (Agricultural commodities December 2017) expects the world economic position to grow 1 to 3.6 per cent in 2018. This is driven by global economic conditions continuing to improve, and growth in some local regional economies being better than expected.

Australia's economic forecast remains positive, with the Australian dollar in 2017–18 expected to average US77 cents, up from US75 cents in 2016–17. The Australian dollar is expected to continue to face downward pressure as interest rate differentials between Australia and the United States and other developed economies narrow further. However, changes to the interest rates may impact the ability for, and the cost of, industry borrowing for capital investment. Stronger than expected global growth could result in higher prices for Australian commodity exports. This possibility presents an upside risk to the exchange rate assumption.

The value of Australian fishing industry continues to see strong growth with the gross value of production rising to just over \$3.0 billion at the end of 2017-18. The seafood industry will continue to see growth in the coming financial year, driven primarily by aquaculture. A number of sectors – Atlantic Salmon, Yellowtail Kingfish and Barramundi – will increase production volumes in 2017-18.

ABARES further suggests export earnings for fisheries products are forecast to fall by one per cent to around \$1.4 billion, driven by a decline in the value of prawn and rock lobster exports. Export earnings are forecast to fall for prawns due to lower production, and for rock lobster a decline in unit export prices. An increase in tuna exports is expected to partially offset these declines. Export earnings from tuna are forecast to increase by 8 per cent as a higher total allowable catch lifts domestic production.

Environment Forecasts

Australian climate patterns are being influenced by the long-term increasing trend in global air and ocean temperatures. The Bureau of Meteorology forecast indicates the La Niña in the Pacific Ocean will continue to decline. Sea surface temperatures in the central tropical Pacific have warmed steadily since late December, with most models forecasting La Niña will end early in the southern hemisphere autumn.

The majority of climate models suggest ocean temperatures may cool to La Niña thresholds during summer, although they predict a weak, short-lived event, should one occur. Atmospheric indicators of El Niño-Southern Oscillation (ENSO) remain neutral. Ocean temperatures are currently 0.5 to 1 °C warmer than average to the north and east of Australia which marginally increases the likelihood of cyclones developing. Alongside this variable conditional events are likely to continue.

There will continue to be a focus on biosecurity partly as a result of the White Spot Disease outbreak in South Queensland in 2016, and the subsequent review and development of the Emergency Aquatic Animal Disease Response Agreement which will ensure a continued awareness across fishing and aquaculture. Key sectors like Atlantic Salmon and Barramundi will focus on increasing biosecurity readiness to reduce future risks. Likewise the continued occurrence of algal blooms across south east Australia requires fishing and aquaculture to ensure ongoing monitoring and evaluation of the environment.

Marine noise and seismic testing will continue to be issues for fishing and aquaculture; following a number of Australian research findings demonstrating impacts from seismic testing. Further research scheduled for the coming year will extend the knowledge of these impacts. The seafood and oil and gas industry will continue to negotiate a way to work with fishing and aquaculture.

A broader environmental debate on the management of non-seafood specific resources will continue. This is being driven by the review of the marine parks legislation, and by increasing numbers of species (sharks, whales and fur seals) that are well on the path to recovery. As with all stock recoveries, or changes to environmental conditions, these will have to be factored into ongoing management plans and practices.

It is clear that remedial work being done in both inland and marine habitats across the country is assisting their recovery; or being improved through investment, led primarily by the recreational sector that is putting in artificial reefs, re-snagging rivers, and restocking native species.

Societal Forecast

Australians believe sustainability is a shared responsibility, across government, commercial and community interests, with governments and commercial fishers seen as the primary custodians, with the greatest potential to influence perceptions of the sector overall.

Ensuring the quality of scientific information used to manage Australia's fisheries and marine ecosystems is important in earning the trust of stakeholders and the community in the decision-making process. Work is underway across many fisheries to improve their status and management processes. However, community concerns extend beyond fish stocks and fisheries to include many broader challenges. These challenges include resource sharing and allocation; optimising both social and economic benefits to specific resource users as well as the community-at-large; diminishing social acceptability of commercial fisheries and aquaculture; understanding drivers of industry behaviour and community preferences in relation to marine resources and resource users; and supporting evidence-based and structured decision making processes.

Understanding how Indigenous communities value fishing resources and fishing access is a key component to achieving greater participation of Indigenous people in commercial fishing and remains a focus for the FRDC Indigenous Reference Group. Building a better understanding of Indigenous values and priorities will help to facilitate the development of policy and regulations to enable greater indigenous engagement in fishing by incorporating values held by Indigenous people in relation to fishing.

Angling and sports fishing will continue to maintain its relative share of recreational activities. However, those participating in recreational fishing will invest considerably more in technology and assets to support their pastime. This will require state, territory and local governments to invest in improved facilities to access aquatic habitats to accommodate bigger and improved fishing boats. Planners will also need to develop strategies to encourage recreational fishers to shift effort from popular locations and away from highly targeted species. Around urban areas there will be increased investment in stocking programs and artificial reefs to address angling pressure. Tourism will continue to play an important part of recreational fishing development and provide for employment in remote areas of Australia. Fisheries managers will need to develop harvest strategies with explicit recreational fishing objectives that often require a higher biomass than that currently managed for commercial fishing. Unless these competing objectives are addressed there will continue to be resource access disputes between the two sectors.

FRDC Focus for 2018-19

FRDC sets its strategic priorities in partnership with its stakeholders. New investments in 2018–19 will focus on the three national priorities, and the priorities set out in the specific subprogram and partnership R,D & E plans – the priorities and performance indicators are outlined starting in the Performance measures – Planned Outputs Section.

In addition to these strategic priorities, the FRDC looks at its portfolio and identifies areas that require adjustment to investment or focus. This starts in August, when the board reviews the FRDC's business environment and strategic direction with input from its representative organisations. The following focus areas have been identified as priorities for FRDC in 2018-19.

- Biosecurity – prevention and risk management
- Animal Welfare – turning information into practise
- Digital Strategy - Data – Progress harmonisation and increased availability
- Work health and safety (WHS) – promoting and implementing on water and on farm safety.

FRDC will commence seafood marketing activities, should the required amendments to the Primary Industry Research and Development Act be passed, or if statutory marketing levies are established.

The FRDC will explore and deliver new RD&E projects (Fish-X and Fish 2.0) that offer alternate paths for industry development, as well increasing the speed of innovation and adoption by stakeholders. These projects also aim to broaden the FRDC investor base, bringing in new funding partners.

The FRDC will deliver to the Australian Government the National Carp Control Plan, underpinned by the research program that will inform the Plan and an options paper for the Australian Government to consider.

Contents

FRDC Vision	2
The planned outcome for the corporation	2
The Corporation	2
Portfolio Minister	2
Stakeholders	2
Representative Organisations	2
Environmental Scan	3
Societal Forecast	4
FRDC Focus for 2018-19	4
Our Role – What we do	6
How we operate	7
Financial Targets 2018-19	8
Aligning performance with planning	9
Funding Priorities for 2018-19	10
2018-19 Key Priorities – delivering on the RD&E Plan	11
FRDC Marketing Functions	12
How we measure performance	13
Performance evaluation	13
Performance measures – Planned Outputs for 2018-19	14
The FRDC balanced research investment approach	15
Balanced Portfolio Performance Targets	15
Performance Indicators 2018–19	16
Performance Indicators 2019–20	17
Performance Indicators 2020–21	18
The Australian fishing and aquaculture sectors	19
Relationships with stakeholders	20
The FRDC Governance framework	22
How we manage risk	23
List of abbreviations and acronyms	24
Government Research Priorities	25
Portfolio Budget Statements 2018-19	26
For more information on the FRDC:	44

Our Role – What we do

We help by investing in knowledge, innovation, and marketing to deliver increased economic, social and environmental benefits for Australian fishing and aquaculture, and the wider community.

The Fisheries Research and Development Corporation (FRDC) is one of Australia's leading authorities on fishing and aquaculture. It exists to invest public and industry money in research and development (R&D) related to fishing and aquaculture. The knowledge generated is a resource covering fishing and aquaculture issues for the public, industry and government. By virtue of the twenty-five plus years of investment in R&D, and experience gained from listening to stakeholders, FRDC has become a leader in fishing and aquaculture.

Over this period, the FRDC has evolved from being a body that simply approves money for research, to an organisation that strategically invests and guides how public and industry money is spent to improve and better understand Australian fisheries and aquaculture.

The FRDC is unique among the rural research and development corporations (RDCs) because it must balance its investment between natural resource management (sustainability), and industry productivity and development. In the case of recreational fishing, valuation does not occur in purely a market context; rather it can include societal dividends as well. Nonetheless, it still does generate economic benefit as a sector. Investment is underpinned by the goal of sustainability and profitability for fishing and aquaculture in Australia.

The FRDC aims to spread its investment in research, development and extension across the whole value-chain of the fishing and aquaculture. This means not only directly investing in research and development, but also seizing opportunities to encourage partnerships, and encouraging investment right along the supply chain, up to and including marketing. It is the FRDC's role to anticipate knowledge gaps that threaten the sustainability and value of Australia's fisheries and aquaculture before they become a problem.

The FRDC leads investment in research and development (R&D), and partners with other organisations that have the necessary capabilities to undertake varied and sometimes specialised activities. Results and outcomes of both the undertaking and extension of R&D are evaluated to measure and inform future investment.

The FRDC will however take a more hands on approach (undertaking the work) where necessary to maximise research outcomes. The FRDC itself aims to be a lean and flexible organisation able to adapt to the needs required for the best result.

The FRDC works closely with our four representative organisations and its Indigenous Reference Group to address their investment priorities. Stakeholders operate across environments that range from the northern tropics through to the southern temperate seas and cold Antarctic waters, across the country's freshwater rivers and lakes (natural and man-made), through the estuaries and to the depths of the ocean.

To this end the FRDC's strategic investments in RD&E activities are not purely economically driven but aim to benefit all stakeholders in fishing and aquaculture (commercial - wild catch and aquaculture, recreational, Indigenous) across Australia, as well the broader community.

The FRDC focus remains on Australian end users of its R&D investment; companies that participate in fishing and aquaculture, seafood consumers and the broader community. However FRDC aims to take a world view in regard to research policy and practice for fisheries and aquaculture. The FRDC also looks to build links with key stakeholders globally, including researchers, industry and policy makers.

Objects of the FRDC's enabling legislation—PIRD Act section 3

Object A—

Make provision for the funding and administration of research and development relating to primary industries with a view to:

- (i) increasing the economic, environmental and social benefits to members of primary industries and to the community in general by improving the production, processing, storage, transport or marketing of the products of primary industries,
- (ii) achieving the sustainable use and sustainable management of natural resources,
- (iii) making more effective use of the resources and skills of the community in general and the scientific community in particular,
- (iv) supporting the development of scientific and technical capacity,
- (v) developing the adoptive capacity of primary producers,
- (vi) improving accountability for expenditure on research and development activities in relation to primary industries.

Object B—

Make provision for the funding and administration of marketing relating to products of primary industries.

How we operate

The FRDC aims to spread its investment in RD&E across the whole value-chain of fishing and aquaculture, and for the benefit of both Indigenous and recreational fishers. The FRDC has a balanced investment portfolio approach to ensure its RD&E investment incorporates issues of critical national importance as well as sectoral or jurisdictional stakeholder priorities. The focus for FRDC investment remains to invest in the priorities of its stakeholders.

The FRDC RD&E Plan 2015-20 brought with it a significant change to the way planning and investment is undertaken. The plan focuses on achieving results against the three Strategic National Priorities through allocating direct investment in these areas.

LEAD: Strategic National Priorities

1. Ensuring that Australian fishing and aquaculture products are sustainable and acknowledged to be so.
2. Improving productivity and profitability of fishing and aquaculture.
3. Developing new and emerging aquaculture growth opportunities.

FRDC also continues to lead on national RD&E infrastructure that addresses whole of industry and community issues and opportunities. This infrastructure consists of subprograms and coordination programs as follows:

- Indigenous Fishing Subprogram,
- Recfishing Research Subprogram,
- Aquatic Animal Health and Biosecurity Subprogram, and
- Human Dimensions Research Program,

The FRDC delivers key services to its stakeholders in the national interest and consistent with its RD&E mandate with current activities including: -Safefish, industry data collection and dissemination, and Fishnames.

Collaborate: FRDC will provide mechanisms and incentives for those sectors with partnership agreements to leverage their funding where there is alignment with priorities between jurisdictions and/or sectors and at the national level. The FRDC is using this model with jurisdictional Research Advisory Committees. This will see individual work plans developed and investment focused on their priorities.

Partner: The FRDC continues to improve the way it works with Industry Partnership Agreements (IPA). The IPA's provide greater industry control of the RD&E investment processes, and better aligns priorities with end-user needs. Funding for this RD&E comes from industry contributions, the matching contribution from the Australian Government, and additional funding from the jurisdictions.

FRDC's RD&E program areas

The FRDC has five programs of RD&E investment that directly align with its governing legislation, the Primary Industry Research and Development Act 1989 (PIRD Act – see diagram previous page). The five FRDC programs are:

- Environment
- Industry
- Communities
- People
- Adoption.

Financial Targets 2018-19

FRDC financial income and expenditure planning 2015–20.

REVENUE	2017–18	2018–19	2019–20	2020–21
	\$m	\$m	\$m	\$m
<i>Australian Government 0.5% AGVP</i>	14.92	14.85	15.10	15.35
<i>Matching of industry contributions</i>	7.46	7.42	7.55	7.68
Total revenues from the Australian Government	22.38	22.27	22.65	23.03
Contributions revenue from Industry	7.59	7.61	8.70	8.70
Projects revenue from other parties	5.50	4.02	3.00	3.00
Other revenue	0.26	0.30	0.25	0.25
Marketing and promotion	0.50	0.50	1.00	2.00
TOTAL REVENUE	36.23	34.70	35.60	36.98

EXPENDITURE	2017–18	2018–19	2019–20	2020–21
	\$m	\$m	\$m	\$m
Programs Expenditure				
Total RD&E expenditure	30.20	28.35	28.56	28.89
Total Marketing expenditure	0.41	0.45	0.90	1.80
Management and accountability	5.26	5.88	6.08	6.25
TOTAL EXPENDITURE	35.87	34.68	35.54	36.94

PIRD Act requirements

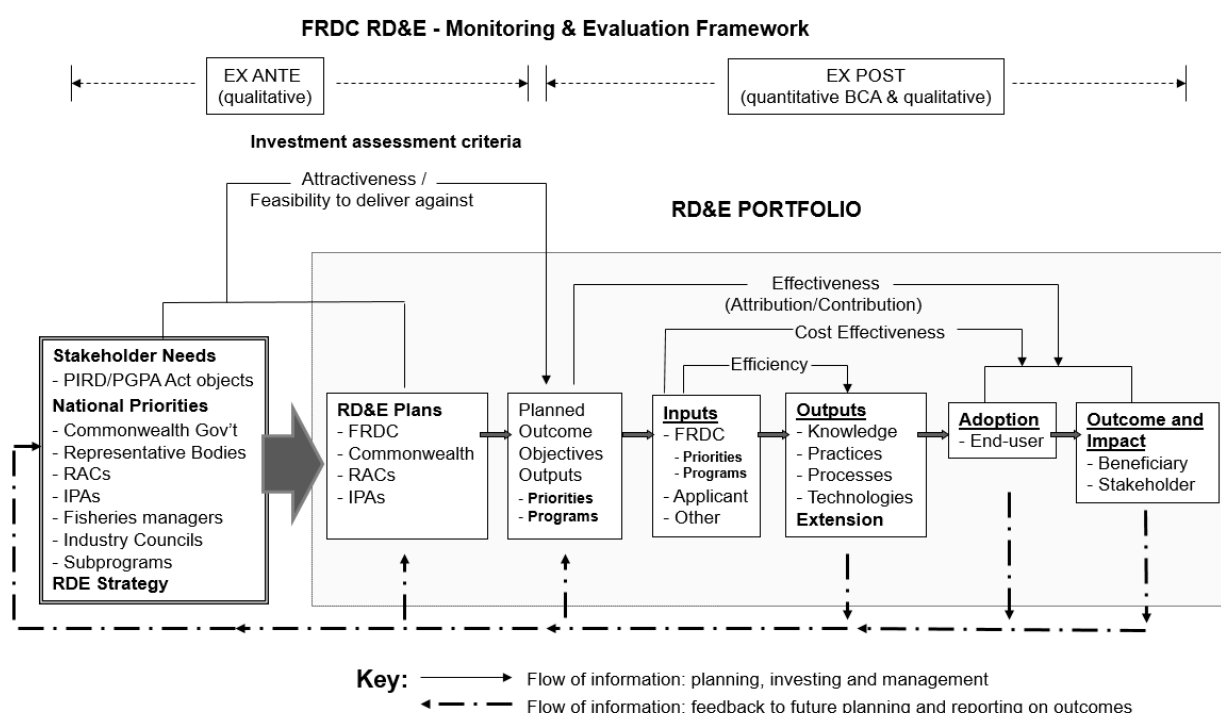
	2017–18 / \$,000	2018–19 / \$,000	2019–20 / \$,000	2020–21 / \$,000
Remuneration and allowances to directors members	383	409	422	435
Cost recovery expenses to pay to the Commonwealth	15	15	15	15
Selection committee expenses and liabilities	60	10	NIL	60

Aligning performance with planning

Planning environment

The FRDC contributes to a strategic national approach by ensuring the relevant priorities for the National Marine Science Plan and the Fishing and Aquaculture RD&E Strategy are delivered. The diagram below highlights the linkages between planning processes and the delivery of outcomes. Partner priorities (industry and government) and previous RD&E are considered in planning and investment processes, to maximise leverage and reduce duplication.

On 1 July 2015 the FRDC RD&E Plan 2015-20 commenced. The Plan was developed through a comprehensive process of environmental scanning, consultation and analysis. Consultation included the Assistant Minister to the Minister for Agriculture and Water Resources, the Department of Agriculture and Water Resources, those involved in aquaculture, commercial fishers, Indigenous fishers, recreational fishers, research providers, post-harvest processors and fisheries managers from federal, state and territory governments. The RD&E Plan is reviewed by the board, as required by the Primary Industries Research and Development Act 1989, every year and if an update is required, it provided to the Minister for consideration.



Stakeholder research priorities

One of the primary challenges for the FRDC is to gain a solid understanding of the needs and priorities of its diverse stakeholders. Governments are key stakeholders in establishing RD&E priorities, in particular the Commonwealth Government as the FRDC's major investor. FRDC, in assisting with developing the National RD&E Strategy and has consulted widely with these groups in developing its RD&E Plan. In addition the FRDC has undertaken research to build on this knowledge. While there are common, national issues, each sector faces unique challenges and has specific research, development and extension needs, and these vary around Australia.

The FRDC holds regular planning and R&D prioritisation meetings at the industry partnership and jurisdiction levels. This culminates in an annual stakeholder workshop, which aims to provide an insight into the key issues around Australia at a higher level. The issues identified along with stakeholder feedback form an integral part of the priority setting for the jurisdiction. This then aligns with the processes for the Research Advisory Committees (RAC) and the call for applications.

Funding Priorities for 2018-19

2018-19 Key Priorities – delivering on the RD&E Plan

The FRDC RD&E Plan 2015-2020 brought with it a significant change to the way planning and investment is undertaken. The most significant is that the FRDC will directly invest to deliver results and outcomes against the national priorities. The FRDC has devolved some authority to jurisdictions through Research Advisory Committees (RACs) and industry sectors through Industry Partnership Agreements (IPAs) – to allow them greater ownership over setting research priorities and making recommendations on which projects to fund. The key areas of focus for the FRDC priorities in 2018-19 are:

LEAD

1. Australian fishing and aquaculture products are sustainable and acknowledged to be so.

- Expansion of the Status of Australian Fish Stocks Reports to include information on bycatch, fisheries management and habitat, and reduce the number of undefined species in the report,
- progress the development and implementation of a national bycatch reporting framework,
- extend new forms of communication with stakeholders and end users (consumers), and
- Finalise guidelines for Australian Fisheries Management Standards.

2. Improved productivity and profitability of fishing and aquaculture.

- Implement new approaches to industry development and innovation,
- progress the development of the Easy Open Oyster,
- deliver innovation acceleration programs to assist industry development,
- develop new ways to utilise underutilised species and further improve post-harvest waste,
- invest in R&D projects to improve efficiency in wild fishery capture methods, and
- work towards understanding the social and economic contributions of recreational fishing in Australia.

3. Development of new and emerging aquaculture growth opportunities.

- continuing the advances made in Yellowtail Kingfish production,
- explore options for developing aquaculture in northern Australia and scope the potential for novel species, systems and approaches, and
- invest in R&D projects that will assist grow production volumes of aquaculture species across Australia.

National Infrastructure

- National Carp Control Plan – complete the development of the National Carp Control plan.
- Recfishing Research – Southern Bluefin Tuna Research and assist in the development of a national social and economic survey,
- Aquatic Animal Health and Biosecurity Subprogram – Procedures for operating in presence of disease and research towards resistant stock to enable enhanced disease resistance in industry,
- Indigenous Fishing and Aquaculture Subprogram – Indigenous Capacity Building Program; Improved data on Aboriginal and Torres Strait Islanders fisheries resource use to better inform Indigenous community planning and fisheries agency decision making; Developing a concise summary of Indigenous R&D undertaken to date and how best to extend the outputs and Sharing and preserving knowledge through story,
- SafeFish – invest in research to Harmonised Australian Retailer Produce Scheme (HARPs) that is consistent with Global Food Safety Initiative (GFSI) and Global Seafood Sustainability Initiative (GSSI) frameworks,
- Australian Fish Names Standard – develop a standard names list for aquatic plants,
- Human Dimensions Research – Nationally-coordinated estimate of the economic contributions of commercial fisheries and aquaculture and Effective engagement to achieve socially supported fisheries and aquaculture.

Partner

Research Advisory Committees

The FRDC holds an annual stakeholder workshop to gain an insight into the key issues set priorities for the jurisdictional Research Advisory Committees (RAC) annual call for applications. The 2018-19 priorities for each RAC can be found on their individual webpages – <http://www.frdc.com.au/Partners/Research-Advisory-Committees>.

Industry Partnership Agreement Priorities for 2018-19

Each Industry Partnership Agreement (IPA) develops a RD&E Plan, which contain its specific priorities, from which it focuses its annual call for applications. The 2018-19 priorities for each RAC can be found on their individual webpages – <http://www.frdc.com.au/Partners/Industry-Partnership-Agreements>

Collaborate

The FRDC encourages stakeholders – industry partners (IPAs), jurisdictions (RACs) and/or subprograms to co-invest in projects addressing common or mutual priority areas. Funds are set aside to encourage and facilitate this collaboration. It is up to each partner to identify and prioritise projects with the FRDC to access collaboration funding.

FRDC Marketing Functions

On 13 December 2013 the *Rural Research and Development Legislation Amendment Act 2013* amended the FRDC enabling legislation, the PIRD Act. These amendments extend the scope and range of activities the FRDC can undertake to include marketing for all its stakeholders.

The PIRD Act provides for FRDC to undertake a marketing function via voluntary contributions or where a statutory marketing levy has been implemented.

FRDC will work with industry stakeholders to develop and undertake marketing activities as required. If industry agrees to marketing activities FRDC will develop and publish a separate marketing plan in addition to its RD&E Plan. The two plans will be closely linked as RD&E will play a key role in underpinning and informing the development of any marketing activity. It will also provide the mechanism by which marketing activities will be evaluated.

Deliverables and services for 2018-20

- A key focus for the FRDC is to establish a robust industry marketing collection processes – whether voluntary or levy based. The FRDC will establish policies and procedures to ensure good governance of marketing funds.
- A key deliverable for the FRDC in the 2015-20 RD&E Plan is to increase exports of seafood to countries where Australia has signed a new free trade agreement (China, Korea, and Japan).

Australian Prawn Farmers Association – FRDC levy payer

FRDC and the APFA enjoy a very close working relationship. The FRDC administers a research and development levy on behalf of the Australian Prawn Farmers' Association (APFA). The levy is collected by the Department of Agriculture and Water Resources. An administration cost is charged by the department to manage the levy.

Year	2017-18	2018-19*	2019-20*	2020-21*
APFA contribution	\$200,000	\$200,000	\$250,000	\$250,000
FRDC expenditure on projects	\$300,000	\$300,000	\$300,000	\$300,000

* Estimated investment

The FRDC's investments in prawn farming R&D is driven by the APFA's RD&E Plan. The APFA has a lead role with FRDC in ensuring its priorities are met. In the coming year the priorities are:

- Biosecurity enhancements that will reduce disease impacts on farmed prawns;
- Minimise nutrient discharge from prawn farms;
- Apply advanced technologies to improve production and profitability of prawn farms;
- Prawn breeding hub and industry breeding program
- Increase early survival of post larvae; and
- Modelling occurrences/blooms of *Heterosigma* and control.

Fisheries Management

The Australian Fisheries Management Forum (AFMF) have outlined in their statement of intent a range of priority issues. These include:

- Australia's fisheries and aquaculture industries are managed, and acknowledged, to be ecologically sustainable. Building broad community awareness, recognition and understanding of the status of Australia's fish stocks, and of the management structures in place for Australian fisheries and aquaculture.
- Secure access to fisheries and aquaculture resources. Lack of long term certainty, and limited progress, around access to and allocation within the fisheries and aquaculture sectors. Need for efficiency and fairness in allocation processes with outcomes providing 'optimal' benefit to the community
- Profitable and viable fisheries and aquaculture businesses. Impact of increasing costs on the profitability and viability of fisheries and aquaculture industries. Streamlining and reduction of "red tape" and more efficient delivery of management.
- Integrated aquatic resource management programs. Recognition of all users (commercial, recreational and indigenous) in fisheries management programs to deliver sustainable and equitable outcomes.
- Supporting the health of habitats, and the broader environment, important to fisheries and aquaculture. Recognising and understanding the broader impacts of external factors on fish stocks, and ensuring adequate protection of habitats and environments on which fisheries and aquaculture depend.

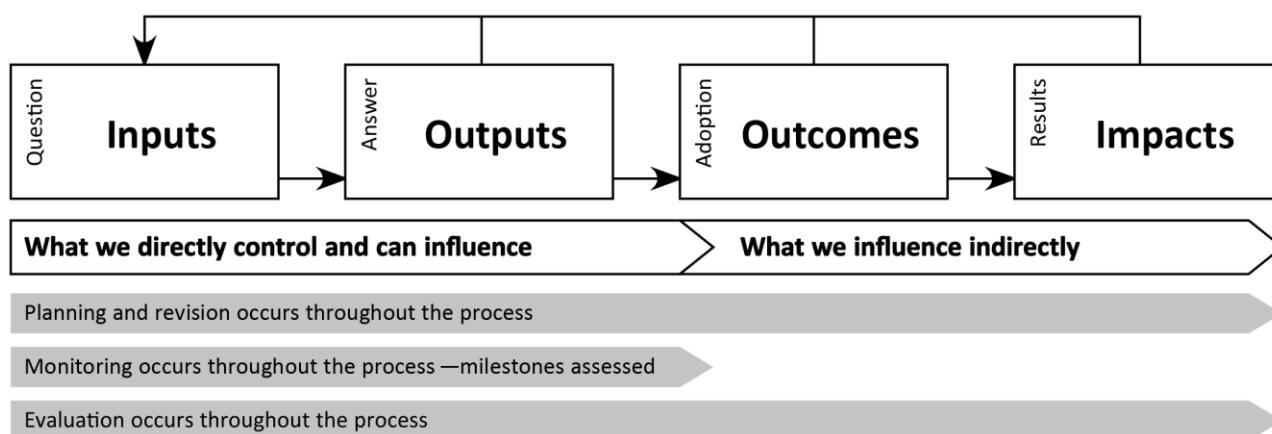
How we measure performance

Performance evaluation

A monitoring and evaluation (M&E) framework has been implemented to assess the progress of the FRDC RD&E Plan. The M&E framework guides the gathering of information to measure the progress in achieving delivering the outputs and outcomes. See http://frdc.com.au/about_frdc/corporate-documents/Documents/FRDC%20Program%20and%20Evaluation%20Frameworks%20November%202016%20V2.pdf

The program logic model below outlines the four key areas (inputs, outputs through to outcomes and impact) that underpin the M&E framework. This model will also be used as the M&E framework for the FRDC Annual Report and the RD&E Plan 2015-20. Central to this will be a series of benefit cost analysis (BCA) evaluations undertaken against each of the FRDC programs.

The Public Governance, Performance and Accountability Act 2013 (PGPA Act) specifies requirements for good governance, performance and accountability. As a result the FRDC has adopted the Commonwealth input, output, outcome reporting framework policy. The Department of Finance has determined that the FRDC's outcome is *"increased economic, social and environmental benefits for Australian fishing and aquaculture, and the wider community, by investing in knowledge, innovation, and marketing"*. The FRDC's performance is measured against its ability to deliver this outcome.



FRDC's performance measures are designed to assess the effectiveness, efficiency and quality of its activities to meet its strategic objectives over the five years of the RD&E Plan and the coming year for this Annual Operating Plan. These include measures also published in the Portfolio Budget Statements.

The success of the FRDC's investment policy (https://frdc.com.au/about_frdc/corporate-documents/Pages/corp_policies.aspx) is measured by an evaluation process that ensures the framework is based on adaptive management. The investment evaluation framework has the following structure:

- evaluation of the FRDC's performance against its priorities in its RD&E Plan
- evaluation of the Partnership Agreements performance against their priorities in its RD&E plan
- a balanced approach to investment
- total portfolio evaluation based on the rural RDC evaluation methodology (<http://www.ruralrdc.com.au/impact-assessment-performance/>)
- regular review of investment policy by the board against the FRDC's and partners' plans and priorities.

The FRDC reports each year on performance (achievements of specified targets and overall performance) to the Department of Agriculture and Water Resources and to the Parliament via its Annual Report. The annual Portfolio Budget Statements and Funding Agreement requirement with Department of Agriculture and Water Resources provide the template and performance indicators for the Annual Report.

Performance measures – Planned Outputs for 2018-19

The FRDC balanced research investment approach

The FRDC assesses its RD&E investments to ensure it delivers a balanced portfolio that meets the short and long-term needs of its stakeholders, including the Australian Government and community. Additionally the FRDC spreads its investment across the whole value-chain of the commercial fishing and aquaculture industry, and for the benefit of both Indigenous and recreational fishers. The FRDC delivers a balanced RD&E portfolio by investing in:

1. the FRDC's five programs
2. national jurisdictional (lead); regional and sector-focussed projects (partner); and these working together for similar priorities (collaborate)
3. long and short-term projects (an indicator of adaptive versus strategic research)
4. high and low risk projects (percentage chance of success)
5. strategic and adaptive research projects

All RD&E Plans (FRDC, sector, and jurisdictional) will demonstrate how they will achieve a balanced portfolio of RD&E investment. Note that each of these may not achieve a balanced approach individually, but in aggregate the FRDC's investment through its partners, will aim to achieve a balanced portfolio.

Balanced Portfolio Performance Targets

Total RD&E Expenditure by Activity

Activities	2017–18 /%	2018–19 /%	2019–20 /%	2020–21
LEAD				
National priorities	15	14	13	13
National infrastructure	18	16	16	16
COLLABORATE				
Incentive fund	1	2	2	2
Response fund	5	5	6	6
PARTNER				
Partnership agreements (industry sectors)	30	32	32	32
Partnership agreements (jurisdictions)	31	31	31	31
Total activities expenditure	100	100	100	100

* Note the percentages from year to year may vary depending on changes to priorities and the funding of differing size projects to meet the FRDC's balanced portfolio – long/short – big/small.

Total RD&E Expenses broken down by Program

Programs	2017–18 /%	2018–19 /%	2019–20 /%	2020–21
Environment	50	40	40	40
Industry	33	40	40	40
Communities	2	4	2	2
People	8	8	10	10
Adoption	7	8	8	8
Total programs expenditure	100	100	100	100

Targets by Research Type

Strategic	90%	Adaptive (blue sky)	10%
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Investment Targets by Project Length

Short	30%	Medium	50%	Long	20%
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Investment Targets by Project Risk

Low	40%	Medium	50%	High	10%
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Performance Indicators 2018–19

PRIORITY 1 – Australian fishing and aquaculture products are sustainable and acknowledged to be so	
<i>RD&E Plan 2015-20 Performance criteria</i>	<i>Year target</i>
The number of species in the national Status of Key Australian Fish Stocks Reports increases to include 200 species.	160 species included in Status of Australian Fish Stocks Reports.
The number of species classified as 'undefined' is reduced from the previous [2016] Status of Key Australian Fish Stocks Reports.	Undefined species is less than 20 per cent.
Perception of the commercial fishing industry increased from 28 per cent to 40 per cent by 2020.	Perception of industry increases to 34 per cent.
PRIORITY 2 – Improved productivity and profitability	
<i>RD&E Plan 2015-20 Performance criteria</i>	<i>Year target</i>
Understand the quantity of potential production from Australia's fishing and aquaculture resources.	Two reports completed that assist increase knowledge to improve the utilisation of fisheries resources by Indigenous Australians.
PRIORITY 3 – Developing new and emerging aquaculture growth opportunities	
<i>RD&E Plan 2015-20 Performance criteria</i>	<i>Year target</i>
Advance two or more new or emerging aquaculture opportunities/species for which RD&E has identified clear opportunities and technologies for good production and profitability growth, as measured by increases in harvest tonnages.	1,500 tonnes of additional production.
Partner and collaboration	
<i>RD&E Plan 2015-20 Performance criteria</i>	<i>Year target</i>
Partners have a RD&E plan.	90 per cent of partners have an RD&E Plan.
Partners invest in a balanced portfolio across the FRDC purpose themes – environment, industry, communities, people and extension.	Investment portfolios include investment across FRDC purposes.
Corporate governance	
<i>Performance criteria</i>	<i>Targets</i>
Projects focus on the FRDC Board's assessment of priority research and development issues.	95 per cent are a priority.
Projects are assessed as meeting high standards/peer review requirements for improvements in performance and likely adoption.	95 per cent are a high priority.
Maintain ISO9001:2008 accreditation.	FRDC maintains Certification.
Submit planning and reporting documents in accordance with legislative and Australian Government requirements and timeframes.	100 per cent met Government requirements.
Implement best practice governance arrangements to promote transparency, good business performance and unqualified audits.	Achieve unqualified audit result.
Demonstrate the benefits of RD&E investments by positive benefit cost analysis results.	Benefit analysis undertaken on one investment area.
Marketing	
<i>Performance criteria</i>	<i>Year target</i>
Commence collection of voluntary marketing funds – pending legislative changes.	\$250,000 collected
Coordinate the delivery the Love Australian Prawns campaign – pending legislative changes.	Campaign activities delivered in line with marketing plan
Establish full statutory marketing levy collection with industry sectors for sectors – where requested and pending Levy being established.	One marketing levy established

Performance Indicators 2019–20

PRIORITY 1 – Australian fishing and aquaculture products are sustainable and acknowledged to be so	
<i>RD&E Plan 2015-20 Performance criteria</i>	<i>Year target</i>
Perception of the commercial fishing industry increased from 28 per cent to 40 per cent by 2020.	Perception of industry increases to 36 per cent.
PRIORITY 2 – Improved productivity and profitability	
<i>RD&E Plan 2015-20 Performance criteria</i>	<i>Year target</i>
Understand the quantity of potential production from Australia's fishing and aquaculture resources.	One report completed on quantity of potential production from Australia's fishing and aquaculture resources.
PRIORITY 3 – Developing new and emerging aquaculture growth opportunities	
<i>RD&E Plan 2015-20 Performance criteria</i>	<i>Year target</i>
Advance two or more new or emerging aquaculture opportunities/species for which RD&E has identified clear opportunities and technologies for good production and profitability growth, as measured by increases in harvest tonnages.	2,000 tonnes of additional production.
Partner and collaboration	
<i>RD&E Plan 2015-20 Performance criteria</i>	<i>Year target</i>
Partners have a RD&E plan.	90 per cent of partners have an RD&E Plan.
Partners invest in a balanced portfolio across the FRDC purpose themes – environment, industry, communities, people and extension.	Investment portfolios include investment across FRDC purposes.
Corporate governance	
<i>Performance criteria</i>	<i>Year target</i>
Projects focus on the FRDC Board's assessment of priority research and development issues.	95 per cent are a priority.
Projects are assessed as meeting high standards/peer review requirements for improvements in performance and likely adoption.	95 per cent are a high priority.
Maintain ISO9001:2008 accreditation.	FRDC maintains Certification.
Submit planning and reporting documents in accordance with legislative and Australian Government requirements and timeframes.	100 per cent met Government requirements.
Implement best practice governance arrangements to promote transparency, good business performance and unqualified audits.	Achieve unqualified audit result.
Demonstrate the benefits of RD&E investments by positive benefit cost analysis results.	Benefit analysis undertaken on one investment area.
Marketing	
<i>Performance criteria</i>	<i>Year target</i>
Voluntary marketing funds collected for marketing events – pending legislative changes.	\$350,000 collected
Coordinate the delivery the Love Australian Prawns campaign – pending legislative changes.	Campaign activities delivered in line with marketing plan
Establish full statutory marketing levy collection with industry sectors for sectors – where requested and pending Levy being established.	One marketing levy established

Performance Indicators 2020–21

PRIORITY 1 – Australian fishing and aquaculture products are sustainable and acknowledged to be so	
<i>RD&E Plan 2015-20 Performance criteria</i>	<i>Year target</i>
The number of species in the national Status of Key Australian Fish Stocks Reports increases to include 200 species.	200 species included in Status of Australian Fish Stocks Reports.
The number of species classified as ‘undefined’ is reduced from the previous [2018] Status of Key Australian Fish Stocks Reports.	The number of species classified as ‘undefined’ is reduced to less than 10%.
Perception of the commercial fishing industry increased from 28 per cent to 40 per cent by 2020.	Perception of industry increases to 40 per cent.
PRIORITY 2 – Improved productivity and profitability	
<i>RD&E Plan 2015-20 Performance criteria</i>	<i>Year target</i>
Understand the quantity of potential production from Australia’s fishing and aquaculture resources.	One report completed on quantity of potential production from Australia’s fishing and aquaculture resources.
PRIORITY 3 – Developing new and emerging aquaculture growth opportunities	
<i>RD&E Plan 2015-20 Performance criteria</i>	<i>Year target</i>
Advance two or more new or emerging aquaculture opportunities/species for which RD&E has identified clear opportunities and technologies for good production and profitability growth, as measured by increases in harvest tonnages.	2,500 tonnes of additional production.
Partner and collaboration	
<i>RD&E Plan 2015-20 Performance criteria</i>	<i>Year target</i>
Partners have a RD&E plan.	90 per cent of partners have an RD&E Plan.
Partners invest in a balanced portfolio across the FRDC purpose themes – environment, industry, communities, people and extension.	Investment portfolios include investment across FRDC purposes.
Corporate governance	
<i>Performance criteria</i>	<i>Targets</i>
Projects focus on the FRDC Board’s assessment of priority research and development issues.	95 per cent are a priority.
Projects are assessed as meeting high standards/peer review requirements for improvements in performance and likely adoption.	95 per cent are a high priority.
Maintain ISO9001:2008 accreditation.	FRDC maintains Certification.
Submit planning and reporting documents in accordance with legislative and Australian Government requirements and timeframes.	100 per cent met Government requirements.
Implement best practice governance arrangements to promote transparency, good business performance and unqualified audits.	Achieve unqualified audit result.
Demonstrate the benefits of RD&E investments by positive benefit cost analysis results.	Benefit analysis undertaken on one investment area.
Marketing	
<i>Performance criteria</i>	<i>Year target</i>
Voluntary marketing funds collected for marketing events – pending legislative changes.	\$400,000 collected
Coordinate the delivery the Love Australian Prawns campaign – pending legislative changes.	Campaign activities delivered in line with marketing plan

The Australian fishing and aquaculture sectors

Fishing and aquaculture in Australia is one of the most complex of Australia's primary industries in terms of both its structure and the natural resources on which it depends. Their business environment is made more complex by their dependence on access to natural resources that are publicly managed in the interests of present and future generations. Australian fishing and aquaculture comprises five sector groupings:

- Aquaculture;
- Commercial;
- Indigenous;
- Post-harvest; and
- Recreational.

The FRDC has a significant responsibility in ensuring, on behalf of the Australian Government, that research is undertaken to assist in the management of the fisheries resource for ongoing sustainability. This means a significant proportion of funding is directed at research that has a public good benefit.

The commercial sector comprises approximately 120 wild catch fisheries and 70 aquaculture species. Commercial seafood and products (e.g. pearls) were valued at \$3.0 billion in 2017–18. The recreational sector has 3.4 million participants, who were estimated in 2013, to provide a combined economic value of around \$2.56 billion.

The aquaculture sector can generally be described as business 'smart', value-adding ventures, with larger operators processing, packaging and branding their own products. The sector is currently dominated by Atlantic Salmon, with significant contributions from oyster producers and ranching of Southern Bluefin Tuna.

The wild-catch industry is made up of about 15,000 licence holders. A small number of operators take a large portion of the harvest (by value and volume). These are diverse operations that may hold multiple licences. They may operate in a range of fisheries and, in some instances, are integrated along the supply chain. The remainder of the wild-catch sector is made up of a large number of small owner-operator businesses. They are vital to sustaining small coastal communities, contribute substantially to regional employment and regional identity, and are passionate about what they do—supplying Australia with seafood.

Recreational fishing provides for millions of Australians a variety of opportunities from exercising and relaxing, socialising with friends and family, meeting new people, seeing new places, engaging with nature, and providing a source of fresh individually sourced food.

Australia's commercial seafood production only accounts for around 20-30 per cent of domestic consumption. Combined with the relative strength of the Australian dollar, the commercial sector is re-orienting its market portfolio towards better serving the Australian market. Increasingly, value chains will encompass both domestic and imported product. Other factors, such as further improvements in fisheries management and better utilisation of catch, will become more important. But it is not only seafood for consumption that Australia produces. Australian pearls are high value items that are produced at the highest level of quality through leading edge technology by a long standing and iconic industry.

Aboriginal and Torres Strait Islander people participate in commercial and recreational fishing, as well as customary fishing. The legal rights around Indigenous fishing are being refined over time and some aspects are now part of existing legislation and court decisions.

Table 1: Gross value of production and production for Australian fishing and aquaculture results 2016–17*

Australian Fisheries Statistics *	2014-15	2015-16
The wild catch sector	\$1.6 billion	\$1.75 billion
	151,439 tonnes	174,247 tonnes
The aquaculture sector	\$1.2 billion	\$1.31 billion
	89,217 tonnes	97,046 tonnes
Overall production	\$2.8 billion	\$3.03 billion
	235 710 t	267,094 tonnes

* The figures quoted from 2017 *Australian Fisheries Statistics* (published December 2017), and are from the latest edition that can be downloaded from the FRDC website — www.frdc.com.au

Relationships with stakeholders

FRDC works to a diverse and geographically dispersed group of stakeholders and the four main sectors (aquaculture, commercial fishing, Indigenous fishing and recreational fishing) are not mutually exclusive. For example, Indigenous fishers may participate in customary fishing, conduct aquaculture and commercial fishing, and fish recreationally.

FRDC's stakeholders include:

- Commonwealth, state and territory governments, including fisheries and natural resources managers,
- all fishing and aquaculture sectors,
- the Australian community, on whose behalf aquatic natural resources are managed,
- seafood consumers ,
- the research community, including universities, government fisheries organisations, further education organisations (e.g. TAFE), international research organisations and private-sector research providers,
- four ministerially declared representative organisations to which FRDC is accountable under legislation:
 - National Seafood Industry Alliance (representing the seafood industry),
 - Australian Recreational and Sport Fishing Industry Confederation Inc., trading as Recfish Australia (representing recreational and sport fishers),
 - Commonwealth Fisheries Association (representing fishers who operate in Commonwealth fisheries),
 - National Aquaculture Council (representing the aquaculture industry).

FRDC regularly engages with its stakeholders through a range of mechanisms including:

- regular meetings with FRDC's four representative organisations, and the Indigenous Reference Group
- biannual meetings with Department of Agriculture and Water Resources to discuss progress on implementing the Funding Agreement,
- the Governance Committee that supports the National Fishing and Aquaculture RD&E Strategy and the National Research Providers Network which represents fisheries researchers (FRDC is a member of both groups),
- Research Advisory Committees (RACs),
- partnerships between FRDC, industry sectors and jurisdictions,
- the Australian Fisheries Management Forum, representing government agencies responsible for fisheries management (FRDC is an observer),
- FRDC subprograms and coordination programs,
- membership of the Council of Rural Research and Development Corporations and its sub-committees and working groups, and
- membership of the National Marine Science Committee.

The FRDC board regularly meets at locations where it can meet first hand and engage with those involved in fishing and aquaculture and discuss their issues. In developing the projects that address the FRDC's five programs, priorities are established in association with the FRDC's stakeholders.

The FRDC works with its stakeholders and partners to undertake program management in an effective manner, and to disseminate the results and assist with their adoption, including when appropriate, commercialisation. Over the course of the year, the FRDC will continue to collaborate and work with its stakeholders and partners.

Research Advisory Committees (RACs)

The FRDC supports a network of RACs – one covering Commonwealth fisheries and one in each state and the Northern Territory. The RACs play an important role in delivering on efficient, effective planning and investment processes; and the development of project applications. The FRDC works to ensure a majority of research funding applications are submitted through, reviewed and prioritised by the RACs.

The RACs represent all fishing and aquaculture, fisheries managers and researchers; and most also have environmental and other community interest representation. RACs are a new approach for FRDC, but represent the next evolutionary step from the jurisdictionally based Fisheries Research Advisory Boards (FRABs) which have served the FRDC well since its inception.

Australian Government

The Minister for Agriculture and Water Resources and his Department provide the key priorities that need to be addressed from an Australian government perspective. The Department acts as the day to day policy intermediary between the office of Minister, Assistant Minister and the FRDC. The Australian Fisheries Management Authority (AFMA) and the Department of the Environment also play an important role in contributing to identifying research priorities.

Australian Fisheries Management Forum (AFMF)

AFMF is attended by the heads of the Commonwealth, state and territory government agencies responsible for management of fisheries and aquaculture. AFMF discusses issues relating to fisheries and aquaculture management.

The FRDC understands that adoption of research outputs by management agencies is a key to optimising management outcomes. It will continue to work with AFMF, participating as an invited representative to its meetings, providing advice and ensuring AFMF priorities are incorporated into planning and prioritisation processes.

Consultation with representative organisations

The FRDC has four representative organisations with which it consults with:

- Seafood Industry Australia (SIA).
- Australian Recreational and Sport Fishing Industry Confederation Inc. (trading as Recfish Australia)
- National Aquaculture Council Inc. (NAC).
- Commonwealth Fisheries Association Inc. (CFA).

Under section 6.6 of the FRDC Funding Agreement with the Department of Agriculture and Water Resources, the FRDC may meet travel and other expenses incurred in connection with consultation between the FRDC and each of its representative organisations. These meetings are often held in Canberra. The FRDC only reimburses direct costs associated with this consultation.

Consultation with its representative organisations allows the FRDC to gain valuable insights and their views on the RD&E priorities for their sectors. It also provides a mechanism for the FRDC to report the outcomes from the relevant RD&E investment.

Sector industry bodies

The FRDC continues its close relationship with jurisdictional and sector bodies. The FRDC builds upon the partnerships established with individual industry sectors to funding research priorities of these, such as Southern Rocklobster Ltd, Australian Southern Bluefin Tuna Industry Association, Tasmanian Salmonid Growers' Association, Australian Pearl Producers, Oysters Australia, Western Rock Lobster Council and both the Prawn and Barramundi Farmers' Associations.

Rural research and development corporations

The FRDC will continue to partner with other RDCs on a range of activities to enhance strategic outcomes. Most significant of these include environmental change, evaluation of RD&E, and the "Appetite for Excellence" primary producer's tour – a chef, waiter and restaurateur competition. Not only will the FRDC partner other RDCs at the project level, but it will also work more broadly to collaborate in functional areas. The FRDC will continue to attend meetings of the Council of Rural Research and Development Corporations (CRRDC), as well as meetings of Executive Directors, Business Managers, Research Program Managers and Communications Managers. In conjunction with other RDCs, the FRDC will assist in coordinating sponsorship and participate in events such as the ABARES Outlook and producer conferences. Additionally, the FRDC will continue to provide advice and services in relation to project management.

Research Partners

Investment in research is the FRDC's core business. As a result, it is vital to the FRDC's success that good relationships are built and maintained with its research partners. In any given year FRDC will have under management around 350+ active projects. The key research partners are:

- Industry;
- Department of Agriculture and Water Resources;
- Australian Fisheries Management Authority (AFMA);
- State/Territory fisheries governments and research centres;
- Commonwealth Scientific and Industrial Research Organisation (CSIRO);
- Universities;
- Cooperative Research Centres (CRCs);
- Other Rural RDCs and companies; and
- Private sector.

The FRDC Governance framework

The Board

The FRDC Board oversees corporate governance of the corporation and sets its strategic direction. The key areas of focus are:

- Ensuring implementation of the FRDC RD&E Plan for 2015-20;
- Delivering investment to reflect FRDC's stakeholders priorities;
- Improve Board monitoring and response to improve stakeholder engagement;
- Ensuring completion of the four year performance review under the Funding Agreement with the Department of Agriculture and Water Resources and implementing the recommendations from the review;
- Driving strategy to increase the uptake and commercialisation of R&D;
- Setting risk appetite and tolerance and monitoring strategies to identify evaluate and manage risk, and
- Ensuring the smooth induction of new non-executive directors

The Board will meet five times during the year and will conduct a number of meetings in regional fishing ports around the country. The board considers it essential to visit the key fishing regions to gain firsthand feedback and an appreciation of the key issues facing fishing and aquaculture.

Element	Scope
Enabling legislation	The Primary Industries Research and Development Act 1989 which sets out the legislative framework and rules for the establishment and operation of the FRDC.
Governance legislation	The <i>Public Governance, Performance and Accountability Act 2013</i> (PGPA Act) which specifies requirements for good governance, performance and accountability.
Board governance	Key functions include overseeing corporate governance, including the systems and processes used to direct and control its operations and investment decisions. This is enhanced by the Board's spread of skills and experience and ongoing development in directorship.
Funding agreement	The Australian Government enters into funding agreements with the RDCs as a means to define and govern aspects of their relationship. This is to ensure the performance of all RDCs as it is important to ensure accountability and help foster a culture of continuous improvement. The agreement between the government and FRDC establishes a framework for periodic, independent reviews.
Priorities of key stakeholders	Australian Government National Science and Research Priorities and Rural Research Priorities. The RD&E priorities of representative organisations: National Seafood Industry Alliance, Recfish Australia, Commonwealth Fisheries Association and National Aquaculture Council.
Annual report	Requirement of various legislation; Reports to the Australian Parliament and FRDC stakeholders on RD&E activities during the financial year and on measures to ensure good governance.
Quality management system	Systematic, ISO-certified processes CAS/NZS ISO 9001:2008 designed to meet or exceed the expectations of stakeholders and other people and organisations with which FRDC does business. Incorporates management of FRDC policies.
Strategic planning and priority-setting	FRDC works with nation-wide Research Advisory Committees (RACs) to undertake planning for RD&E in consultation with governments, AFMF, industry, stakeholders and research partners. Priorities for RD&E at state, regional or fishery level are significantly determined by the RACs, managed subprograms and other priority-setting structures, with the FRDC determining the balance between projects funded within the RD&E programs.
Performance monitoring	Includes monitoring and measuring of performance to continually improve the FRDC's effectiveness and efficiency.
Reporting to stakeholders	Includes consultation with, and formal reporting to the three representative organisations; reporting of RD&E investment activities via FISH; and participation in conferences, workshops and other activities.

How we manage risk

FRDC directors and management actively engage in FRDC's risk management process, with associated responsibilities and roles that reflect the individual and collective risk management environments.

FRDC recognises that risk management is important to the fulfilment of its role. Appropriate risk management empowers FRDC to make better choices and allows the FRDC the ability to respond effectively.

Risk Management is part of the governance framework for Commonwealth agencies, and a required management tool. In addition, the FRDC also has obligations to manage its risks under the Public Governance, Performance and Accountability (PGPA) Act 2013. It is also embedded within the construct of the FRDC's Quality Management System (QMS) – which encompasses all of the FRDC's policies and procedures.

The overarching risk management policy clearly outlines the FRDC's appetite for risk and the activities which are in place to ensure it is reduced to a level acceptable to the FRDC, and opportunities are maximised.

Our strategic risks

The board sets and monitor the FRDC'S risk tolerances and appetites with a focus on strategic risks. The risk management procedure provides guidance and examples on how risk appetite and tolerance are applied to the overall.

The FRDC applies a systematic processes to identify, analyse, manage, monitor, report and control threats (mitigate) and opportunity (maximise). The result is that risk is reduced to a level acceptable to the FRDC, and opportunities are maximised.

Our risk appetite

Risk appetite refers to the amount of risk an entity is willing to accept or retain in order to achieve its objectives; that is. It is a statement or series of statements that describes the entity's attitude toward risk taking. Risk tolerance refers to the levels of risk taking that are acceptable in order to achieve a specific objective or manage a category of risk.

To determine risk tolerance, the FRDC look at the outcome measures of its key objectives and consider what range of outcomes above and below that target are acceptable.

Our assurance processes

FRDC is a quality-certified organisation (AS/NZS ISO 9001:2008) and its RD&E investment is supported by a rigorous, quality-management system which includes a framework of policies and procedures for reviewing performance and implementing changes to ensure continuous improvement.

FRDC's Audit Committee provides independent assurance and assistance to the Board on its risk, performance, control and compliance framework and our external accountability responsibilities.

Our fraud control

The FRDC applies the Commonwealth's Fraud Control Framework as a matter of best practice. The FRDC aims to reduce the likelihood and impact of fraud by implementing policy that is consistent with the requirements of the Commonwealth Fraud Control Framework.

Staff members are responsible for managing the risk of fraud within the scope of their activities by integrating fraud control into everyday business management practices. Staff members have an understanding of their roles and responsibilities with respect to fraud control and how they can contribute to preventing fraud in their area.

The FRDC fosters the highest standards of ethical behaviour and mitigates the risk of fraud through the FRDC's financial, management and operating systems.

List of abbreviations and acronyms

AGVP	average gross value of production
AOP	annual operational plan
APFA	Australian Prawn Farmers Association
DAWR	Australian Government Department of Agriculture and Water Resources
EPBC Act	Environment Protection and Biodiversity Conservation Act 1999
FRDC	Fisheries Research and Development Corporation
GVP	gross value of production
IPA	Industry Partnership Agreement
ISO	International Organization for Standardisation
KPI	key performance indicator
m	million
PGPA Act	Public Governance, Performance and Accountability Act 2013
PIRD Act	Primary Industries Research and Development Act 1989
PBS	Portfolio Budget Statements
R&D	research and development
RAC	Research Advisory Committees
RD&E	research, development and extension
RDC	research and development corporation
SAFS	Status of Australian Fish Stocks

Government Research Priorities

Australian Government research priorities

The FRDC aims to ensure that it delivers results in line with the Australian Government's Science and Rural Research and Development priorities.

The FRDC invests in targeted projects that will assist in the delivery of these Australian Government priorities. The Government's priorities are consistent and align with the FRDC's four legislated objects (section 3 of the PIRD Act).

Government Research Priorities attributed to each RD&E Program (\$ and %)

Rural Research, Development and Extension Priorities

<http://www.agriculture.gov.au/ag-farm-food/innovation/priorities>

RD&E Priorities	Total expenditure	
	\$	%
Adoption of R&D	4,621,750.10	24.66%
Advanced technology	3,895,205.95	20.79%
Biosecurity	2,014,144.66	10.75%
Soil, water and managing natural resources	8,208,614.30	43.80%
TOTAL	18,739,715.02	100.00%

Science and Research Priorities

<http://science.gov.au/scienceGov/ScienceAndResearchPriorities/Pages/default.aspx>

	Total expenditure	
	\$	%
Food	482,515.86	2.51%
Advanced manufacturing	5,701.16	0.03%
Cybersecurity	5,701.16	0.03%
Energy	2,689,149.79	14.00%
Environmental change	9,159,833.57	47.70%
Health	574,353.36	2.99%
Resources	2,225,401.14	11.59%
Soil and water	4,044,156.87	21.06%
Transport	14,701.16	0.08%
Total	19,201,514.07	100.00%

Portfolio Budget Statements 2018-19

Fisheries Research and Development Corporation

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Fisheries Research and Development Corporation (FRDC) invests in research, development and extension (RD&E) that supports aquaculture, as well as commercial, Indigenous and recreational fishers. These stakeholders operate across environments that range from the northern tropics through to temperate seas and icy Antarctic waters, from freshwater rivers and lakes, to estuaries and the depths of the ocean.

The FRDC leads investment in fisheries research and development (R&D), partnering with organisations that have the necessary capabilities to undertake the varied and specialised activities. The focus remains on the end users, market and people who participate in fishing and aquaculture or who consume seafood, as such the FRDC invests and facilitates extension of the R&D that will lead to adoption and commercialisation. Results and outcomes of both the undertaking and extension of R&D are evaluated to measure and inform future investment.

FRDC's investment policy balances the needs of stakeholders, including the community, with achieving specific, planned end user solutions to national, regional and sector-based priorities. Partnerships and previous RD&E are considered in its planning and investment processes, to maximise leverage and reduce duplication.

The 2015–20 RD&E Plan is more prescriptive than previous plans and seeks to facilitate outcomes in several areas, while still providing flexibility to respond to unforeseen issues and opportunities. It is the FRDC's role to anticipate knowledge gaps and opportunities to ensure fishing and aquaculture meet future challenges.

As a quality-certified organisation (AS/NZS ISO 9001:2008), FRDC's RD&E investment is underpinned by a quality management system including mechanisms for reviewing performance and implementing changes, to ensure continuous improvement.

FRDC also contributes to the broader national strategic approach to fishing and aquaculture RD&E build cohesion and establish common goals between sectors. While a primary focus of FRDC investment is to deliver benefits primarily to fishing and aquaculture stakeholders – FRDC investment delivers benefits to other participants in the value chain, research providers, and the wider Australian community.

New investments in 2018–19 will build on existing investments to deliver RD&E along the seafood value chain, and focus on the three national priorities, and on those outlined by stakeholders as part of their specific RD&E Plans.

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: Fisheries Research and Development Corporation – Resource Statement – Budget Estimates for 2018–19 as at May 2018

	2017–18 <i>Estimated actual</i> \$'000	2018–19 Estimate \$'000
Opening balance/cash reserves at 1 July	12,614	16,553
Funds from Government		
Amounts received from related entities		
Amounts from portfolio department ^(a)	3,905	2,015
<i>Total amounts received from related entities</i>	3,905	2,015
Special appropriations^(b)		
<i>Primary industries Research and Development Act 1989,</i>		
<i>s. 30A(3) & s. 30B(9) – Fisheries R&D Corporation</i>	23,267	23,317
<i>Total special appropriations</i>	23,267	23,317
Total funds from Government	27,172	25,332
Funds from industry sources		
Levies ^(c)	1,000	1,050
<i>less amounts paid to the CRF</i>	(1,000)	(1,050)
Industry contributions	5,996	5,964
<i>Total funds from industry sources</i>	5,996	5,964
Funds from industry sources		
Interest	300	300
Sale of goods and services	3	-
Other	2,697	3,101
<i>Total funds from industry sources</i>	3,000	3,401
Total net resourcing for FRDC	48,782	51,250

	2017–18	2018–19
Average staffing level (number)	21	19

(a) FRDC has a grant agreement with the Department of Agriculture Water and Resources to develop the National Carp Control Plan.

(b) FRDC is not directly appropriated as it is a corporate Commonwealth entity under the PGPA Act. Appropriations are made to the Department of Agriculture and Water Resources and then paid to FRDC and are considered departmental for all purposes.

(c) Levies are collected under the *Primary Industries Research and Development Act 1989* (PIRD Act) and the Fishing Levy Regulations and are remitted to the Department of Agriculture and Water Resources and transferred to the CRF. An equivalent amount of FRDC management levy is paid to FRDC by the Department of Agriculture and Water Resources under a special appropriation under the PIRD Act.

CRF – Consolidated Revenue Fund

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 Fisheries Research and Development Corporation are detailed in *Budget Paper No. 2: Budget Measures 2018–19* and are summarised below.

Table 1.2: Fisheries Research and Development Corporation 2018–19 Budget measures

Part 1: Measures announced since the 2017–18 Mid-Year Economic and Fiscal Outlook (MYEFO)

FRDC does not have any 2018–19 Budget measures.

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

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

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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 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 plans (annual operating plan and research development and extension plan for FRDC can be found at:

<http://www.frdc.com.au/en/About-us/Corporate-documents/Annual-operating-plan> and
<http://www.frdc.com.au/Research/RDE-planning-and-priorities>

The most recent annual performance statement can be found at: <http://www.frdc.com.au/en/About-us/Corporate-documents/Annual-reports>

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Increased economic, social and environmental benefits for Australian fishing and aquaculture, and the wider community, by investing in knowledge, innovation, and marketing.

Linked programs

Department of Agriculture and Water Resources
Program:
<ul style="list-style-type: none"> Program 1.4: Fishing Industry
Contribution to Outcome 1 made by linked program:
The Fisheries Research Development Corporation works together with the Department of Agriculture and Water Resources to ensure fishing and aquaculture in Australia is sustainable, productive and profitable.

Table 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.

Outcome 1: Increased economic, social and environmental benefits for Australian fishing and aquaculture, and the wider community, by investing in knowledge,					
	2017–18	2018–19	2019–20	2020–21	2021–22
	Estimated	Budget	Forw ard	Forw ard	Forw ard
	actual		estimate	estimate	estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Program 1.1: Fisheries Research and Development Corporation					
Revenue from Government					
Payment from related entities	3,001	2,012	-	-	-
Special appropriations					
<i>Primary industries Research and Development Act 1989, s. 30A(3) & s. 30B(9) – Fisheries R&D Corporation</i>	20,080	23,302	23,738	24,198	24,578
Revenues from industry sources	5,619	5,964	6,751	6,834	7,721
Revenues from other independent sources	2,972	3,398	5,046	5,912	5,925
Total expenses for program 1.1	31,672	34,676	35,535	36,944	38,224
Outcome 1 totals by resource type					
Revenue from Government					
Payment from related entities	3,001	2,012	-	-	-
Special appropriations	20,080	23,302	23,738	24,198	24,578
Revenues from industry sources	5,619	5,964	6,751	6,834	7,721
Revenues from other independent sources	2,972	3,398	5,046	5,912	5,925
Total expenses for Outcome 1	31,672	34,676	35,535	36,944	38,224
Average staffing level (number)					
	2017–18	2018–19			
	21	19			

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 2018–19 Budget measures have created new programs or materially changed existing programs.

As an entity established under the PIRD Act, FRDC does not produce a Corporate Plan under the PGPA Act and is therefore exempt from the requirement to map purposes to outcomes.

Outcome 1: Increased economic, social and environmental benefits for Australian fishing and aquaculture, and the wider community, by investing in knowledge, innovation, and marketing.	
Program 1.1: Fisheries Research and Development Corporation	
Objectives	Australian fishing and aquaculture products are sustainable and acknowledged to be so By 2020, the community has effective access to, and understanding of, RD&E that supports fishing and aquaculture sustainability and improves perceptions of Australian seafood.
	Improved productivity and profitability By 2020, deliver RD&E for fishing and aquaculture to increase productivity and profitability consistent with economic, social and environmental sustainability.
	Developing new and emerging aquaculture growth opportunities By 2020, deliver RD&E sufficient for the significant commercialisation of at least two emerging aquaculture growth opportunities with demonstrated potential for profitable business operations.
	Partner and collaboration By 2020, provide an investment framework that gives partners (specific sectors and jurisdictions) greater ownership of their strategic priorities and direction, investment in these activities and responsibility for taking outputs and turning them into outcomes.
Delivery	Australian fishing and aquaculture products are sustainable and acknowledged to be so Continue to prioritise investment in RD&E that contributes to the sustainability of fishing and aquaculture, including consideration of target species, bycatch species, threatened, endangered and protected species, and the broader marine environment.

Continued on following pages

Contributions to Outcome 1 (continued)

Program 1.1: Fisheries Research and Development Corporation (continued)		
Delivery (continued)	Improved productivity and profitability Invest in RD&E to understand the drivers of and impediments to productivity and profitability growth in all fishing and aquaculture sectors; research means of increasing sustainable production and profitability; link these to business education; encompass the needs of Indigenous communities.	
	Developing new and emerging aquaculture growth opportunities Identify research constraints to industry growth – such as lack of potential markets, cost of production, survival, deformities and uniformity of growth – and invest in RD&E to determine successful and competitive commercial activity.	
	Partner and collaboration Enter into partnership agreements with specific sectors and jurisdictions to jointly develop and invest against RD&E priorities.	
Performance information		
Year	Performance criteria^(a)	Targets
2017–18 ^{Note}	Projects focus on the FRDC Board's assessment of priority research and development issues.	95 per cent are a priority.
	Projects are assessed as meeting high standards/peer review requirements for improvements in performance and likely adoption.	95 per cent are a high priority.
	Maintain ISO9001:2008 accreditation.	FRDC maintains Certification.
	Submit planning and reporting documents in accordance with legislative and Australian Government requirements and timeframes.	100 per cent met Government requirements.
	Implement best practice governance arrangements to promote transparency, good business performance and unqualified audits.	Achieve unqualified audit result.

Continued on following pages

Contributions to Outcome 1 (continued)

Performance information (continued)		
Year	Performance criteria^(a)	Targets
2017–18 (continued)	Demonstrate the benefits of RD&E investments by positive benefit cost analysis results.	Benefit analysis undertaken on one investment area.
	Perception of the commercial fishing industry increased from 30 per cent to 36 per cent by 2020.	Perception of industry increases to 31 per cent.
	Volume of aquaculture rises to above 100,000 tonnes.	Annual aquaculture production exceeds 85,000 tonnes.
	The value of Australia's fishing and aquaculture increases by 20 per cent (\$2.4 billion to \$2.8 billion).	Value increases to \$2.4 billion.
	There are 2-3 new aquaculture species that are seeing good productivity and profitability growth as measured by an increase in tonnage from other species.	Production of new aquaculture species increases to 1,000 tonnes.
2018–19	Corporate governance and decision making is overseen by a framework of policies and procedures	
	Projects focus on the FRDC Board's assessment of priority research and development issues.	95 per cent are a priority.
	Projects are assessed as meeting high standards/peer review requirements for improvements in performance and likely adoption.	95 per cent are a high priority.
	Maintain ISO9001:2008 accreditation.	FRDC maintains certification.
	Submit planning and reporting documents in accordance with legislative and Australian Government requirements and timeframes.	100 per cent met Government requirements.
	Implement best practice governance arrangements to promote transparency, good business performance and unqualified audits.	Achieve unqualified audit result.

Continued on following pages

Contributions to Outcome 1 (continued)

Performance information (continued)		
Year	Performance criteria^(a)	Targets
2018–19 (continued)	Demonstrate the benefits of RD&E investments by positive benefit cost analysis results.	Benefit analysis undertaken on one investment area.
	Australian fishing and aquaculture products are sustainable and acknowledged to be so	
	The number of species in the national Status of Key Australian Fish Stocks Reports increases to include 200 species.	160 species included in Status of Australian Fish Stocks Reports.
	The number of species classified as 'undefined' is reduced from the previous [2016] Status of Key Australian Fish Stocks Reports.	Undefined species is less than 20 per cent.
	Perception of the commercial fishing industry increased from 28 per cent to 40 per cent by 2020.	Perception of industry increases to 34 per cent.
	Improved productivity and profitability	
	Understand the quantity of potential production from Australia's fishing and aquaculture resources.	One report completed on quantity of production from Australia's fishing and aquaculture resources.
	Developing new and emerging aquaculture growth opportunities	
	Advance two or more new or emerging aquaculture opportunities for which RD&E has identified clear opportunities and technologies for good production and profitability growth, as measured by increases in harvest tonnages.	1,500 tonnes of additional production.
	Partner and collaboration	
	Partners have a RD&E plan. Partners invest in a balanced portfolio across the FRDC purpose themes – environment, industry, communities, people and extension.	90 per cent of partners have an RD&E Plan. Investment portfolios include investment across FRDC purposes.

Continued on following pages

Contributions to Outcome 1 (continued)

Performance information (continued)		
Year	Performance criteria ^(a)	Targets
2019–20 (continued)	Corporate governance and decision making is overseen by a framework of policies and procedures	
	As per 2017–18.	As per 2017–18.
	Australian fishing and aquaculture products are sustainable and acknowledged to be so	
	Perception of the commercial fishing industry increased from 28 per cent to 40 per cent by 2020.	Perception of industry increases to 36 per cent.
	Developing new and emerging aquaculture growth opportunities	
	As per 2017–18.	2,000 tonnes of additional production.
	Partner and collaboration	
	As per 2017–18.	As per 2017–18.
2020–21 and beyond	Corporate governance and decision making is overseen by a framework of policies and procedures	
	As per 2017–18.	As per 2017–18.
	Australian fishing and aquaculture products are sustainable and acknowledged to be so	
	The number of species in the national Status of Key Australian Fish Stocks Reports increases to include 200 species.	200 species included in Status of Australian Fish Stocks Reports.
	The number of species classified as 'undefined' is reduced from the previous [2018] Status of Key Australian Fish Stocks Reports.	The number of species classified as 'undefined' is reduced to less than 10 per cent.

Continued on following pages

Contributions to Outcome 1 (continued)

Performance information (continued)		
Year	Performance criteria^(a)	Targets
2020–21 and beyond (continued)	Perception of the commercial fishing industry increased from 28 per cent to 40 per cent by 2020.	Perception of industry increases to 40 per cent.
	Developing new and emerging aquaculture growth opportunities	
	As per 2017–18.	2,500 tonnes of additional production.
	Partner and collaboration	
	As per 2017–18.	As per 2017–18.

(a) New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

Note: Performance criteria and targets were changed in 2015–16 for subsequent years following the approval of the FRDC Research, Development and Extension Plan 2015–20.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2018–19 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Explanatory notes and analysis of budgeted financial statements

The FRDC's RD&E expenditure is dependent on the gross value of production (GVP) for the Australian fishing industry. The indication for the GVP for the Australian fishing industry is positive, with growth expected in 2018–19 year. This is based on aquaculture which is anticipated to grow; however some uncertainty remains around the size of this growth. Income contributions from the commercial sector are expected to maintain current levels. The commencement of marketing activities is likely to see industry contribute funds specifically for this activity. The amount of marketing income is not likely to be significant in 2018–19, but is likely to grow in future years.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

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

	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forw ard estimate \$'000	2020–21 Forw ard estimate \$'000	2021–22 Forw ard estimate \$'000
EXPENSES					
Employee benefits	3,566	3,933	4,090	4,254	4,424
Supplier expenses	1,496	1,733	1,800	1,800	1,900
Grants	26,000	28,350	28,560	28,890	29,920
Depreciation and amortisation	200	210	185	200	180
Other	410	450	900	1,800	1,800
Total expenses	31,672	34,676	35,535	36,944	38,224
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of	3	-	-	-	-
Interest	300	300	250	250	250
Contributions	5,996	5,964	6,775	6,850	7,745
Other	2,697	3,101	4,799	5,702	5,702
Total own-source revenue	8,996	9,365	11,824	12,802	13,697
Total own-source income	8,996	9,365	11,824	12,802	13,697
Net cost of (contribution by) services	22,676	25,311	23,711	24,142	24,527
Revenue from Government ^(a)					
Commonw ealth contribution	27,172	25,332	23,771	24,181	24,572
Total revenue from Government	27,172	25,332	23,771	24,181	24,572
Surplus/(deficit) attributable to the Australian Government	4,496	21	60	39	45
Total comprehensive income/(loss) attributable to the Australian	4,496	21	60	39	45

(a) Revenue from Government includes a Commonwealth contribution under the PIRD Act and levies collected from industry by the Department of Agriculture and Water Resources for R&D activities.

Prepared on Australian Accounting Standards basis.

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

	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forw ard estimate \$'000	2020–21 Forw ard estimate \$'000	2021–22 Forw ard estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	16,553	16,809	17,079	17,096	17,168
Trade and other receivables	7,955	7,540	7,203	7,006	6,765
Investments	5	5	5	5	5
Total financial assets	24,513	24,354	24,287	24,107	23,938
Non-financial assets					
Property, plant and equipment	135	140	145	150	160
Intangibles	972	1,132	1,292	1,462	1,642
Other	30	30	30	30	30
Total non-financial assets	1,137	1,302	1,467	1,642	1,832
Total assets	25,650	25,656	25,754	25,749	25,770
LIABILITIES					
Payables					
Suppliers	164	172	190	188	188
Projects	210	200	230	200	201
Other	85	85	85	85	85
Total payables	459	457	505	473	474
Provisions					
Employee provisions	970	957	947	935	910
Total provisions	970	957	947	935	910
Total liabilities	1,429	1,414	1,452	1,408	1,384
Net assets	24,221	24,242	24,302	24,341	24,386
EQUITY*					
Reserves	410	410	410	410	410
Retained earnings	23,811	23,832	23,892	23,931	23,976
Total Equity	24,221	24,242	24,302	24,341	24,386

* '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 2018–19)

	Retained earnings	Asset revaluation reserve	Total equity
	\$'000	\$'000	\$'000
Opening balance as at 1 July 2018			
Balance carried forward from previous period	23,811	410	24,221
Adjusted opening balance	23,811	410	24,221
Comprehensive income			
Surplus (deficit) for the period	21	-	21
Total comprehensive income	21	-	21
of which:			
Attributable to the Australian Government	21	-	21
Estimated closing balance as at 30 June 2019	23,832	410	24,242
Closing balance attributable to the Australian	23,832	410	24,242

Prepared on Australian Accounting Standards basis.

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

	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forw ard estimate \$'000	2020–21 Forw ard estimate \$'000	2021–22 Forw ard estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	3	-	-	-	-
Receipts from Australian Government	27,172	25,332	23,771	24,181	24,572
Contributions	8,228	9,436	11,692	12,674	13,447
Interest	300	300	250	250	250
Total cash received	35,703	35,068	35,713	37,105	38,269
Cash used					
Employees	3,577	3,927	4,081	4,246	4,428
Suppliers	1,509	1,725	1,582	1,502	1,700
Projects	26,338	28,810	29,430	30,990	31,719
Total cash used	31,424	34,462	35,093	36,738	37,847
Net cash from (used by) operating activities	4,279	606	620	367	422
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	40	50	50	50	50
Purchase of Intangibles	300	300	300	300	300
Total cash used	340	350	350	350	350
Net cash from (used by) investing activities	(340)	(350)	(350)	(350)	(350)
Net increase (decrease) in cash held	3,939	256	270	17	72
Cash and cash equivalents at the beginning of the reporting period	12,614	16,553	16,809	17,079	17,096
Cash and cash equivalents at the end of the reporting period	16,553	16,809	17,079	17,096	17,168

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement

	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forw ard estimate \$'000	2020–21 Forw ard estimate \$'000	2021–22 Forw ard estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources ^(a)	340	350	350	350	350
TOTAL	340	350	350	350	350
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	340	350	350	350	350
Total cash used to acquire assets	340	350	350	350	350

(a) Includes the following source of funding:
– internally developed assets.

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 2018–19)

	Other property, plant and equipment \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2018			
Gross book value	220	1,465	1,685
Accumulated depreciation/amortisation	(60)	(493)	(553)
Opening net book balance	160	972	1,132
CAPITAL ASSET ADDITIONS			
Estimated expenditure on new or replacement assets			
By purchase – other	50	300	350
Total additions	50	300	350
Other movements			
Depreciation/amortisation expense	(70)	(140)	(210)
Total other movements	(70)	(140)	(210)
As at 30 June 2019			
Gross book value	270	1,765	2,035
Accumulated depreciation/amortisation	(130)	(633)	(763)
Closing net book balance	140	1,132	1,272

Prepared on Australian Accounting Standards basis.

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