Australian Government

Fisheries Research and Development Corporation

ANNUAL REPORT 2013–14

Quick guide to the annual report

If you do not have time to read this report in detail, look first in the following sections:

1. For an outline of the FRDC's investments and income, read pages ii–iii and the financial statements starting on page 87.
2. For an overview of operations during the past year, read 'The Directors' review of operations and future prospects' starting on page 1.

More detailed coverage is in these sections:

- The key strategic imperatives that drive the FRDC's activities are shown on pages 1–11.
- Outcomes by recent and current projects are in the research and development (R&D) programs reporting starting on page 29 (Environment), page 34 (Industry), page 40 (Communities), page 44 (People development) and page 52 (Extension and adoption).
- Performance reporting for the Management and accountability program starts on page 65.
- Financial contributions by industry and governments are listed on pages iii and 108.
- Coverage of corporate governance information is in the section starting on page 73.
- The financial statements start on page 87.

KEY ACHIEVEMENTS IN 2013–14

Achievements through investment in 2013–14

Four years at a glance

TABLE 1: FINANCIAL INDICATORS OF RESEARCH AND DEVELOPMENT (R&D) INVESTMENT

Expenditure	2010–11	2011–12	2012–13	2013–14
	$m	$m	$m	$m
Total expenditure	**25.76**	**29.68**	**25.69**	**27.56**
Total of R&D projects*	21.56	25.98	22.14	22.89
R&D Program 1 (Environment)*	10.14	11.80	8.25	10.21
R&D Program 2 (Industry)*	8.34	9.47	9.57	8.34
R&D Program 3 (Communities)*	0.16	0.47	0.74	0.75
R&D Program 4 (People development)*	1.90	2.12	1.80	1.94
R&D Program 5 (Extension and adoption)*	1.02	2.12	1.78	1.65
Management and accountability	3.40	3.71	3.55	4.67*
Total income to the FRDC	**30.27**	**26.70**	**25.40**	**26.89**
Industry contributions	8.46	7.70	7.98	8.17
Maximum matchable (government) contribution	5.50	5.56	5.83	5.99
Actual government matched(1)	5.50	5.51	5.57	5.96
Government unmatched(2)	11.03	11.22	11.66	11.97
Total government contributions	16.53	16.63	17.23	17.93
Project funds from other parties	1.12	0.46	0.48	0.49*

* The FRDC had an increase in $1.2 million dollar write down of assets which increased the cost of Management and accountability in 2013–14.

1. 'Maximum matchable contribution' is the maximum amount to which the Australian Government will match industry contributions in accordance with the criteria detailed on page 136.
2. The contribution figures are accrual based. Contributions come from the commercial and recreational sectors, research partners, government and project specific contributions.

FIGURE 1: EXPENDITURE AND INCOME DURING 2013–14

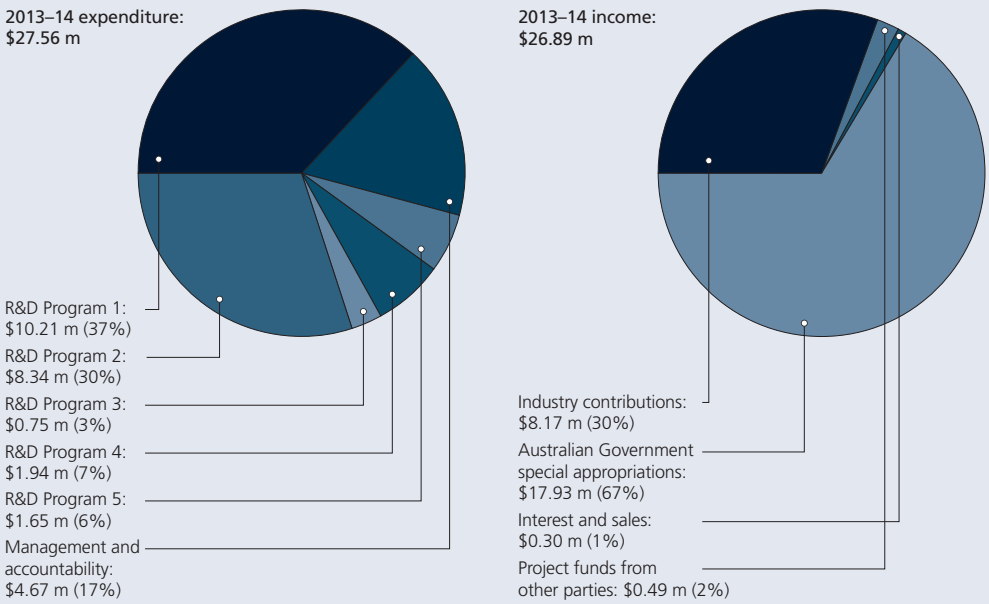
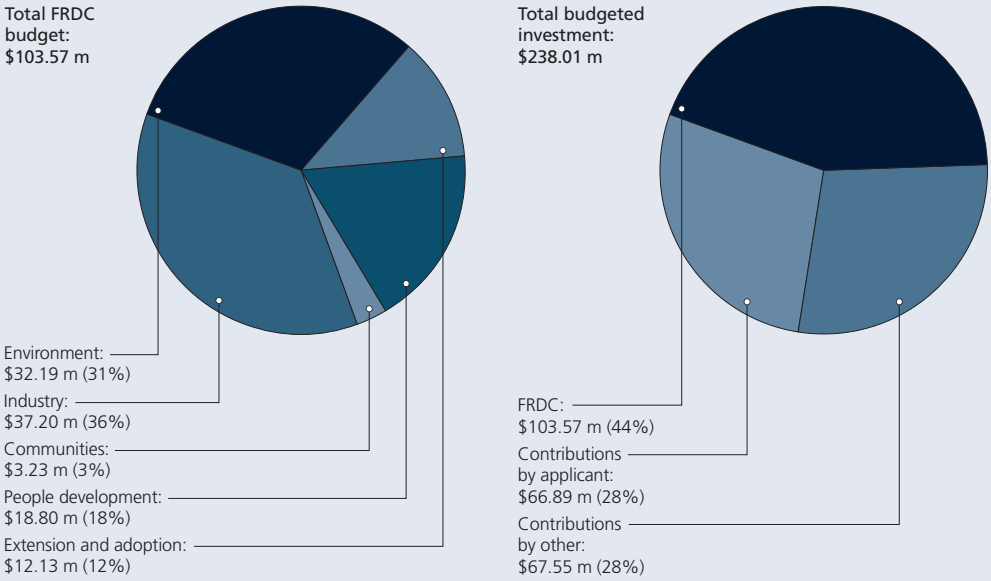


FIGURE 2: ACTIVE FRDC PROJECTS UNDER MANAGEMENT AT 30 JUNE 2014



Summary of contributions

TABLE 2: CONTRIBUTIONS, MAXIMUM MATCHABLE CONTRIBUTIONS BY THE AUSTRALIAN GOVERNMENT AND RETURN ON INVESTMENT, 2013–14

Fisheries	A	B	C	D	E	F
	Maximum matchable ($) [note 1]	Actual contributions ($) [note 2]	Per cent of matchable	Distribution of FRDC spend 2013–14 ($) [note 3]	Return on contribution (D:B) [note 4]	
					2013–14	5 years
Australian farmed prawns	160,020	148,956	93	157,576	1.06	2.10
Commonwealth total [5]	804,710	902,146	112	3,337,143	3.70	3.69
New South Wales total	301,483	585,213	194	1,872,622	3.20	3.82
Northern Territory total	130,765	420,734	322	882,219	2.10	1.84
Queensland total	546,258	533,727	98	2,425,212	4.54	4.64
South Australia total	1,011,620	1,653,371	163	4,195,423	2.54	2.41
Tasmania total	1,745,243	2,364,642	135	4,048,934	1.71	2.18
Victoria total	188,638	403,446	214	1,602,858	3.97	2.70
Western Australia total	1,098,223	1,154,910	105	3,563,820	3.09	3.52

1. 'Maximum matchable contribution' is the maximum amount to which the Australian Government will match industry contributions in accordance with the criteria detailed on page 136.
2. The contribution figures are accrual based. Contributions come from the commercial and recreational sectors, research partners, government and project specific contributions.
3. Distribution of FRDC research, development and extension (RD&E) investments is based on the estimated flow of RD&E benefits to the respective fisheries.
4. Ratios in column F are derived from the distribution of FRDC investments (column D) for 2013–14 and the previous four years. The figures for these five years are relevant to the 1995 Ministerial direction, summarised on page 68, concerning spending of industry contributions.
5. There are timing issues in some jurisdictions therefore matching may not occur in the year in which the invoice is raised.

Australian Government
Fisheries Research and Development Corporation

25 September 2014

The Hon. Barnaby Joyce MP
Minister for Agriculture
Parliament House
CANBERRA ACT 2600

Dear Minister,

On behalf of the directors of the Fisheries Research and Development Corporation (FRDC), I have pleasure in presenting the Corporation's annual report for the year ended 30 June 2014.

It has been prepared in accordance with section 28 of the *Primary Industries Research and Development Act 1989*; and approved by the Board in accordance with section 9 of the former *Commonwealth Authorities and Companies Act 1997*, as it applied to the 2013–14 reporting period, and section 46 of the *Public Governance, Performance and Accountability Act 2013*.

The contents of the report highlight achievements and activities against the *FRDC's Research, Development and Extension Plan 2010–2015*. It is intended to enable you and the members of the Australian Parliament to make an informed judgement of the Corporation's performance during the year.

The report is also intended to inform the FRDC's other stakeholders—in particular the financial contributors from the fishing industry and other sectors; as well as the broader members of the commercial, recreational and indigenous sectors of the fishing industry; and members of the research and development community and the general public.

I take this opportunity to acknowledge the strong support of my fellow directors in guiding the Corporation towards outcomes that will greatly benefit members of the Australian fishing industry, and the Australian community.

Yours faithfully,

The Hon. Harry Woods
Chairman

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FISHERIES RESEARCH AND DEVELOPMENT CORPORATION

ANNUAL
REPORT
2013–14

REPORT OF OPERATIONS

CONTENTS

REPORT OF OPERATIONS
PART 1

THE DIRECTORS' REVIEW OF OPERATIONS AND FUTURE PROSPECTS

Setting the scene in 2013–14

In the directors' review of operations it is important to summarise the year and the key findings in a way that resonates with your stakeholders. In reviewing the year, the presentation by FRDC director Dr Peter O'Brien (pictured) at the biennial *Seafood Directions* conference held in Port Lincoln in 2013 provides an excellent overview of the operating environment for the Corporation. His closing address illustrates the view of collective action as a way of focusing on the big issues.

"

Let me turn to what I heard. There were four big unifying issues of content at this conference. The first of those and the most important in my judgement is the social licence to operate. By that I mean the ongoing approval from the community to operate in fishing across the sectors. It is the great strategic challenge across all fisheries and I mean all—aquaculture, wild catch, recreational and indigenous and cultural—as all of them are subject to issues around social licence.

For fisheries, social licence to operate is a driver that is well under way. It is dynamic and it is directional. And it is not just happening to fishers. All primary producers—the forest, intensive livestock, live animal exporters and even the irrigators are feeling the impacts of social licence to operate. My take on this issue is that we now have some kind of handle on what it is and how it might be shaped. But we need a much better understanding and clarity on the roles of the players—industry, government, research—and a commitment to act over the long term, because I think this is long slow issue.

Resource access is a critical consequence of social licence to operate. Post the MPA [marine protected area] process, I think the emerging issue will be the strongly increasing number of interactions between fishing activities and threatened, endangered and protected species. We know that many whale and seal species are continuing to erupt. Increasing interactions will further constrain resource access unless we develop new and better approaches to manage it.

The second big issue is market access—by that I mean our ability to shape and influence access to markets. There are two very important current issues—the China free trade agreement, which the new government has committed to deliver next year looms large. I think here the issue is to really be very active as a sector in ensuring that the industry's interests are adequately represented in the FTA [free trade agreement].

I also heard about the need for more sophisticated engagement in negotiating and servicing market access. Expert speakers emphasised that it needs to be based on relationships and required expertise. We also heard that industry needed to step up in terms of engagement and unity. And to be patient!

The third big issue is sustainability. It is clear that there has been steady and very impressive progress on the sustainability of major stocks in Australia. This is a great story to tell! It has been told through the national status reports and needs to be communicated widely—it is a story that we need to persist in communicating.

I think it is time and there is an opportunity to shift the issue of sustainability of fisheries in Australia a bit. I thought that Bridget Green's* talk was particularly relevant here. She observed that in fishing there have been no extinctions, no threatened species, no chemicals or pesticides used, and limited or no habitat damage. Perhaps we can now tell a more positive story.

The fourth big issue is productivity—which I note was the theme of the previous *Seafood Directions* conference. By productivity, I mean growing the economic productivity of the industry. There is a critical need to improve productivity, so that our fisheries sectors are not only sustainable, but also profitable and competitive. As Caleb [Gardner]** said, we need to set aside the idea that government does sustainability and that industry does profitability. I think we are at risk of having biologically sustainable fisheries which are unprofitable and uncompetitive.

Those are the four over-arching themes that I saw as prominent in this conference—social licence, market access, sustainability and productivity. They were the 'content' or the 'what' themes, but I want to turn to a fifth one, which is 'how'. And this is the need and the notion of collective action. I am not framing it as a need for a peak leadership group, because I think it is time for us to reflect on what the industry seeks to achieve collectively.

So, how will FRDC respond to what we have heard in this conference? The themes I have identified are my take on the big five of the last three days—the issue of the social licence to operate, market access, sustainability, productivity and collective action. My reading is that this is reinforcement rather than a shift in the big issues—more a crystallising that these are the big and long-run drivers that demand our attention.

FRDC is now starting the conversation to shape our five-year research and development plan. We want to deliver the science impact for vibrant sustainable fisheries. We think that our R&D [research and development] plan can and should be set within a narrative of what you want this industry to be and while we cannot write your story, we can facilitate it. If you have ideas on how—we would like to hear from you. Ultimately, the goals and strategies for this industry are industry's narrative and our role is the science and innovation to help get you there. ”

* Dr Bridget Green is a Research Fellow at the Institute for Marine and Antarctic Studies.
** Dr Caleb Gardner is Program Leader – Fisheries at the Institute for Marine and Antarctic Studies.

The marine environment

Australian fish stocks are generally in good health. This view is supported by the FRDC-funded *Status of key Australian fish stocks reports* that continues to be recognised as a primary source of independent science on fisheries performance. In 2013–14 major strides were taken to develop the second edition of these reports and improve on the framework for national reporting overall.

These improvements will see more species added, along with a new web interface that will eventually allow for more specific views of data—by state/territory/Commonwealth. In addition, research is being undertaken to look at how to integrate social and economic data, as well other key issues such as by-catch into future stock status reports.

Working with a new government

The new federal government has announced a range of changes it plans to deliver during its term. In 2013–14 the FRDC will work with its stakeholders to achieve outcomes in areas where there is a research, development and extension (RD&E) component to government plans, such as:

- bioregional marine planning,
- streamlining of regulations,
- developing a recreational fishing survey—catch, social and economics,
- developing a new national aquaculture strategy,
- improving engagement with indigenous communities,
- making stronger connections between science and fishing—with links to the new Commonwealth harvest strategy and bycatch policies,
- responding to the Borthwick review of fisheries management,
- assisting government engage with peak bodies for commercial and recreational fishing.

The government has also announced an additional contestable $100 million of funding over four years for the 15 rural research and development corporations (RDCs), who are the principal recipients of this funding. FRDC has continued to work closely with all state and territory governments to maximise their plans in regard to R&D within the fisheries under their jurisdiction.

Representative organisations

The FRDC is accountable under the *Primary Industries Research and Development Act 1989* (PIRD Act) to representative bodies declared by the responsible Minister. FRDC's four representative bodies are the National Seafood Industry Alliance, Recfish Australia, Commonwealth Fisheries Association and the National Aquaculture Council. These four bodies meet with the FRDC Board annually and provide regular advice on research priorities. All four have nominated improved community perception as one of their top priorities for RD&E.

Changes to FRDC's enabling legislation

The *Rural Research and Development Legislation Amendment Act 2013* made substantial changes to the former *Primary Industries and Energy Research and Development Act 1989* (PIERD Act), and is now known as the PIRD Act.

The FRDC is appreciative of the consistent support from industry over a long period of time, in championing the need for these changes and recognises the effort that has gone into the process. The key changes to the PIRD Act are:

1. **Improved business capability**

   The objects of the PIRD Act have been expanded and now provide for FRDC to:

   - support the development of scientific and technical capacity,
   - develop the adoptive capacity of primary producers, and
   - make provision for the funding and administration of marketing relating to the products of primary industries.

   There are new regulations that allow for part of the fishing industry to be declared as a separately levied fishery (this allows for a national fishery to be defined—e.g. all prawn farming or all Southern Rock Lobster).

   The new changes also provide the Minister to determine, by regulations, how the matching funding for voluntary contributions are provided to each RDC. (This will allow the FRDC to match determined voluntary funds from a source it may not have previously been able to seek matching. For example, the FRDC could now match funds from bodies such as the Sydney Fish Market if it were determined and if there was a gap in the maximum matchable contributions from the defined production sector.)

   Marketing function

   The FRDC Board is taking a cautious approach to the development of a marketing function. This is a significant step that industry has committed itself to, and a significant change to the FRDC's current (core) business. The FRDC Board is taking a phased approach by starting with an industry engagement strategy to listen and learn what stakeholders want before making any firm commitment to full implementation. More information can be found on page 59.

2. **New governance and administration**

   The Ministerial direction from 1995 that every dollar contributed by a state/territory or a separately levied fishery will be spent on activities of relevance to the contributing state/territory or separately levied fishery within five years has been removed. This is now included directly in the amended legislation.

   - A Statutory Funding Agreement is to be introduced from 1 July 2015 that will increase governance, reporting and performance evaluation requirements.
   - FRDC Board selection—a reserve list of candidates will be included with the recommendations from the Selection Committee to the Minister.
   - The FRDC Annual Operational Plan (AOP) is no longer required to be approved by the Minister, but needs to be provided to the Minister and the FRDC's four representative organisations before it comes into operation.

Public Governance, Performance and Accountability Act 2013 (PGPA Act)

The PGPA Act replaced the CAC Act on 1 July 2014. The FRDC Board (through its Finance Audit and Risk Management Committee), has worked with FRDC management to ensure the Corporation was ready for the changes as a result of this new act. The PGPA Act will increase the level of governance and reporting the Corporation undertakes. Ensuring this is done cost effectively and efficiently has been a key driver in the Board's approach to implementation of the PGPA Act.

Federal budget changes

The 2014–15 federal budget imposed the cost of the Commonwealth's memberships of regional fisheries management organisations (RFMOs), estimated at around $1.1 million a year, from the matching funding provided to the FRDC. The RFMOs are:

- Commission for the Conservation of Southern Bluefin Tuna,
- Indian Ocean Tuna Commission,
- Western and Central Pacific Fisheries Commission,
- Southern Indian Ocean Fisheries Agreement,
- South Pacific Regional Fisheries,
- Network of Aquaculture Centres in the Asia-Pacific.

This change will result in fewer funds being available for fisheries and aquaculture RD&E. The FRDC Board agreed to the following principles to guide how these reduced funds would be implemented:

1. The industry contribution to FRDC is not to be impacted as this dollar figure must be returned to the industry sector as per the PIRD Act.
2. The 2014–15 budget-imposed cost would come from government contributions to the FRDC (that includes the 0.5% GVP public good contribution and 0.25% GVP funds provided to match the industry contribution).
3. Distribute the budget cut pro rata across all government public good funds received.
4. To continue to invest on a priority basis.
5. Administration to implement the budget cost will be efficient and cost effective.

Development and implementation of new information and technology

The FRDC Board approved the development of a new management system for

- projects,
- records,
- customer relations information.

The new platform will be more responsive to change, and cheaper to maintain. It will leverage existing technologies with 'off-the-shelf' functionality. The new system will be implemented effective 1 July 2014. More information on this can be found on page 62.

New subprograms established

Historically the FRDC Board has established 'subprograms' or 'coordination' programs to improve performance in an area of need. The main difference between the two types is that subprograms are allocated a budget for RD&E investment as well as an administration budget. The FRDC Board has approved two new 'subprograms'—the first focusing on indigenous and the second on recreational fishing RD&E.

The Indigenous Reference Group has been a coordination group since 2011 and Recfishing Research has coordinated services for recreational fishing since 2007. From their inception, both have provided the FRDC with advice, engagement, prioritisation, communication and management services. With each group now having dedicated funds the likely result is improved headway in achieving the agreed goals for these sectors.

A total life-of-project budget of $500,000 will be allocated to each subprogram in each annual competitive round to invest in RD&E. This does not preclude other jurisdictions from supporting priorities in these subprograms through their own processes and funds to benefit these sectors.

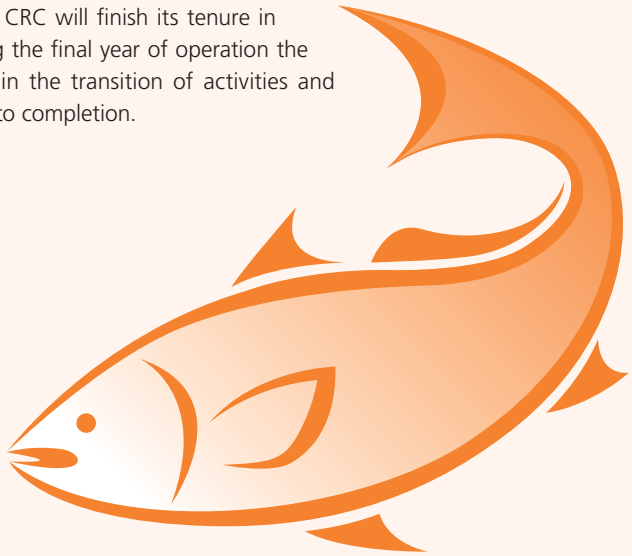
The FRDC Board has implemented a new Indigenous Reconciliation Policy to ensure that all FRDC business takes into account the needs of Australia's first people.

Seafood Cooperative Research Centre (CRC)

FRDC has been the largest investor in the Seafood CRC since its inception. The centre has had a combined investment (industry, government and FRDC) of about $31 million over the last seven years. Significant achievements for the Seafood CRC in 2013–14 were:

- implementation of the national prawn marketing strategy through the 'Love Australian Prawn' campaign,
- establishment of the Australian Wild Abalone brand for direct marketing into China that has complemented the research on improving market access and price,
- establishment of the national Seafood Trade and Market Access Group to provide a single forum for research-based advice on trade,
- ongoing success of the SafeFish program and its role with FRDC support in reviewing the biotoxin event that closed Tasmania's east coast fishery in October 2012.

It is important to note the Seafood CRC will finish its tenure in June 2015. It is intended that during the final year of operation the FRDC will assist the Seafood CRC in the transition of activities and projects for on-going management to completion.



Thank you

Continued support from the Australian Government and industry stakeholders across the three diverse sectors (commercial, recreational and indigenous) has been welcomed by the Board over the last 12 months. Government and industry have high regard for the FRDC, and this support plays a vital role in ensuring high quality research priorities are identified and turned into outcomes.

The Board thanks its four representative organisations for their continued strong support. The FRDC is also dependent on the support of numerous other bodies and agencies for its success, these include:

- industry councils (including recreational),
- Commonwealth, state and territory fisheries management and research agencies,
- Fisheries Research Advisory Bodies,
- FRDC subprogram and coordination leaders and their committees,
- Seafood CRC,
- the many researchers who work on FRDC projects.

The dedication and passion that the FRDC staff provides is critical to the Corporation's success for which the Board is very thankful.

The Board would welcome reader's feedback and invites you to contact any director and let them know your thoughts after reading this annual report.

Significant events after 30 June 2014

None.

Priorities for 2014–15

National Fishing and Aquaculture RD&E Strategy

The FRDC has been asked to take a lead role in developing the next version of the National Fishing and Aquaculture RD&E Strategy. The current strategy is not time limited, so the FRDC will continue to assist with its implementation until the next version is complete. It is part of the 14 sector and eight cross-sector strategies developed under the National Primary Industries Research, Development and Extension Framework. FRDC will work in partnership with the Australian Fisheries Management Forum and FRDC's representative bodies to help advance RD&E principles, funding and management arrangements within a regional and national approach.

FRDC Strategic RD&E Plan

The Board is also required to prepare a new strategic plan for approval by the Minister for Agriculture. This plan is far more specific to FRDC activities than the National Fishing and Aquaculture RD&E Strategy.

There is considerable synergy between the development of the National PISC [Primary Industries Standing Committee] RD&E Strategy and FRDC Strategic Plan; as a result the FRDC will align the planning and consultation processes as much as possible to achieve efficiency and reduce consultation fatigue on industry and FRDC staff.

Improve public confidence in fishing and aquaculture as a major part of Australia's economy

FRDC will continue to invest in RD&E activities and promoting the science that underpins the fishing and aquaculture industry.

At the same time FRDC will focus on evolving its approach to include being a service provider for non-RD&E activities such as marketing, market access and standards development.

Address resource access and allocation issues

The FRDC will assist with the risk-based assessment of threats facing the marine environment for marine bioregional planning and invest in a program of activity to manage resource access as it relates to an ecosystem-based approach to fisheries.

It will also look to address resource sharing issues between users (commercial, indigenous and recreational), and as part of this develop a proposal to fund the national recreational fishing survey.

Address bycatch and habitat loss

The FRDC will develop options for habitat improvement based on science to inform and evaluate the performance of direct action to re-establish productivity.

It will also invest in R&D to assist managers and industry develop an acceptable reporting process for threatened, endangered and protected species (TEPs) and bycatch.

Reduce regulation complexity and duplication

The FRDC will invest in research that will underpin fisheries management decisions, including looking at how to mainstream adaptation to climate change within current management arrangements.

FRDC will contribute to establishing the principles for a harmonised national and regional fisheries management framework—including simplified performance reporting using equivalence principles—linked to the *Status of key Australian fish stocks reports*. The FRDC will also look for opportunities to develop new fisheries standards where possible.

Grow the value and productivity of the industry

The FRDC will invest in areas that will improve productivity and value of all sectors of the industry.

This will include working to improve the consumer experience; working on consistency and quality of Australian seafood products, and improving seafood labelling by expanding and promoting the Fish Names Standard. It will also work on increasing production volumes by expanding and developing new fisheries and aquaculture operations (as part of helping develop the revised National Aquaculture Strategy) and improve recreational fishing quality experiences.

Supporting this growth the FRDC will review its investment in aquatic animal health and ensure it aligns and contributes to improved biosecurity investment planning and implementation of the new AquaVet Plan. The FRDC will work with the Indigenous Reference Group to assist in delivering the RD&E identified for Indigenous communities.

Market research

Understanding markets and what they mean to industry is a large part of growing the value and productivity of the industry. Market research will play a central role to improve knowledge and identify any trade and market access issues and technical barriers.

Marketing

The FRDC will continue to put in place resources, policies and mechanisms to deliver on industry's call for FRDC to undertake marketing activities where requested. FRDC will carefully consult with stakeholders on how they might benefit from this FRDC activity and how to establish industry funding mechanisms for national- and sector-based marketing.

The FRDC is conscious of the need to minimise burdening stakeholders with multiple requests for input or participation in planning meetings. To minimise this, FRDC will aim to align the planning activities set out above where possible. This will not only allow for cost savings in meetings, it will ensure discussions are linked, providing a holistic discussion around FRDC's RD&E investment strategy.

Seafood CRC

The end of the 2014–15 financial year will mark the wind-up of the Seafood CRC. It is anticipated that a number projects will not be finalised by that time. The FRDC will work with the Seafood CRC to transition unfinished projects to the FRDC for completion.

During 2014–15 the FRDC will ensure that RD&E outputs from the Seafood CRC are extended to stakeholders to ensure that a legacy is delivered by the investment.

Forecast annual operational plan budget 2014–15

REVENUE	%	$000
Total revenues from the Australian Government		
Australian Government 0.5% AGVP		12,355
Australian Government matching of industry contributions		6,178
Sub-total		18,533
Contributions revenue from the jurisdictions		8,281
Projects revenue from other parties		1,000
Other revenue		282
Marketing (project funds Seafood CRC)		500
TOTAL REVENUE		**28,596**
EXPENDITURE		
Projects expenditure		
Environment	37	10,355
Industry	34	9,632
Communities	2	482
People development	8	2,167
Extension and adoption	5	1,444
Sub-total		
Marketing expenditure		
Seafood market development (project funds Seafood CRC)	N/A	460
Management and accountability	14	4,045
TOTAL EXPENDITURE		**28,585**
NET RESULT FOR THE YEAR		**11**

The Australian fishing industry

11,600

Australia's commercial fishing and aquaculture industry employs around 11,600 people (7300 directly and 4300 indirectly). Source: ABARES 2011.

$1.42 billion

In 2012–13, Australia imported over $1.42 billion of edible fish products.

$1 billion

In 2012–13, Australia exported over $1 billion of edible fish products.

$1.04 billion

In 2012–13, the total quantity of aquaculture in Australia was 83,786 tonnes with a total value of $1,040,116,000.

154,382 tonnes

In 2012–13, the total quantity of wild-caught fish in Australia was 154,382 tonnes with a total value of $1,384,633,000.

About the FRDC

The planned outcome for the Corporation

Increased knowledge that fosters sustainable economic, environmental and social benefits for the Australian fishing industry. This includes indigenous, recreational, commercial and aquaculture sectors, and the community, through investing in research, development and adoption.

The Corporation's vision

The vision of the FRDC is a vibrant Australian fishing and aquaculture industry, supporting and adopting world-class research to achieve prosperity, and wisely using the natural resources on which it depends.

About the FRDC

The Fisheries Research and Development Corporation (hereafter the FRDC, or the Corporation) is a co-funded partnership between the Australian Government and the fishing industry. It was formed as a statutory corporation on 2 July 1991, under the provisions of the *Primary Industries Research and Development Act 1989* (PIERD Act) and in 2013–14 was responsible to the Minister for Agriculture. More information on the FRDC's history is available in the 'Evolution of the FRDC (historic review)'—frdc.com.au/about_frdc/corporate-documents/Pages/default.aspx.

The FRDC is unique among the rural research and development corporations because it must balance its investment between natural resource management (sustainability) and industry productivity and development. As an outcome, the FRDC's strategically invests in research, development and extension activities that will benefit all stakeholders in the Australian fishing industry: commercial (wild catch and aquaculture), recreational, indigenous as well the broader community.

The FRDC's role is to plan and invest in fisheries RD&E activities in Australia. As a national organisation with strong linkages to industry, managers and researchers it has a fundamental role to provide leadership and coordination. The FRDC achieves this through establishing strong relationships and putting in place mechanisms to identify and address RD&E priorities with industry and government stakeholders. In addition, the FRDC monitors and evaluates the adoption of research and development outputs to better inform future decisions. Key areas of the FRDC's focus are:

- project planning, management, and extension across government agencies, the seafood industry and the community nationally,
- maximisation of RD&E funding across Australia,
- facilitation and partnership activities with research partners,
- collaboration with other RDCs, state/territory government agencies and international organisations.

FRDC is strategically placed between the Australian Government, industry, research partners and the Australian community. This positioning also allows the Corporation to communicate and network with partners to leverage funds, and to get the best results from RD&E investment made by government and industry.

The FRDC has positioned itself as an independent source of unbiased information. As a result the Corporation has a significant responsibility to ensure that funds received are invested in areas that will return an optimal benefit to all its stakeholders—industry, the Australian Government and the people it represents.

FRDC's people during 2013–14

Portfolio minister

The Hon. Joel Fitzgibbon MP (until September 2013) and the Hon. Barnaby Joyce MP were the portfolio Ministers (Agriculture) during the year. The FRDC also reported to the Parliamentary Secretary to the Minister for Agriculture, Senator the Hon. Richard Colbeck.

FRDC Board

The FRDC is governed by a Chair and Board of Directors, with the Executive Director leading the Corporation's business activities on a day-to-day basis. The Board's role is to oversee corporate governance, set strategic direction, and monitor the ongoing performance of the FRDC and the Executive Director. The FRDC Board is responsible for strategy, policy and evaluating the organisation and its investments, and for reporting to government and the fishing industry. For more on the Board see page 74.

FRDC BOARD MEMBERS DURING THE YEAR

The Hon. Harry Woods	Chair
Ms Heather Brayford	Director
Ms Renata Brooks	Director
Mr Brett McCallum	Director
Dr Bruce Mapstone	Director
Dr Peter O'Brien	Director
Mr David Thomason	Director
Dr Patrick Hone	Executive Director

FRDC staff

In 2013–14, the FRDC operated with 12 full-time-equivalent staff members (on average). The FRDC staff are the Corporation's most important resource, and a key factor in the ongoing success of the organisation. In addition to the core staff, the FRDC partners with over 100 organisations annually who employ around 200 principal investigators on FRDC research projects, and many more researchers, communicators and technicians—not to mention the numerous industry people who work on projects.

During the year Joshua Fielding joined the FRDC to help put together two strategic planning documents for the FRDC; the FRDC RD&E Plan 2015–20 and the National Fishing and Aquaculture RD&E Strategy 2015–20. This process includes facilitating consultations with all of FRDC's stakeholder groups to ensure these documents capture the strategic directions of all those involved in RD&E for fishing and aquaculture.

The FRDC employs staff based on their suitability for a position and organisational fit. It promotes a work environment that is free from discrimination on the basis of race, colour, sex, sexual preference, age, physical or mental disability, marital status, family responsibilities, pregnancy, religion, political opinion, national extraction or social origin, or on the basis that an individual either is, or is not, a member of a union of employees, or of a particular union of employees.

FRDC STAFF AT 30 JUNE 2014

Mr John Wilson	Business Development Manager
Ms Cheryl Cole	Manager Corporate Services
Mr Rita Lin	Office Administrator
Mr Crispian Ashby	Programs Manager
Ms Annette Lyons	Projects Manager—Finance
Ms Pele Cannon	Projects Manager—Research
Dr Carolyn Stewardson	Projects Manager—Research
Ms Jo-Anne Ruscoe	Projects Manager—Research
Mr Peter Horvat	Communications Manager
Ms Julie Haldane	Communications Officer
Ms Ilaria Catizone	Science Writer
Mr Joshua Fielding	Projects Manager—Planning

Behaviour

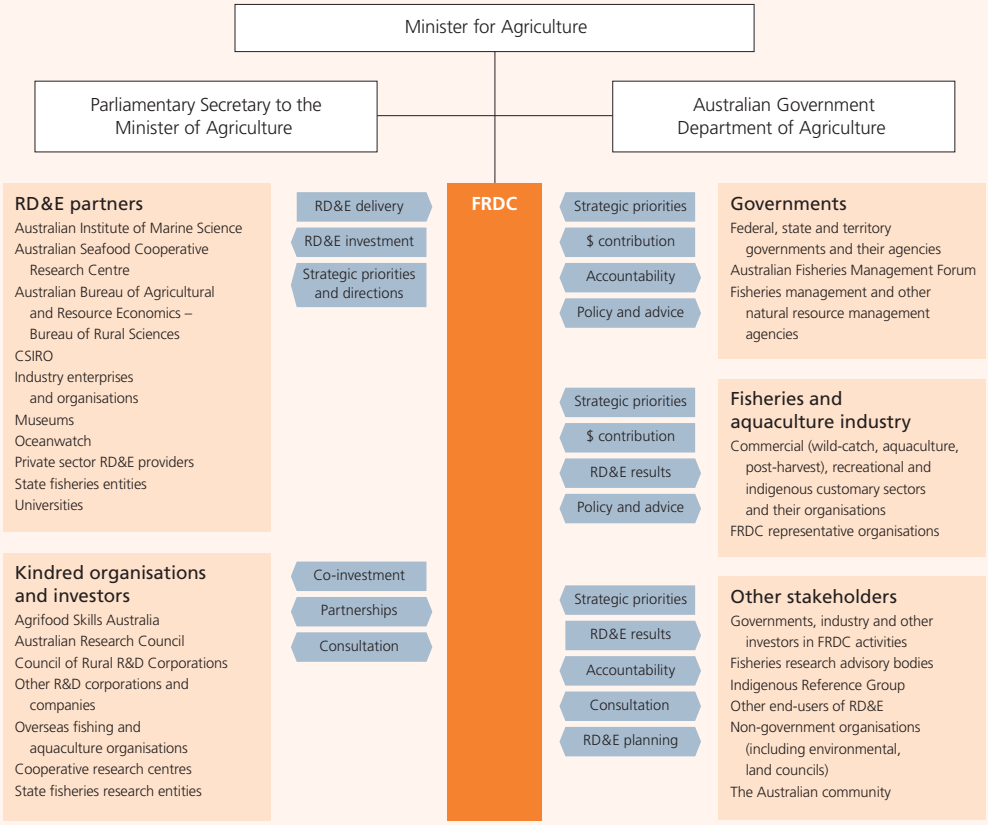
Corporate governance practices are evolving rapidly, both in Australia and overseas. The FRDC is proactive in integrating these practices, including those governing ethical behaviour, into its own processes. The Corporation has a code of conduct that is appropriate to the Corporation's structure and activities and complies with division 4 of the CAC Act, to which all directors and staff are required to adhere. New directors and staff are briefed on the code during induction training.

Relationships with stakeholders

FRDC's stakeholders

Stakeholders in the FRDC are the fishing industry and the Australian Government. There are many other partners, collaborators, beneficiaries and interest groups who influence the FRDC in its priority setting processes, and assist in the conduct of its business and the adoption of its RD&E. These arrangements are addressed in this report. In addition the legislation recognises that the people of Australia ultimately are the principal beneficiaries of much of the work of the FRDC.

FIGURE 3: THE FRDC'S STAKEHOLDER FRAMEWORK



Not all entities involved with the FRDC are shown. For simplicity, only the relationships between the FRDC and other entities are shown—not relationships between those entities. Many of the entities have multiple relationships with the FRDC, for example, CSIRO is a co-investor and a research provider.

Stakeholder consultation

The FRDC works with its primary stakeholders, the Australian Government, and the fishing industry to prioritise, implement and review progress of strategic RD&E directions. It also disseminates the results and when appropriate assists commercialisation.

In addition, the FRDC partners with many other organisations in both the research funding and service provision areas.

Other consultation structures

On 4–5 April 2013, the FRDC ran its annual stakeholder workshop in Canberra to discuss a number of issues including the National Fishing and Aquaculture RD&E Strategy, a review of the expression of interest approach to the annual competitive funding round, and the development of a new extension and adoption strategy.

In addition to the Corporation's fundamental operating philosophy of openness and accountability to its stakeholders, a number of other structures reinforce effective and ethical performance by the FRDC. They include steering committees at project and subprogram level, conferences, workshops and meetings.

Australian Government

The Australian Government, primarily the Minister for Agriculture and Parliamentary Secretary to the Minister are integral to the running of the FRDC. The government outlines the areas or priorities that need to be addressed from their perspective. The Department of Agriculture acts as the day-to-day policy intermediary between the office of Minister, Parliamentary Secretary and the FRDC. The Australian Fisheries Management Authority (AFMA) and the Department of the Environment also play an important role in contributing to research priorities.

Australian Fisheries Management Forum (AFMF)

AFMF comprises the heads/CEOs of the Commonwealth, state and territory government agencies responsible for the management of fisheries. The AFMF discusses issues relating to fisheries and aquaculture management.

The FRDC understands that adoption of research outputs by management agencies is 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 processes.

Consultation with levy organisations—Australian Prawn Farmers Association

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 which charges an administration cost to manage the levy.

The FRDC's investments in prawn farming research and development is driven by APFA's RD&E Plan with the FRDC and APFA enjoying a very close working relationship. APFA has nominated that the majority of its investment is to be through co-investment with the Seafood CRC (during its time). APFA has a lead role with FRDC in ensuring its priorities are met.

The table below outlines the financial record of the relationship.

Year	2011–12	2012–13	2013–14	2014–15
APFA contribution	$165,000	$130,000	$150,000	$150,000*
FRDC expenditure on projects	$227,226	$219,984	$284,335	$150,000*

* Approximate investment in coming year.

FRDC is investing with APFA in research that:

- improves the price per kilogram,
- improves growth per week,
- helps to reduce cost of feed.

Representative organisations

The FRDC has four representative organisations that it met with during the year, and which it will consult with during 2014–15. They are:

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

Consultation with representative organisations

Under section 15(2) of the PIRD Act and the *Guidelines on funding of consultation costs by primary industries statutory authorities*, the FRDC may meet travel and other expenses incurred in connection with consultation between the FRDC and each of its representative organisations. The FRDC has budgeted up to $30,000 to facilitate consultation in 2014–15, however payments are only made to reimburse for costs associated with this consultation during this year, which was $21,212.

This support is governed by the *Guidelines on funding of consultation costs by primary industry and energy portfolio statutory authorities* which were issued by the then Minister for Primary Industries and Energy in July 1998. These guidelines require the FRDC to provide details of all project-related activities and costs in which the representative organisations have an interest.

The consultation with the representative organisations allows the FRDC to gain valuable insight and views on the RD&E priorities for their associated industry sectors. It also provides a mechanism for the FRDC to report the outcomes from the associated RD&E investment.

In addition the FRDC may invest individually in RD&E projects with a representative organisation. Active projects (with major work still to be undertaken) currently under contract with the FRDC representative bodies where appropriate. The list of project payments made to FRDC representative organisations is located at Appendix E (page 146).

Sector industry bodies

Partnerships with individual industry sectors offer both parties a number of advantages. For industry they provide more involvement in determining and undertaking RD&E.

The FRDC has continued its close relationship with the National Seafood Industry Alliance who represent the commercial fishing, pearling and aquaculture industries through state industry councils and peak sector associations.

In addition, the FRDC will build upon the partnerships established with individual industry sectors, such as Southern Rocklobster Ltd, Australian Southern Bluefin Tuna Industry Association, Tasmanian Salmonid Growers Association, Australian Pearl Producers and both the Prawn and Barramundi Farmers Associations in funding research priorities that are needed and co-funded by their sectors.

Rural research and development corporations

The FRDC will continue to work together with other RDCs on a range of activities to enhance joint strategic outcomes. Most significant of these include climate 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, 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, as well as meetings of Executive Directors, Business Managers and Communications Managers. In conjunction with other RDCs, the FRDC will assist in coordinating sponsorship and participate in events such as the *Outlook* and producer conferences. Additionally, the FRDC will continue to provide advice and services in relation to project management and the FRDC project management software.

Seafood CRC

The FRDC is a core participant of the Seafood CRC whose research programs aim to increase the profitability and value of the Australian seafood industry, increase access to premium markets and increase demand for Australian seafood. These priorities are aligned with FRDC's R&D programs, in particular Program 2: Industry. This partnership provides a mechanism for the FRDC to extend RD&E along the value chain and enhance the focus on development activities.

The end of the 2014–15 financial year will see the closure of the Seafood CRC. It is anticipated that a number of projects will not be completed by then. The FRDC will work with the Seafood CRC to transition unfinished projects to the FRDC for completion.

Research partners

Investment in research is the FRDC's core business. As a result, it is vital to the Corporation's success that good relationships are built and maintained with its research partners. In any given year FRDC will have under management more than 400 active projects. The key research partners are:

- state/territory fisheries research centres,
- Commonwealth Scientific and Industrial Research Organisation (CSIRO),
- universities,
- industry groups.

National Primary Industries Research, Development and Extension Framework overview

The Australian, state and Northern Territory Governments, rural RDCs, CSIRO and universities are jointly developing the National Primary Industries Research, Development and Extension Framework to encourage greater collaboration and promote continuous improvement in the investment of RD&E resources nationally. This was an initiative of the former Standing Council on Primary Industries (SCoPI), and was supported by the Primary Industries Standing Committee (PISC).

Under the Framework are 14 sector and eight cross-sector strategies. *Working Together: the National Fishing and Aquaculture RD&E Strategy* was endorsed by ministers at the Primary Industries Ministerial Council (PIMC) on 23 April 2010 (see http://www.npirdef.org/). Implementation of the Fishing and Aquaculture RD&E Strategy is being led by the Strategy Governance Committee, and supported through a Research Providers' Network and an Extension Working Group.

Development of National Fishing and Aquaculture RD&E Strategy 2015–20 and FRDC's RD&E Plan

The establishment of the National Fishing and Aquaculture RD&E Strategy in 2010 provided direction to improve the focus, efficiency and effectiveness of RD&E to support Australia's fishing and aquaculture industry.

Working with all stakeholders, FRDC is participating in the review and revision of the current strategy. The next iteration will build on the platform established by the first version and provide a nationally agreed, common vision for the industry over the next five years, guiding the investment of millions of dollars of state and national research funding.

Formal consultation for the FRDC's RD&E Plan began with a workshop in April 2014 involving the FRDC's representative stakeholder groups and members of the Fisheries Research Advisory Boards.

Meetings and further stakeholder consultation on the development of both the National Fishing and Aquaculture RD&E Strategy and FRDC's RD&E Plan will take place over the last half of 2014. A major planning workshop with key stakeholders will be run in July 2014.

It is expected that the draft National Fishing and Aquaculture RD&E Strategy 2015–20 will be completed in early 2015, before being sent to the Department of Agriculture for endorsement.


OYSTERS

REPORT OF OPERATIONS
PART 2

THE FRDC'S OPERATIONAL RESULTS

Aligning priorities

The FRDC takes great care in aligning priorities through all its corporate documentation. The objects of the PIRD Act provide the structural basis on which the FRDC outcome statement is formed.

The FRDC's five-year RD&E Plan aligns its program areas to its objectives—environment, industry, people development, and accountability and governance. The FRDC's annual operational plan aligns closely with its RD&E Plan and provides a way to fine-tune priorities for the coming year based on stakeholder needs identified during the previous year.

The FRDC annual report completes the cycle reporting key achievements for the year based on the structure and core program areas.

Investment strategy

The FRDC invests in RD&E across the whole value chain of the commercial fishing and aquaculture industry, and is also for the benefit of both indigenous and recreational fishers. The FRDC seeks to achieve maximum leverage from its investment by providing research administration and services to projects using a value-adding model. This process provides input during the development and assessment phase to ensure each project delivers a specific outcome, and is actively managed and monitored.

The reason for running the value-adding model, instead of a simple 'granting' model for R&D funding (carried out at minimal cost), is that the returns are significantly better. This is because more time is spent ensuring the design and implementation of each project is correct and aligns with the desired outcomes of stakeholders. The FRDC manages the implementation of the value-adding model through its ongoing investment in systems that deliver best practice in project development management and assessment (see opposite on FRABs), integrated project, financial and human resource management.

The FRDC invests in RD&E through a variety of flexible approaches, including:

- an open call for project applications,
- formal partnership agreements with industry sectors,
- subprograms and coordination programs that address cross-sector needs at a national level,
- short-term tactical research investment,
- specifically targeted commissioned RD&E, especially where there is market failure by private investment.

The focus for investment aligns with the 14 themes (below) outlined in the FRDC's strategic RD&E plan for 2010–15. In any given year the investment balance between themes may vary depending on strategic needs, see page ii for current percentages.

TABLE 3: FRDC R&D PROGRAMS AND THEMES

Program	Theme
Environment	1. Biosecurity and aquatic animal health
	2. Habitat and ecosystem protection
	3. Climate change
	4. Ecologically sustainable development
Industry	5. Governance and regulatory systems
	6. Resource access and allocation
	7. Production, growth and profitability
	8. Consumers, products and markets
	9. Value from aquatic resources
Communities	10. Resilient and supportive communities
People development	11. Leadership development
	12. Workforce development
	13. Innovation skills
Extension and adoption	14. Extension and adoption

Fisheries Research Advisory Bodies (FRABs)

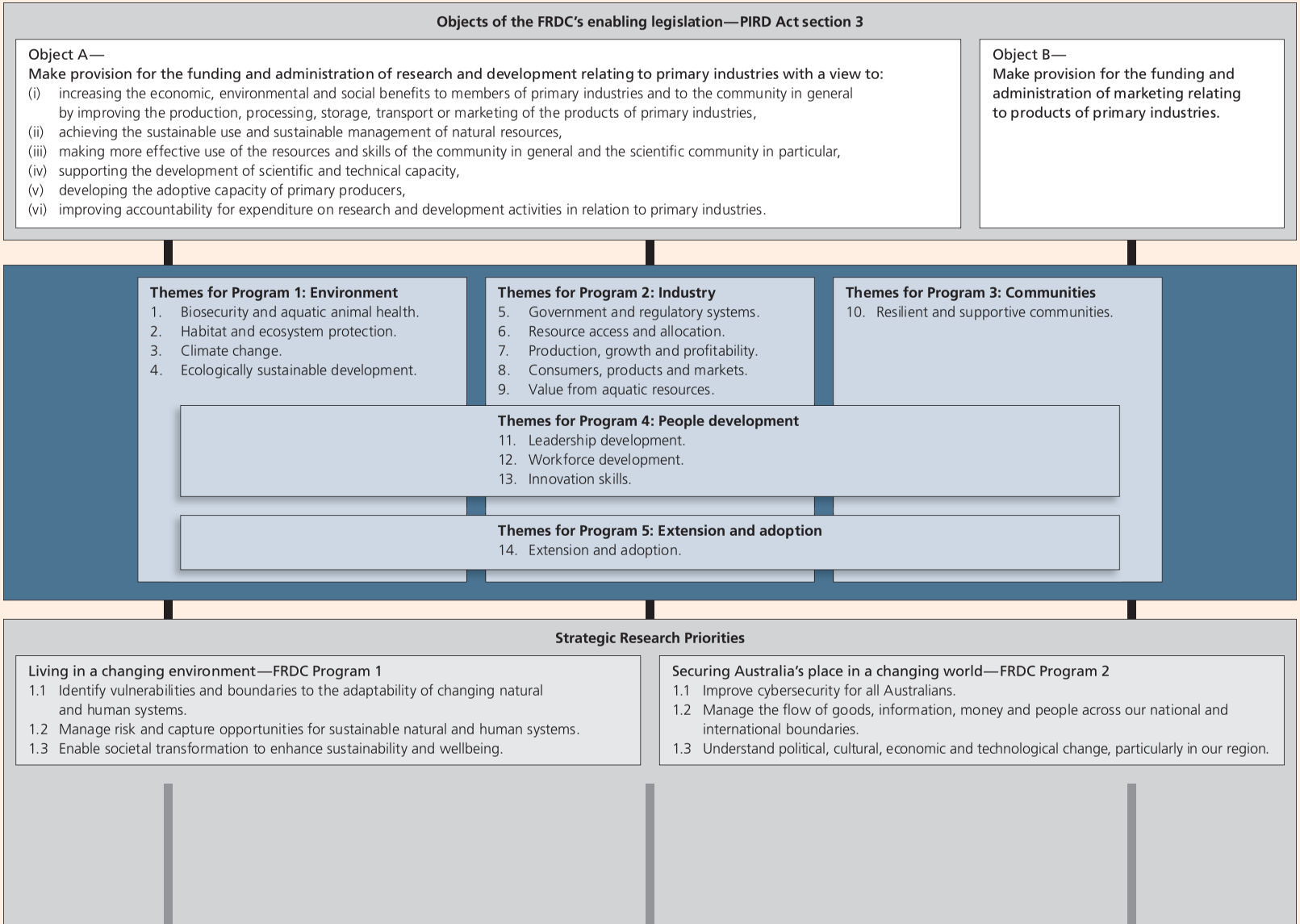
The FRDC supports a network of FRABs covering Commonwealth fisheries and the fisheries of each state and the Northern Territory. The FRABs have an extremely important role in maximising the efficiency of the FRDC's planning and investment processes. In the 2013–14 annual competitive funding round all open call applications were submitted through, or reviewed by, the FRABs. The FRABs also played a role providing advice on Tactical Research Fund projects that related to their jurisdiction.

The FRABs represent all sectors of the fishing industry, fisheries managers and researchers, and almost all include environmental and other community interests. Their chairs in 2013–14 were as follows.

Commonwealth	Ian Cartwright
New South Wales	Peter Dundas-Smith
Northern Territory	Andria Handley
Queensland	James Fogarty
South Australia	Rory McEwen
Tasmania	Ian Cartwright
Victoria	Peter Rankin
Western Australia	John Harrison

For further information on the FRABs—**www.frdc.com.au**

FIGURE 4: THE FRDC'S FRAMEWORK FOR INTEGRATING LEGISLATIVE, GOVERNMENT AND INDUSTRY PRIORITIES



Managing our food and water assets—FRDC Program 1

1.1 Optimise food and fibre production using our land and marine resources.
1.2 Develop knowledge of the changing distribution, connectivity, transformation and sustainable use of water in the Australian landscape.
1.3 Maximise the effectiveness of the production value chain from primary to processed food.

Lifting productivity and economic growth—FRDC Program 2

1.1 Identify the means by which Australia can lift productivity and economic growth.
1.2 Maximise Australia's competitive advantage in critical sectors.
1.3 Deliver skills for the new economy.

Promoting population health and wellbeing—FRDC Program 3

1.1 Optimise effective delivery of health care and related systems and services.
1.2 Maximise social and economic participation in society.
1.3 Improve the health and wellbeing of Aboriginal and Torres Strait Islander people.

Rural Research Priorities

- Support effective management of Australia's natural resources to ensure primary industries are both economically and environmentally sustainable.
- Build resilience to climate variability and adapt to, and mitigate the effects of climate change.
- Protect Australia's community, primary industries and environment from biosecurity threats.

- Promote the development of new and existing technologies.
- Improve the productivity and profitability of existing industries and support the development of viable new industries.
- Better understand and respond to domestic and international market and consumer requirements and improve the flow of such information through the whole supply chain, including to consumers.

- Improve the skills to undertake research and apply its findings.
- Promote the development of new and existing technologies.

Outcome statement

Increased knowledge that fosters sustainable economic, environmental and social benefits for the Australian fishing industry; including indigenous, recreational, commercial and aquaculture sectors, and the community; through investing in research, development and adoption.

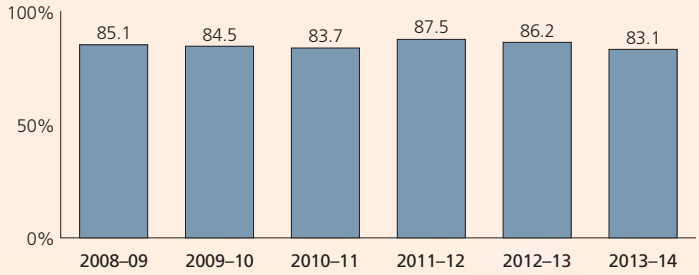
The Corporation's vision

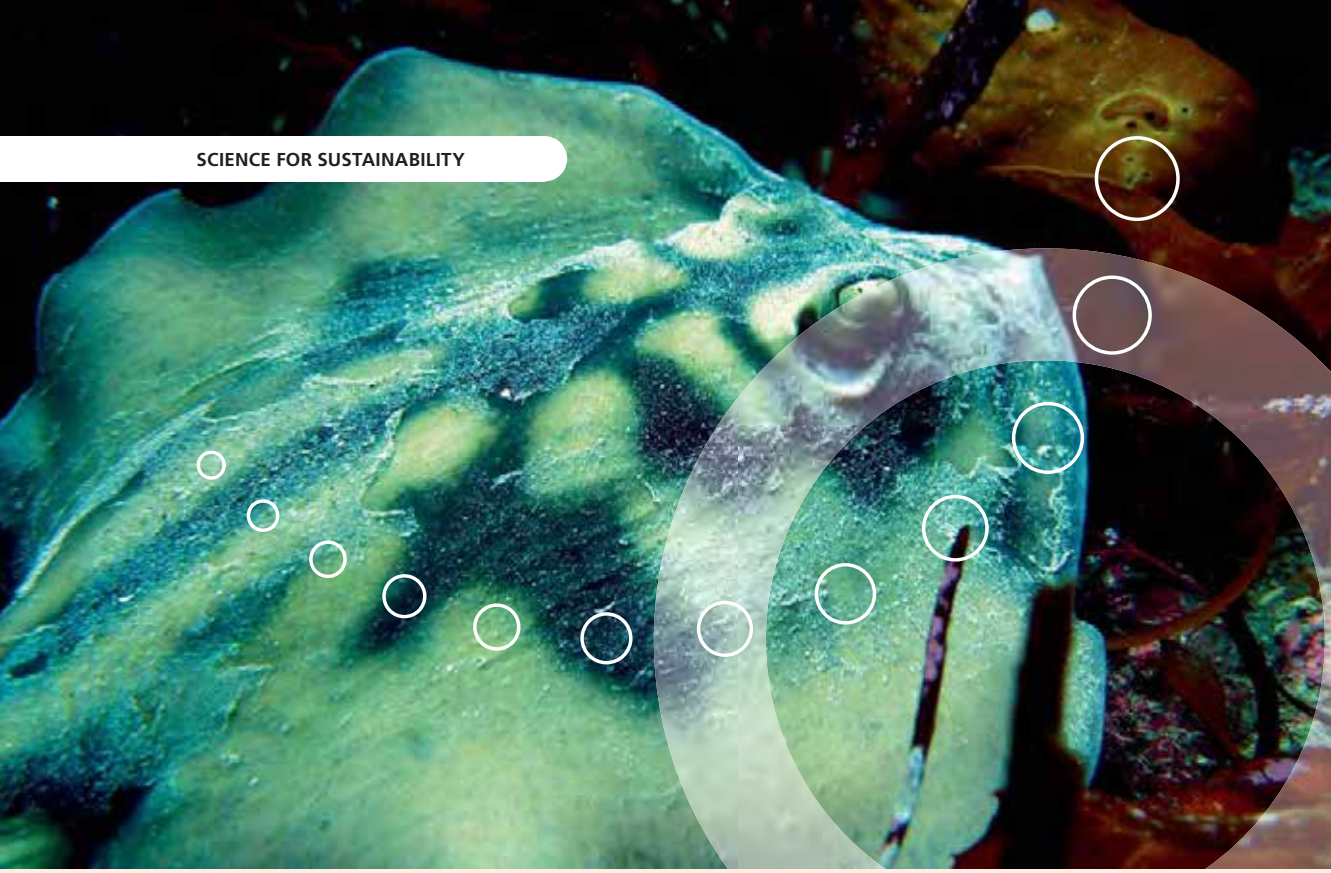
The FRDC's vision is a vibrant Australian fishing and aquaculture industry, adopting world-class research to achieve prosperity and to wisely use the natural resources on which it depends.

Projects and reports

	2008–09	2009–10	2010–11	2011–12	2012–13	2013–14
Number of approved new projects	158	147	141	146	123	94
Total number of active projects under management	436	384	412	483	476	428
Number of final reports completed	125	150	111	129	138	132

Expenditure on R&D projects as a percentage of total expenditure





PROGRAM 1: ENVIRONMENT

Australia has a broad range of freshwater and marine habitats that support a diverse range of aquatic species. Australia's maritime zone is one of the largest in the world covering about 13.6 million square kilometres: about twice the area of Australia's land mass. This zone contains about 4500 known species of finfish (and perhaps tens of thousands of invertebrate species)—most in relatively small numbers.

Federal, state and territory government agencies have legislative responsibility under fisheries legislation and the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) for managing the fisheries and aquaculture activities within their jurisdictions sustainably. Large components of the R&D undertaken by the FRDC focus on providing information that will assist these agencies improve the sustainable use of Australia's aquatic resources. The projects outlined on the following pages highlight the diversity and excellence of the FRDC's current research portfolio. For a full listing of projects funded visit the FRDC website—**www.frdc.com.au**

Principal inputs

During 2013–14, there was $10.21 million (about 45 per cent of the total R&D investment) invested in R&D activities within this program.

Summary of performance indicators for Program 1

Strategic challenges	Performance indicators	Targets	Achievements
Biosecurity and aquatic animal health	Development and dissemination of protocols, techniques and technologies to mitigate and minimise the impact of disease outbreaks. Development of knowledge to assist industry to register vaccines and veterinary chemicals.	Two projects to respond to disease outbreaks.	• Research was funded to determine the susceptibility of abalone species to genotype variations of AVG and the cause of OOD and development of diagnostic tests for pearl oysters. • Further research to build on the outputs of blood fluke in SBT approved.
Habitat and ecosystem protection	Demonstrated improved sustainability performance from the use of RD&E outputs. Development of innovative technologies to reduce fishery take and interaction with bycatch and with threatened, endangered and protected species.	One project to assess impact of habitat loss and scope rehabilitation options. Two projects to assess the current status of threatened, endangered or protected (TEP) species.	• Projects funded to assess urchin removal, to reduce urchin barrens, assess life history, habitat association of tropical fish species, to identify critical habitat and impact of habitat loss on prawn production. • Projects funded to develop a report card on the status of shark species and assess and reverse the abundance decline of giant cuttlefish in South Australia.
Climate change	Improvement in understanding of the impacts of climate change that leads to adaptation by fisheries management and industry. Development of mitigation methods to reduce greenhouse gas emissions of industry.	One project to assess oceanographic influences on marine species.	• A number of reports were completed as part of the FRDC Climate program. A summary and full final report is available on the FRDC website. • Additional research funded to assess oceanographic influences on Queensland reef fish and scallops.
Ecologically sustainable development	Development of mechanisms and technologies to collect economic, environmental and social data to inform management processes. Improvement in knowledge of the relationship between environmental processes and known biological processes. Development of techniques for incorporation of ecosystem-based fisheries management in fisheries. Development of knowledge to help the industry to meet environmental standards.	Develop a project to examine a Murray–Darling Basin wide approach to Murray Cod management. Assess the post catch survival of one recreational species.	• A collaborative, basin-wide approach to assess the Murray Cod fishery throughout the Murray–Darling Basin by fishery dependant and independent methods begins. • Project to assess the post-release survival of SBT caught in the recreational fishery commences.

Smooth Stingray (*Dasyatis brevicaudata*).

The shark and ray report

FRDC research code: 2013/009—Shark Futures: A report card for Australia's sharks and rays

Sharks are familiar ocean predators and some species have a fierce reputation, yet they are profoundly vulnerable to exploitation according to Australian shark specialist Colin Simpfendorfer. They tend to be less productive than bony fish and invertebrates and unlike fauna further down the food chain, they make a big investment in a small number of young.

As higher-level predators, sharks also have populations that are naturally smaller than prey species, so the risk of shark exploitation is greater. This means that where fishing mortality is poorly controlled, shark populations can decline rapidly and recovery is slow.

Australia has one of the most diverse shark and ray faunas in the world, with 322 species occurring in Australian waters. Of these, 181 are sharks, 127 are rays and the rest are chimaeras (ghost sharks). More than a quarter of these species are endemic. The main difference between sharks and rays is the shape of the pectoral fins and the position of the gills.

There is considerable diversity in the life cycle of Australia's sharks and rays. For example, the Australian Sharpnose Shark (*Rhizoprionodon taylori*) lives fewer than 10 years, while the Dusky Whaler (*Carcharhinus obscurus*) may live for more than 40 years. Because of this, some species can be fished sustainably in relatively high numbers while others decline rapidly with only limited fishing. This diversity makes it challenging for fisheries, biodiversity managers and decision makers to understand where a species is on a spectrum of vulnerability.

Comprehensive, accurate and up-to-date information is needed to make decisions that will optimise the health and longevity of a species. But it has often been difficult for policy makers and fisheries managers to find or interpret it, and to understand its implications within a broader context.

Shark futures report card

To address these issues, work began to design and populate a database to compile all the existing literature available, and make high-quality and locally relevant information accessible to stakeholders. The two-year project started in August 2013.

The project will aim to link with, and build on, the work that has already been undertaken in the development of the *Status of key Australian fish stocks reports* and website—www.fish.gov.au—which contains assessments undertaken on Blacktip, Dusky, Gummy, Sandbar and School Sharks.

Researchers from the Centre for Sustainable Tropical Fisheries and Aquaculture at James Cook University in Townsville, Queensland are leading the project. The Centre has an applied research program that endeavours to improve management of sharks and rays globally. The idea for the report card came about when government and other key personnel were not able to access the best available information when developing policy.

The data for each species will be summarised in a report card that provides the status of the species. It will identify those most at risk, those that require management intervention, gaps in management and research priorities. It aims to provide a simple framework for interpreting the wide range of information collated during the project to make it easy to understand by a wide range of stakeholders and the public.

Identifying research priorities

A few species get most of the attention—makos, whites and Tiger Sharks—but there are another 319 species that also need research. One of the aims of the report card is to show how management is progressing across all 322 species. Australia has a well-managed shark population in general, compared to most other countries. The report card will also provide a model for those countries looking to strengthen the management of their own shark populations.

For further information: Colin Simpfendorfer, 07 4781 5287, colin.simpfendorfer@jcu.edu.au

State of settlement: A three-way question

FRDC research code: 2009/047—Sustainability of the rocklobster resource in south-eastern Australia in a changing environment: Implications for assessment and management

Monthly monitoring of Southern Rocklobster puerulus (late larval stage) settlement has been undertaken in Tasmania, Victoria and South Australia since the 1990s, but it is only recently that researchers have attempted to link settlement to future population assessments.

A report from the South Australian Research and Development Institute (SARDI) shows that it is possible to say whether recruitment of juveniles into the fishery is going to be low, average or high. More importantly, because the time lag between settlement and recruitment has now been identified, researchers can predict when pulses of recruitment will enter the fishery. This source of information is very important to both the industry and fishery managers.

The findings form part of a tri-state study funded by the FRDC and show broad spatial similarities in settlement patterns in South Australia and Victoria. However, the relationship with Tasmania is more complex as the east coast of that state, where puerulus are monitored, is geographically distant from the south-eastern fishery, and its environmental conditions are completely different to those in western Victoria and South Australia, because the coast is subject to different currents.

Nevertheless there is still some relationship between the two fisheries, with the east coast of Tasmania getting about 10 per cent of its recruitment from South Australia, although this rate can vary from year to year depending on the strength of the westerly currents.

Establishing the link between puerulus settlement rates and recruitment is an important step for the industry. It is now possible to give fishers a good indicator of catch-rate levels in four to five years' time based on the settlement rates observed now which is a useful forecasting tool that didn't exist before.

For further information: Adrian Linnane, 08 8207 5492, adrian.linnane@sa.gov.au

Fishing for the past

FRDC research code: 2013/018: Using commercial and recreational fisher knowledge to reconstruct historical catch rates for Queensland pink snapper and Spanish Mackerel: Long-term data for incorporation into future stock assessments

To put contemporary fishing trends into a longer-term context, researchers are working though the memories of Queensland fishers and trawling through 140 years of historical records.

While fish-landing statistics in Queensland have been collected since the 1940s, they only provide an indication of what was caught and processed and do not include many of the other forms of data available such as fishing reports in newspapers or magazines.

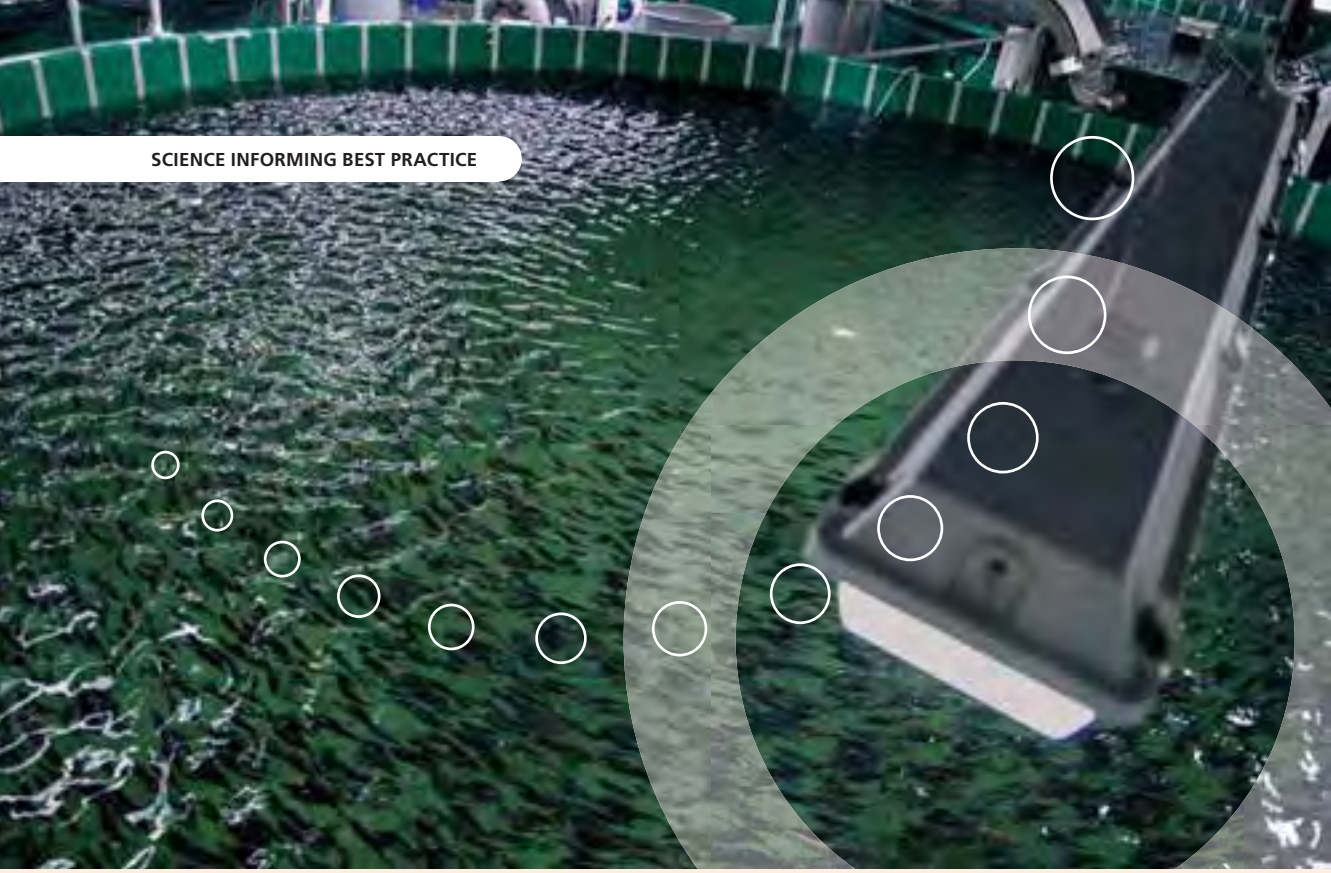
The introduction of individual logbooks in 1988 has provided more detailed information in recent years about the where, when and how of harvests, but longer-term data is seen as critical to the success of future fisheries management.

Researchers are interviewing experienced fishers, both young and old, and scouring old newspapers, archival records from the Queensland Fish Board and local fishing communities, focusing on two iconic Queensland fish species: snapper (*Pagrus auratus*) and Spanish Mackerel (*Scomberomorus commerson*).

They are hoping to provide insights from the past and a context for the trends that are being seen today. If good-quality, high-resolution data can be produced, then it might be able to help inform stock-assessment processes by sharing research with managers and fishing communities.

Longer-term perspectives can help reduce uncertainty when projecting historical catch levels and historical fishery trends can provide valuable information to help improve management strategies.

For further information: Ruth Thurstan, 0450 586 263, r.thurstan@uq.edu.au



PROGRAM 2: INDUSTRY

Demand for high-quality seafood is predicted to outstrip supply in both domestic and export markets. Similarly in the recreational and customary sectors the demand for high-quality fishing experiences will outstrip supply. There is a need to increase both the production and the value of the catch, and to take advantage of future opportunities. For the commercial sector, business profitability and international competitiveness is an overriding concern. This program aims to assist all sectors improve their overall performance. The following pages provide examples of the R&D currently underway. For a full listing of projects visit the FRDC website—**www.frdc.com.au**

Principal inputs

During 2013–14, there was $8.34 million (about 36 per cent of the total R&D investment) invested in R&D activities within this program.

Healthy Yellowtail Kingfish (*Seriola lalandi*) fingerlings production at Clean Seas' hatchery.

Summary of performance indicators for Program 2

Strategic challenges	Performance indicators	Targets	Achievements
Governance and regulatory systems	Development of processes and technologies to improve the efficiency of governance and regulatory systems for fishing and aquaculture. Development of methods to incorporate economic knowledge into fisheries management.	Undertake an assessment of one current and alternate harvest strategy.	• A technical review completed of formal harvest strategies completed as part of the Commonwealth Harvest Strategy Policy Review. • Research funded to assess alternative tier options in Commonwealth harvest strategies and harvest strategy approaches for internationally managed, multi-species fisheries.
Resource access and allocation	Development of processes for efficient, transparent allocation of shares and associated property rights for all aquatic resource users.	One resource-sharing option examined for south-eastern stocks of snapper.	• A multi-jurisdictional, multi sectoral approach to snapper management, governance and resource sharing commences.
Production, growth and profitability	Development of knowledge, processes and technologies to improve productivity and profitability of the commercial sectors. Development of knowledge and technologies in the areas of domestication and breeding genetics to support growth of the aquaculture sector.	Bioactive potential of three new species explored.	• Report completed assessing the bioactive molecule potential of salmon, abalone and Barramundi.
Consumers, products and markets	Development of knowledge and technologies to support the industry's development of new products. Development of knowledge and technologies to improve seafood value chains and support trade and market access.	Undertake product development of under-valued species from Lakes Entrance and Western Australia.	• Eight under-utilised species assessed for product development and consumer acceptance in Lakes Entrance. • Options for product development of Australian Salmon and Blue Swimmer Crab undertaken in Western Australia.
Value from aquatic resources	Development of knowledge, processes and technologies to understand and enhance the societal and personal values obtained from recreational and indigenous customary fishing. Development of knowledge regarding indigenous customary fishing practices, and processes to incorporate this knowledge into fisheries management.	One project to examine the potential enhancement of iconic recreational species.	• Research funded to assess the feasibility of stock enhancement of Western School Prawn in the Swan-Canning Estuary.

Solieria robusta, a red native seaweed being trialled. Inset: SARDI researcher Kathryn Wiltshire collecting a *Sargassum sp.*

Seaweed farming to boost finfish aquaculture

FRDC research codes: 2010/201—Feasibility study for integrated multitrophic aquaculture in southern Australia, and 2011/205—Spencer Gulf Research Initiative: Development of an ecosystem model for fisheries and aquaculture

Seaweed could be farmed to complement aquaculture and safeguard the environment with open-sea trials to be conducted in the Spencer Gulf.

Identifying suitable seaweed would help South Australia to expand its offshore aquaculture industries—Southern Bluefin Tuna and Yellowtail Kingfish—while minimising the potential effects on the environment. These trials aim to find the right type of seaweed and determine how much of it is needed to effectively and naturally remove the nutrients created by finfish in adjacent aquaculture facilities.

If successful, the project may also herald the start of a valuable new Australian industry. Seaweed is in growing demand in national and international markets, particularly in Asia, for a wide range of uses, including as a food source as well as for bioactive substances used in pharmaceuticals and nutraceuticals. Australia already imports almost $20 million worth of seaweed annually.

SARDI is leading the research, now in its final year. The $1.1 million project has been funded by the FRDC with contributions from SARDI, the University of Adelaide and commercial partners.

By farming seaweeds alongside finfish, these wastes could be productively used, decreasing the environmental footprint of aquaculture while at the same time increasing production.

In a 12-month trial, red seaweed species *Gelidium australe* and *Solieria robusta* and brown species *Ecklonia radiata* and *Cystophora subfarcinata* will be grown on ropes and in mesh bags. These will be anchored to the sea floor downstream of an aquaculture lease for Southern Bluefin Tuna and Yellowtail Kingfish in the Spencer Gulf. Additional laboratory work will be carried out at SARDI to determine optimum light and nutrient levels for growth.

The trials will provide knowledge on the amount of nutrients removed by seaweeds, which will help determine how much seaweed is needed to absorb waste nutrients from finfish aquaculture.

The project will also provide information on methods of seed production, suitable depths for culture and arrangement around farms and preliminary data on seasonal performance to understand the best times of year to plant and to harvest seaweed crops.

For further information: Jason Tanner, SARDI, 08 8207 5489, 0422 002 948, jason.tanner@sa.gov.au

New approach heads off fish deformities

FRDC research code: 2003/216—Aquatic Animal Health Subprogram: Detection and management of Yellowtail Kingfish (*Seriola lalandi*) health issues

Australia's annual production of farmed Yellowtail Kingfish from sea net pens is on the rise and is expected to soon exceed 1500 tonnes, with a potential value of about $24 million a year.

It is anticipated that further development in South Australia, Western Australia and New South Wales will bring production capacity to about 8000 tonnes a year within the next decade.

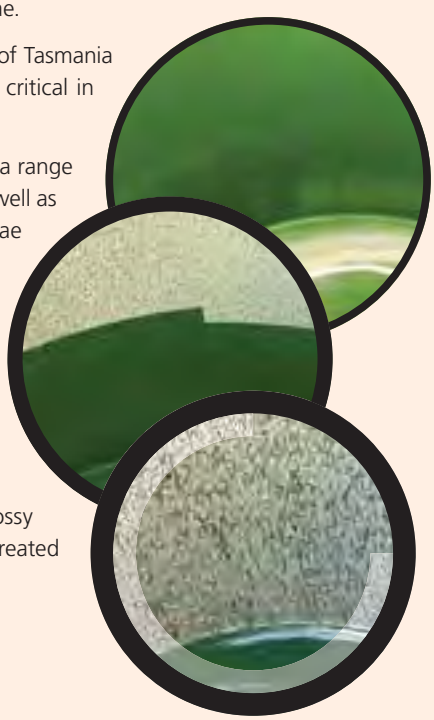
However, this expansion has been challenged by pervasive and persistent fish-health and deformity issues that have hindered viability.

Between 2008 and 2013, with more than $2.5 million support from the Seafood CRC and the FRDC, researchers conducted a series of experiments to investigate the causes of the high levels of variability in the survival, growth and malformation rates of Yellowtail Kingfish larvae.

The cost and inconvenience has been high in terms of post-handling mortality, lost growth and performance and the elevated labour cost of counting, culling and disposing of dead or compromised fish. But in 2013, a research breakthrough led to altered hatchery practices that significantly improved the deformity and survival rates of Yellowtail Kingfish larvae.

Results from past research from SARDI and the University of Tasmania revealed that tank design, management and colour were critical in resolving the jaw-deformity problem.

In December 2012, preliminary trials were set up to assess a range of different coloured tank walls and tank wall patterns, as well as different light conditions. Walling behaviour, where larvae congregate around the outer walls of the tank, was qualitatively assessed by visual observation.



It was discovered that tank colours and patterns which reflected high levels of light reduced the incidence of walling behaviour. Physical damage to oral membranes caused by walling in the two weeks post-hatching is a dominant factor in jaw malformation.

Four hatchery tank wall treatments were investigated: glossy green, non-glossy green, yellow and 'granite'—a motif created from an adhesive plastic film or by painting the tank wall.

It is thought that the granite pattern, made up of random light and dark brown, black and grey irregular shapes may reflect light of different wavelengths and is perceived by the larvae as a structure to be avoided.

The reductions in the incidence and severity of jaw deformity in granite-patterned tanks compared with the original glossy-green tanks was maintained in different sized tanks, including 8000-litre commercial Yellowtail Kingfish larval rearing tanks. Now more high-quality fingerlings are being produced more cost-effectively with a jaw deformity rate of less than 3 per cent.

For further information: Craig Foster, 08 8621 2900, craig.foster@cleanseas.com.au; Bennan Chen, bennan@cleanseas.com.au; www.cleanseas.com.au

Humble sardine gets a makeover

Australian Seafood CRC research code: 2009/709—Seafood CRC: Improving the supply chain for selected Western Australian seafood products

The humble sardine—once used for bait or pet food—is now making it onto the best restaurant tables in Australia.

Research conducted in conjunction with the Seafood CRC and the Curtin University Centre for Excellence for Seafood, Science and Health has helped to improve the supply chain and shelf life of sardine products, and to develop new market-ready products.

Researcher Janet Howieson with Tim Rowe of Cape Le Grande Australian Sardines with one of the new products.

Working with companies Cape Le Grande Australian Sardines, Catalano Seafoods, and with Seafood CRC funds, more than a year was spent refining the transportation and processing of sardines to ensure that every step of the pathway from boat to consumer was optimised for quality.

Sardines are caught using purse-seine nets that scoop them from the water and they are then pumped straight from the net into an ice slurry. They are filleted at 0°C before being put into a blast chiller. Sardines have a comparatively short shelf life, so strategies to maximise this have been an important part of the project.

Sanitisers added to the ice slurries have also shown to reduce naturally occurring bacteria and extend shelf life. Data loggers were used in tracking the temperature and the condition of fish from harvest through processing and retail distribution.

Cape Le Grande products include raw, frozen fillets, sold in 200 or 500-gram retail trays and a 4-kilogram carton (eight 500-gram trays). Crumbed fillets are sold in 5-kilogram packs, which provide portion control for restaurant kitchens.

However, the supply chain does not end at the wholesaler. Working with retailers is also important to provide them with information for optimising displays and maximising shelf life.

Researchers from Curtin University also surveyed chefs during the development phase, to understand their preferred forms of the product, including product weights and information they required to make purchase decisions for their menus.

There are still a few challenges to overcome, mainly from consumers who are still coming to grips with the oilier, strong flavour, the small bones and the traditional perception of the canned variety. However, converting the opinion-making chefs has been a major first step to market success.

In Spain, Italy, Portugal, Greece and the Baltic countries, the sardine is a prince among a wide range of seafood and practically on every restaurant and tapas bar menu. They are also incredibly healthy, with high levels of omega-3 and vitamin D—simply, this product has great potential.

For further information: Janet Howieson, 08 9266 2034, j.howieson@curtin.edu.au; Cape Le Grande Australian Sardines, http://capelegrandesardines.com

New centre to speed vaccines to market

FRDC research codes: 2010/032, 2011/224, 2013/051

Among the successes that Tasmania's fish health researchers can already claim are vaccines to treat four of the leading diseases that threaten the state's $500 million salmonid aquaculture industry.

But with plans to double aquaculture production to $1 billion by 2030, the salmonid industry is investing with government to increase research capacity to produce new vaccines as an essential part of its prevention strategy to secure a viable and healthy industry.

The establishment of the new Australian Aquatic Animal Health and Vaccine Centre in 2014 is expected to further enhance existing capabilities for protecting salmonids and other fish and animal industries from new disease threats.

The centre will be part of the Tasmanian Department of Primary Industries, Parks, Water and Environment and based at the Fish Health Unit in Launceston.

Diseases the unit has already addressed include vibriosis, yersiniosis, marine Aeromonas disease and Tasmanian Rickettsia-like organism. Each has different symptoms, but all ultimately result in septicaemia and fish death.

The primary focus of the new vaccine centre will be salmonids, but it is expected to provide expertise for other species such as abalone and Pacific Oyster (*Crassostrea gigas*).

For further information: Jeremy Carson, 03 6777 2098, jeremy.carson@dpipwe.tas.gov.au

PROGRAM 3: COMMUNITIES

The fishing industry forms an integral part of many rural and regional communities. For the long-term sustainability of the fishing industry, it is important the interactions and co-dependence between the community and industry are understood. For a full listing of projects visit—**www.frdc.com.au**

Principal inputs

During 2013–14, there was $0.75 million (about 3 per cent of the FRDC's R&D investment) invested in R&D activities within this program.

Summary of performance indicators for Program 3

Strategic challenge	Performance indicator	Target	Achievement
Resilient and supportive communities	Development of knowledge to better inform the community's perceptions of the industry and to increase support for the industry. Development of knowledge that can help the industry to adapt to change.	One project to investigate drivers of community perception to the fishing industry.	• Project completed that assessed the drivers for the community's perception of the fishing industry to inform the industry's engagement in the public domain.

Facebook forums help track SBT survival

FRDC research code: 2013/025—Assessing post-release survival of Southern Bluefin Tuna from recreational fishing

A check of a laptop one morning revealed that two satellite tracking tags used in a Southern Bluefin Tuna (SBT) (*Thunnus maccoyii*) survival study were transmitting from a remote beach on King Island in Bass Strait.

This prompted a Facebook request to recreational fishing forums to ask if there was anyone on King Island who could wander down to the beach and pick them up. Word spread through the fishing community and soon the tags were retrieved and posted to the Institute for Marine and Antarctic Studies (IMAS) at the University of Tasmania.

Australia is part of an international push to rebuild the SBT population, which was heavily overfished during the 1960s and 1970s. There is now international cooperation to control overfishing in the commercial sector, but there is a need to understand the impact that the growing game-fishing community in Australia has on stocks.

Recreational fishers release many of the SBT catch, either in response to bag limits or as part of a catch-and-release ethic. The task is to find out if the fish that are thrown back into the water actually survive, and if there are fishing practices to recommend that will improve survival rates.

Funding for the research has come from the FRDC, the Tasmanian Fishwise Community Grants Scheme, the Victorian Recreational Fishing Licence Trust and the New South Wales Recreational Fishing Trust. The project began in 2012 and is expected to end in early 2015.

The study hinges on tagging SBT that recreational anglers catch by rod and reel. The state-of-the-art tags are programmed to pop off when the fish dies, or after preset periods of up to 180 days. They float to the surface and relay data back to IMAS via the dedicated Argos® environmental satellite tracking system. The data includes the location of the tag as well as stored information about the temperature, depth and light conditions experienced by the tagged fish since its release. The data can then be used to determine the survival and behaviour of the tagged fish.

So far, 45 tags have been deployed and the early results have been encouraging. However, the study would not have been possible without the support of recreational fishers and plans are underway to continue with 15 more tags to be deployed in 2015.

For further information: Sean Tracey, sean.tracey@utas.edu.au

Guide to the social importance of fisheries

FRDC research code: 2010/040—Developing and testing social objectives for fisheries management

While much is known about the ecological and economic effects of the fishing industry, the value of fishing to the community and the social impact of fisheries management decisions and policies are, for the most part, still poorly understood.

It is a gap in the existing fisheries knowledge that researchers are working to address through a three-year project to develop and test social objectives for Australian fisheries.

Research at PIRSA is examining the lack of social data as an important issue that needs urgent attention. South Australia has one of the best sets of fisheries biological and economic data in Australia, but very little data on the social aspects of fishing.

This data is important because it helps to understand how fisheries management decisions affect the social wellbeing of fishers and their communities. It could also reveal why fishing is important to an individual and a community, and what motivates fishers.

Many people who emigrated from Greece to Australia, and others like them have spent their whole life on the sea. They made a new life while maintaining their roots with fishing. It is about having access to the sea and a livelihood.

The triple bottom line

The lack of social data and objectives becomes a problem when trying to manage fisheries in accordance with the principles of ecologically sustainable development (ESD), which underpins Australian fisheries management and is commonly agreed to be the way forward in fisheries and marine ecosystem management. To achieve ESD, there needs to be not only biological and economic objectives but also social objectives.

Testing objectives

One study focused on the Queensland East Coast Trawl Fishery, a commercial fishery that operates in different regions and communities in Queensland. A second study looked at the South Australian communities of Ceduna, Port Lincoln and Wallaroo, in which fisheries operate across recreational, commercial and traditional sectors, and the indigenous community of Narungga. The case studies were chosen because they offer information from both fishery-based and regionally-based perspectives. This provided two approaches to testing the practicality of the objectives and indicators.

Data challenges

Challenges for gathering social data included reluctance within the community to comment. The research team discovered that fishers were often happy to talk about their personal situation, but less willing to provide a broader opinion. Surveying fishers who had lower levels of literacy also required a different approach, where data gathering was best done face-to-face.

The outcomes from the research include a two-part guide to managing the social dimension of fishing. The guide takes fisheries managers and other stakeholders through the steps of implementing social objectives in an ESD context by helping them identify, document and manage social objectives relevant to their fishery.

The research and guide are a significant step towards achieving triple-bottom-line assessments for government management in Australia's fisheries. The research team found that, with the right questions, a survey of fisheries managers provided a simple and cost-effective way to determine if many of the identified social objectives were being met.

For further information: Lianos Triantafillos, 08 8226 2961, lianos.triantafillos@sa.gov.au

Ancient traditions carry on

FRDC research code: 2006/067—Documenting customary practice to optimise rights of access, allocation, and opportunity in Western Australia's integrated fisheries management program

Responses from 150 Aboriginal people interviewed for this project will contribute to documenting customary fishing practices, economic development and participation in fisheries management by Aboriginal people in Western Australia.

Customary fishing is the extension of an ancient food tradition brought forward into modern times. Fish are eaten fresh and shared with family and friends, forming part of the web of reciprocities. People generally fish in order to eat that day. Fish is not frozen or otherwise preserved in large quantities. There is an ethic of 'no waste', which is a positive and powerful aspect of Aboriginal stewardship.

Seafood may often support large cultural meetings. The mix of species preferred often differs significantly from that sought by other fishing sectors and the tools used may be scoop nets, spears and handlines, and also rods and reels.

The final report outlines how Aboriginal people fish; that is, opportunistically, in areas that they know and preferably on their own traditional lands. As boat ownership is rare, most fishing is done on the coast, in rivers, river mouths and tidal shallows.

Customary fishing is now recognised within Western Australia legislation as a sector, along with the recreational and commercial fishing sectors. Other sectoral representatives in the state, for example the Western Australian Fishing Industry Council and Recfishwest, are aware of the importance of a well-recognised customary sector. Aboriginal people are less aware of fisheries policy development but this is changing.

For further information: Guy Wright, 08 9335 3733, guy@bigislandresearch.com.au

PROGRAM 4: PEOPLE DEVELOPMENT

People are the cornerstone of any industry. For the fishing industry, it is vital that it continues to attract and develop people who will take the industry forward towards a sustainable and profitable future. The FRDC has taken a strong role in supporting people development, from employing and developing young researchers, through to facilitating access to leadership development for all levels of industry.

Projects funded under Program 4 primarily address the FRDC's People development program. However, this is also addressed, as a secondary but very important element, by projects within programs 1 and 2. For a full listing of projects visit the FRDC website—**www.frdc.com.au**

Principal inputs

During 2013–14, there was $1.94 million (about 8 per cent of the FRDC's R&D investment) invested in R&D activities within this program.

Pictured above: Wayne Dredge is a recipient of a FRDC/ Woolworths Nuffield Scholarship. Wayne was recently in Malindi as part of his study tour where he is sharing world best practice.

Summary of performance indicators for Program 4

Strategic challenges	Performance indicators	Targets	Achievements
Leadership development	Provision of knowledge and opportunities to develop leadership skills and diversity across all sectors of the industry and across aligned stakeholder groups, including researchers and resource managers. Development of knowledge, skills and processes to support industry to engage in debate, adapt to change, and move toward co-management of fisheries.	Provision of knowledge and opportunities to develop leadership skills and diversity across all sectors of the industry and across aligned stakeholder groups, including researchers and resource managers. Development of knowledge, skills and processes to support industry to engage in debate, adapt to change, and move toward co-management of fisheries.	• Seventeen participants complete leadership courses.
Workforce development	Development of knowledge and tools to meet future workforce and skill needs.	Partnership project developed to improve workforce development	• FRDC continued to be a partner in the Primary Industries Health and Safety Partnership where projects were developed to assist the seafood industry improve safety on vessels and farms.
Innovation skills	Mechanisms and tools to attract and nurture RD&E capability in priority areas. Opportunities to acquire insights, knowledge and skills to create innovative, market-driven enterprises and organisations.	Mechanisms and tools to attract and nurture RD&E capability in priority areas. Opportunities to acquire insights, knowledge and skills to create innovative, market-driven enterprises and organisations.	• Fifteen participants complete bursary program.

Netting new leadership skills

FRDC research code: 2012/400—Australian Rural Leadership Program

Two weeks roughing it in the Kimberley was a world away from their roles in the fishing industry, but it laid the foundations for a journey Katherine Sarneckis (pictured above) and Kate Brooks (inset) will never forget.

Both were FRDC-supported graduates of the most recent round of the Australian Rural Leadership Program (ARLP), a 17-month initiative that equips participants with skills to advance and support their industries and communities.

They joined 27 other established leaders from a cross-section of industries, including farming, telecommunication, natural resource management, research, government and community engagement.

As the youngest-ever chief executive officer of the Northern Territory Seafood Council, Katherine Sarneckis embraced the opportunity for professional and personal development and exposure to national and international issues affecting rural Australia.

While some experiences were confronting—such as visiting rural India and meeting homeless people in Sydney—Katherine says the ARLP equipped her with leadership strategies that will benefit her role in the industry. One continuing challenge is understanding her own ability, as a leader, to influence productive engagement with the community and to work with—not against—people.

Katherine believes that the seafood industry has strong science to support its activities, but facts alone are not enough to gain community support. Exposure to other industries through the ARLP has made her think about how to sustainably promote our sector. She is now exploring new opportunities to engage and educate the community.

Kate Brooks manages the FRDC's Social Sciences Research Coordination program, which identifies social and economic issues facing the seafood industry and works with researchers, industry and government to develop and deliver research projects aimed at providing solutions.

The ARLP exposed her to a multitude of experiences and ways of viewing the world, working with different people, solving problems and approaching challenges. Participation and experiences from the program have further developed her leadership style to be more enquiring, open and embracing of those around me and opportunities that may exist.

Both participants credit the ARLP with a better understanding of their own management styles, strategies for effective leadership, and skills such as influencing conversations to achieve positive outcomes.

The FRDC has sponsored 35 ARLP participants since 1993, as well as three participants in its TRAILblazers program. FRDC Projects Manager—Research Jo-Anne Ruscoe says leadership development is an important investment that leads to improved personal leadership skills and therefore organisational, systemic and societal pay-offs in the longer term.

The FRDC believes its investment in the ARLP develops people who have a greater appreciation of other rural industries and the opportunity to build partnerships in rural communities.

For further information: Australian Rural Leadership Foundation, www.rural-leaders.com.au

A question of condition

World-first techniques to assess the quality of rocklobster meat in live animals could lead to improved quality in rocklobster exports and optimise returns for fishers and exporters.

Tasmanian researcher Cedric Simon has delivered promising results from a 12-month research project to adapt standard veterinarian diagnostic equipment to measure blood samples for quick and simple assessment of the condition of live rocklobsters.

The traditional method for determining the nutritional condition of the rocklobster is to destroy the animal and examine its organs. Assessing the condition of a rocklobster without dissecting it is difficult because the hard shell shields the meat of the animal from view.

Blood samples from Eastern Rocklobsters (*Jasus verreauxi*) and Southern Rocklobsters (*Jasus edwardsii*) were sent to Canadian scientists to conduct in-depth analysis of blood biochemistry. About 30 different factors have been investigated as a potential measure of health.

The automated blood analyser provides many different measurements that help in better teasing out nutritional condition. These include protein, fat and mineral content of the blood.

In a world first, Cedric is also adapting other techniques such as near-infrared spectroscopy to measure the carbon content of the tail muscle. Infrared light is reflected differently depending on the composition of the muscle tissue. A higher concentration of carbon is found in healthier rocklobsters.

While this research is being trialled in the laboratory on tails that have been frozen and then thawed, the next stage will be to use portable equipment and conduct the research on live rocklobsters on a boat or in a holding facility. Being able to assess the condition of the rocklobster with non-destructive techniques is important, as animals are shipped and sold live for high prices. They are also extremely valuable alive as broodstock to produce larvae for potential farming.

Cedric's research is expected to benefit the rocklobster fishing and aquaculture industries by leading to new techniques to quickly assess the nutritional status of the animals, knowledge that can be used to maintain their condition in live holding facilities and during shipping.

The 12-month project will conclude after a visit to Canada later in 2013 to modify the technology to suit Australian conditions. Plans for the future are for the technology to be incorporated into affordable handheld devices for direct and easy use on boats or at live holding facilities.

Cedric's project was funded by the FRDC as the winner of the 2012 Science and Innovation Award for Young People in Agriculture, Fisheries and Forestry. He received additional funding for the project as the winner of the Minister for Agriculture, Fisheries and Forestry's Award, announced at the same time.

Students shaping the future

FRDC research code: 2008/351 People development program: Sponsorship of AMSA student prizes

The FRDC recognised the efforts of two young marine researchers at the Australian Marine Sciences Association's (AMSA) conference—an annual gathering of Australia's leading marine scientists to discuss future research directions. More than 400 people attended the conference held in Canberra in July 2013.

PhD candidate Mitchell Zischke won the FRDC award for best student presentation at the conference. The presentation outlined new information about the age and growth rates of Wahoo (*Acanthocybium solandri*) in the Coral Sea and a model for the assessment of other bycatch species.

The award for best student poster presentation was won by Stacey Trevathan-Tackett for her poster on microscale sediment chemistry during seagrass decomposition.

Sustainable harvesting

Mitchell Zischke says Wahoo is an incidentally caught species retained for sale in oceanic fisheries targeting tunas and coastal fisheries targeting mackerels. Although the Eastern Tuna and Billfish Fishery focuses on tuna and Swordfish (*Xiphias gladius*), 20 to 40 tonnes of Wahoo are also harvested each year. This contributes to an annual global catch of about 3000 tonnes. The lack of biological information about the species was limiting stock assessment and management.

The work Mitchell presented at the conference is part of a larger body of information he has collected to assess life history, stock structure and sustainability of Wahoo. Stock structure data has allowed him to determine that Wahoo off the east coast of Australia, are a single population which do not appear to mix with other populations from the eastern Pacific Ocean.

The final part of Mitchell's PhD combined biological and fishery information to produce the first stock assessment of this species for the region (eastern Australia). He has found that the current levels of catch are below reference points, which means Wahoo is being fished at a sustainable level, given their fast growth and the low levels of catch.

The work provides a baseline for the management of commercial and recreational fisheries that catch Wahoo. It also provides important information to aid in future assessment of the species.

Main photo: Mitchell with a Wahoo. Inset: Stacey (at left) with Carolyn Stewardson, FRDC Projects Manager—Research at the AMSA conference.

Seagrass meadows

Stacey Trevathan-Tackett's winning poster illustrated the work she is doing on the cycling of chemical compounds between seagrass and the environment during seagrass decomposition.

Seagrass meadows are a globally significant carbon sink. They cover only 1 per cent of the sea floor but capture about 70 per cent of marine carbon dioxide and at rates up to 40 times faster than terrestrial forests. This 'blue carbon'—atmospheric carbon captured and stored by marine environments—can remain stored for millennia.

Her research is centred around Gosford on the New South Wales central coast. She is looking at factors that can adversely impact seagrass meadows, and how the health of seagrass meadows affects their capacity to store carbon, including how carbon is released as the meadows decompose.

Stacey says declining water quality due to sediment and nutrient inputs from land can cause algal outbreaks that block out light and cause the death of seagrass. Physical disturbances such as dredging and boat groundings can also kill seagrass. With sea temperatures predicted to rise, she is investigating how high temperatures and high nutrient loads might affect seagrass decomposition, nutrient cycling and carbon stocks.

The role that coastal environments can play in a future low-carbon economy is a fast-growing area of research and Stacey's work is adding to the knowledge about how chemical, microbial and environmental factors come together to impact seagrass carbon storage.

For further information: Mitchell Zischke, 07 3255 4213, mitchell.zischke@daff.qld.gov.au; Stacey Trevathan-Tackett, 0424 483 513, stacey.m.trevathan-tackett@student.uts.edu.au

Shared perspectives broaden leadership skills

FRDC research code: 2012/401

Now in its 14th year, the National Seafood Industry Leadership Program (NSILP) is going from strength to strength, with graduates taking leadership roles in a number of state and national industry and government organisations.

The program has been designed in consultation with the seafood industry and focuses on developing the skills of its participants at three key levels—personal, business and national industry. Handling conflict, improved communication techniques, high-performance team building, change management and media training are also part of the program.

The 2013 graduating class is a good example of this cross-sectoral approach, including:

- Kelly Buchanan, director of the International Fisheries Section in the Department of Agriculture,
- Tony Charles, hatchery manager at Australian Prawn Farms in Mackay, Queensland,
- Ben Cobbing, a Tasmanian abalone diver based at Smithton and director of the Tasmanian Abalone Council,
- Bruce Davey, a long-time fisher based in Darwin, Northern Territory, fishing in the Gulf of Carpentaria,
- John Cordin, business development and sales manager for Austral Fisheries,
- Dan French, a fisheries researcher and director of Frenchenviro, a consultancy specialising in sustainability, environmental assessment and ecosystem design,
- Matt Gillett, policy officer with Recfishwest, the peak body for recreational fishers in Western Australia,
- Steve Groom, finance manager and company secretary of the Sydney Fish Market,
- Dimitri Hari, retail operations manager for Transtasman Fisheries, based at the Sydney Fish Market,
- Chadd Mumme, aquaculture lecturer for Trades and Primary Industries at Charles Darwin University,
- Andy Myers, OceanWatch Australia extension officer for New South Wales,
- Matt Osborne, an indigenous development consultant with the public sector agency Rural Solutions SA,
- Scott Parkinson, breeding manager at Shellfish Culture Ltd, Clifton Beach, Tasmania,

NSILP graduates Kelly Buchanan (left) and Bruce Davey (right) with program coordinator Chris Calogeras.

- Clive Perryman, a Tasmanian rocklobster fisher, board member of the Tasmanian Rock Lobster Fishermen's Association, and fisher participant in the Seafood Industry Partnerships in Schools program,
- Katie Scutt, who works with AFMA in Canberra, focusing on northern and western Commonwealth fisheries,
- James Ward, general manager of the NSW Fishing Industry Training Committee.

The program requires participants (and their businesses or employers) to commit nine days to the program. Funding for the training is provided by the FRDC and co-sponsoring industry partners. Sydney Fish Market is the program's gold sponsor. In addition to learning leadership skills and having access to industry networks, participants also break into groups to undertake a specific research project.

Some of the projects were the development of a 'blue sky think tank' for the fisheries industry to generate new ideas and research directions. One project investigated the potential for QR [quick response] codes to provide information about the source of seafood as it progressed through the supply chain. It was determined that this could provide a highly effective means for linking relevant information with products. Another group developed a communication strategy to ensure the new minister responsible for fisheries was aware of key industry issues.

For further information: Jill Briggs, 02 6035 7284, jill@ruraltraininginitiatives.com.au, www.ruraltraininginitiatives.com.au/home/programs/seafood

Recfishing recruits young leaders

The peak recreational fishing organisations in Victoria and South Australia are actively expanding the pool of potential leaders for the sector, with a recent leadership course targeting younger recreational fishers. VRFish and RecFish SA joined forces to hold a four-day future leaders workshop at Port Fairy, Victoria, in December 2013.

The course was run by Ian Cartwright, former head of the School of Fisheries at the Australian Maritime College and well-known fisheries consultant. Participants responded to a widely advertised call for applications and nine candidates were selected. The course provided a wide range of information on diverse subjects including fish biology, stock assessments, compliance, conservation, management and advocacy.

The course highlighted the need for recreational fishers to work with fisheries managers and other users, such as commercial fishers and non-extractive users. It also reinforced the need to have systems in place to monitor changes in fish stock numbers and fishing pressure over time.

The recreational fishing sector is diverse, and this type of program will help ensure that it can incorporate that diversity into peak representative bodies and advocacy groups. It also assisted with participants compiling a list of priority actions that they would like to see implemented to improve recreational fishing.

Funding for the course was provided by the Department of Agriculture, with support from Fisheries Victoria and PIRSA.

For further information: Dallas D'Silva, 03 9686 7077, dallas@vrfish.com.au

PROGRAM 5: EXTENSION AND ADOPTION

Knowledge arising from R&D will be used and transformed into appropriate mediums to support stakeholder decision making, assist with achieving their objectives, and inform the broader community. For a full listing of projects visit the FRDC website—**www.frdc.com.au**

Principal inputs

During 2013–14, there was $1.65 million (about 7 per cent of the FRDC's R&D investment) invested in R&D activities within this program.

Summary of performance indicators for Program 5

Strategic challenge	Performance indicator	Target	Achievement
Extension and adoption	Increase in rates of adoption.	Increase in rates of adoption.	Eighty per cent of projects complete extension strategies at start of project.

Serving up the best

FRDC research code: 2013/502—Appetite for Excellence 2013

Touring South Australia, young leaders in the hospitality trade delved into the best practices behind the fish and other foods they serve.

It is all part of their experience as national finalists in the Electrolux 'Appetite for Excellence' program, designed by its founders Luke Mangan and Lucy Allon to identify, recognise and nurture young talent in the hospitality industry. The annual regional tour also provides an opportunity for leading primary producers to promote sustainable practices and the benefits of applying the best science.

This year, the group of young chefs, waiters and restaurateurs spent six days in South Australia, travelling from Adelaide, heading out through the Adelaide Hills to the Fleurieu Peninsula, the Coorong and Barossa Valley.

During the tour, the finalists taste, test and discuss a broad range of food with the primary producers who grow, catch and cultivate it. They visit dairy and cattle producers, wine makers and pick the best vegetables with growers. They also spend time with fishers who have attained the highest levels of sustainability; the Lakes and Coorong Fishery was the first multi-species fishery in the world to achieve Marine Stewardship Council accreditation.

Seafood was the focus of two days of the tour, including an early morning start to learn how fisher Glen Hill tends his mullet and Mulloway nets in the Coorong. The cold temperatures on water did not slow down Glen Hill, who showed great skill and dexterity bringing in the nets by hand. But this did provide the visitors with a good appreciation of how tough the work is.

The tour and the Appetite for Excellence awards are supported by the FRDC, Meat & Livestock Australia, Dairy Australia, and Horticulture Australia Limited to help provide a firsthand understanding of Australia's primary industries.

For further information: Peter Horvat, 02 6285 0414, peter.horvat@frdc.com.au

From left: Stephanie Jacob (waiter), Julia Paussa (restaurateur) with Coorong fisher Glen Hill and Braden White (chef and award finalist).

Seafood Directions

FRDC research code: 2012/505—Seafood Directions 2013: Adapt, Interact, See Food

The seafood industry's national conference focused on the importance of connecting with consumers and markets in Australia and abroad to tell the industry story.

The theme of the Seafood Directions conference, held between 27 to 30 October 2013 on South Australia's Eyre Peninsula, was 'Adapt, Interact, See Food'. These themes were reflected in many of the events and presentations at the four-day event, at which market opportunities arising from evolving international tastes for seafood, the need for the industry to develop a unified front and the importance of community engagement were discussed.

The conference itself began by engaging the local community through the Family and Fishers Trade Show held at the Port Lincoln Marina. This featured cooking demonstrations by Hong Kong's three-time Iron Chef winner Wong Wing Chee and a dragon boat race that pitted conference delegates from three different states against each other.

World aquaculture comes to Adelaide

FRDC research code: 2009/303—Australasian Aquaculture 2010 to 2014

The World Aquaculture conference took place in June 2014. The five-day event was held at the Adelaide Convention Centre and drew more than 2000 delegates from around the world for technical workshops, research presentations and networking opportunities.

Senator Richard Colbeck (pictured above on opposite page) launched the National Aquaculture Statement as a precursor to the development of a national aquaculture strategy. The statement is a clear commitment from federal, state and territory governments to help the industry expand.

Nigel is presented with his award by Dr Michael Schwarz, President of the World Aquaculture Society.

Key themes discussed were the limited opportunities to expand land-based agriculture because of competition from other uses, including urbanisation. However, there are vast amounts of open ocean waters that aquaculture could use to overcome critical land and water shortages to increase food production—if done responsibly.

Social licence to operate was also a key discussion theme throughout the gathering, with speakers recognising how gaining public trust is a crucial component of building a successful business. Other important topics discussed included the scrutiny of the science used by managers in their decision-making process and how to improve production efficiency. Innovative ideas such as the use of recirculating systems were discussed for expanding aquaculture inland and improving the health of fish that reach sea cages.

Australian scientist Nigel Preston (pictured at right) was recognised and named as a Fellow of the World Aquaculture Society. Nigel is director of CSIRO's Food Futures Flagship, which has a focus on breed engineering and has worked on many FRDC projects.

For further information:
National Aquaculture Council,
www.aquaculture.org.au/

REPORT OF OPERATIONS
PART 3

MANAGEMENT SERVICES

FRDC SERVICES

FRDC extends its services

The FRDC's operating environment changed significantly during 2013–14. Driving this has been amendments to PIRD Act that allowed the FRDC to expand its core role. Additionally, the closure of Seafood Services Australia (SSA)—a service delivery body—has provided the FRDC with options to deliver an expanded range of services.

Changes in the operating environment led the FRDC to evaluate its services and its role. The result has been a significant increase in operational service delivery for the seafood industry, the Australian government and Australian consumers.

The extended services FRDC assumed during 2013–14 include: standards development, trade analysis and marketing (due to be activated in the second half of 2014).

It is important to note that taking on these services required the Corporation to become accredited with Australian Board of Standards Development Organisations. This required the FRDC to develop new policies and procedures as well as undergo a rigorous independent audit.

Seafood Services Australia closes

The organisation that spearheaded efforts to provide a common, national naming system for Australia's diverse seafood closed its doors on 22 July 2013.

Established in 2001 by the FRDC and the Australian seafood industry, SSA successfully delivered several important projects for the fishing industry. Examples of SSA's major achievements include the Seafood Market Access and Trade Forum; the Common Language Group; and the National Seafood Incident Response Plan, to better coordinate resources and communication efforts in response to seafood-related health issues.

The decision to cease trading was reached after long deliberation by its directors and members. A main driver was a significant reduction in the availability of funding for all primary production industries that reduced SSA's potential income streams.

At the time of closure the FRDC had contracted SSA to deliver a number of key projects. In making its decision the SSA Board wanted to ensure SSA left a strong legacy for the seafood industry and its stakeholders and to do this, put in place a process to transition these projects and any assets to the FRDC so they could be completed and available in the future.

The four main projects the FRDC took responsibility for were:

- 2013-023—Develop a draft Australian Standard for responsible fishing on vessels to improve public perception of the commercial fishing industry.
- 2012-209—Develop and promote the Australian Fish Names Standard (AS SSA 5300) and ensure reaccreditation as a Standards Development Organisation.
- 2012-211—Secure trade and market access for the Australian seafood industry.
- 2012-500—Establish a forum (Common Language Group) for working with all stakeholders to reach agreement on contentious issues in the fishing and aquaculture sectors.

The FRDC acknowledges the invaluable contributions of SSA staff members, its Board and members—Seafood Experience Australia, National Aquaculture Council, Sydney Fish Market, Western Australian Fishing Industry Council and the Aquaculture Council of Western Australia.

Marketing

Promotional possibilities for fishing and seafood

The *Rural Research and Development Legislation Amendment Act 2013* extended the scope and range of activities the FRDC can undertake by amending its enabling legislation, the PIRD Act. The legislative changes now allow, if agreed to by industry, the FRDC to link RD&E to marketing, as part of a natural progression to improve outcomes for the industry.

The changes are expected to not only improve the industry's productivity and profitability by enabling the unified marketing of seafood category (prawns, fish, etc.) but also allow its many stakeholders to collectively address public perceptions of fishing and aquaculture in the Australian community.

In the first 12 months (starting 2014) the FRDC sees its initial role in marketing as consulting, engaging and communicating with the industry to gain an understanding of what end users want from a collective and stakeholder specific marketing function.

However, the FRDC is—at its core—a research organisation. This will not change as it underpins FRDC's reputation as an independent, evidence-based organisation. Any marketing or promotion undertaken will adhere to the same rules and standards as the Corporation's other activities. In line with this, the FRDC has made clear to its stakeholders that it will not be able to use the marketing functions to undertake advocacy. There will be a clear separation between the FRDC's role and that of industry.

The FRDC will put in place any necessary systems, such as policies to deliver on industry's call for FRDC to undertaking marketing activities where requested. New activities will only be activated in response to a request from the industry or an industry sector as they must want to establish a collective marketing function. The FRDC can only undertake marketing activities using funds contributed for that purpose, that is R&D funds cannot be used for marketing.

FRDC will carefully consult with stakeholders on how they might benefit from this activity and how to establish industry funding mechanisms for national- and sector-based marketing.

The goal of stakeholder engagement is that by the end of 2014, the FRDC will have a good idea of what industry—as a whole—is willing to support, for example increasing recreational participation rates or seafood consumption, addressing sustainability questions, or increasing recreational fishing participation rates.

Industry support for change

The push to allow the FRDC to have marketing included in its remit has been driven by industry. Following the announcement of the change to the Corporation's enabling legislation, the FRDC received letters of congratulation and support from all major sectors of the industry and many interested stakeholders. Three examples are:

> "Exactly what our industry needs to develop our markets in the face of increasing global competition." —Nathan Maxwell-McGinn, International Trader, CM Foods Division, Craig Mostyn Group.

> "This truly is a significant milestone for Australian seafood in its journey to developing more significant marketing strategies and objectives in the future. Well done." —Marshall Betzel, Queensland Seafood Marketers Association.

> "Good news. Looking forward in the new year to be able to prioritise and scope appropriate programs to grow the market and inform the Australian consumer particularly. Here's to a great 2014!" —Frances Bender, Huon Aquaculture.

Developing partnerships to tell the seafood story

Establishing long-term partnerships with stakeholders where both partners benefit is part of the FRDC's future marketing strategy. The Australian wine industry is one example where cross promotion and working together will bring benefits to both sectors.

The FRDC has started to build a strategic partnership with the Australian Grape and Wine Authority (AGWA), formerly known as Wine Australia and one the of the 15 rural RDCs, to open up new opportunities for seafood producers. The FRDC has participated in a number of events with AGWA both here in Australia and overseas which has included two AGWA events in China (Hong Kong and Shanghai). The FRDC is now working with AGWA in-country teams around the world to try to match Australian seafood and wine companies and events.

Trade

The announcement in July 2013 that SSA was closing has meant that a number of key FRDC projects would require transitioning to new organisations. The FRDC has taken direct responsibility for the management of the Seafood Market Access and Trade Forum and its trade databases, including:

- food microorganisms,
- contaminants,
- food additives,
- export tariff and duties,
- Australian seafood detainments
- trade issues,
- Codex for comment,
- trade statistics.

The FRDC will now deliver trade and market information and services to its stakeholders, with Simon (Song) Liu, previously from SSA, being engaged to provide advice and update trade data for FRDC's website (**www.frdc.com.au/trade**). As part of the transition, some users will have noticed FRDC has implemented fundamental changes to previous SSA databases and websites to ensure they comply with government regulations, such as the privacy and accessibility guidelines. This has included asking all subscribers if they wish to continue to receive trade information.

The FRDC has also been speaking with key partners (Department of Agriculture; Department of Foreign Affairs and Trade; SafeFish) to review all current trade and market access activities to identify ways that the delivery of services can be improved. This has led the FRDC to look at the structure and design of some of SSA's databases and implement several small changes. Further changes to the Seafood Market Access and Trade Forum may take place in the future and the FRDC will keep all users up to date as these occur.

To keep abreast of trade issues, FRDC's Communications Manager Peter Horvat has been appointed to the Department of Agriculture's Export Consultative Committee and the SafeFish Committee. He will also join the Seafood CRC's Seafood Trade and Market Access Group, which was formed mainly to improve trade with China. The FRDC's participation will help reduce duplication in work underway.

Standards

The FRDC was approved by the Accreditation Board for Standards Development Organisations as a Standards Development Organisation (SDO). The main reason for becoming a SDO was to ensure continuity of the Australian Fish Names Standard following the closure of SSA.

The FRDC is well recognised as a reliable source of knowledge within the fishing industry and is sufficiently resourced to carry out standards development work within the scope of accreditation, within a reasonable time frame.

Already carrying International Organization for Standardization (ISO 9001) accreditation, the FRDC was able to prove it has sound administrative procedures in place, but for SDO approval it will also have to demonstrate impartiality and neutrality throughout the standards development process. Accreditation by Standards Australia will allow the FRDC to develop Australian Standards in terminology, sustainability and operational practices in the fishing industry.

This has been a significant and important achievement for the FRDC, as it becomes one of only five organisations accredited to develop Australian Standards and the only one able to do so within the food industry.

'Standards' are published documents setting out specifications and procedures designed to ensure products, services and systems are safe and reliable, and consistently perform the way they were intended to. Standards establish a common language, which defines quality and safety criteria.

Standards can be guidance documents including Australian Standards, International Standards and Joint Standards, Codes, Specifications, Handbooks and Guidelines. These documents are practical and set achievable goals. They are based on sound industrial, scientific and consumer experience and are constantly reviewed to ensure they keep pace with new technologies.

Standards cover everything from consumer products and services, construction, engineering, business, information technology and human services to energy and water utilities, the environment and more.

The FRDC will be able to implement standards are based on the latest fisheries research, to encourage a greater uptake of the most responsible, science-based fishing procedures. The funds FRDC spends in developing new standards could potentially be recovered through accreditation fees, with any additional money recovered then being reallocated to more fisheries research.

More information is available at www.seafoodstandards.com.au

Fish Names

The FRDC has inherited the Australian Fish Names Standard (AS SSA 5300) from SSA. To maintain this existing standard, the FRDC will form a committee to assess any requests for changes or additions to 'Fish Names'. The Australian Fish Names Standard was approved by Standards Australia as an official Australian Standard in 2007. It aims to prescribe a standard fish name for each species of fish produced or traded in Australia. At the moment, it includes nearly 5000 Australian and imported species (mostly finfish) but plans are in place to add more crustaceans, molluscs and sharks.

A searchable online database (**www.fishnames.com.au**) includes all species listed in the Standard. Anyone can find a fish (and other species, prawns etc) by name and check its previous or non-standard names, as well as—in some cases—seeing an image.

The current standard specifies that fish sold to consumers, for example over-the-counter sales and in restaurants, must be identified by their standard fish name; and fish sold other than 'directly to consumers', for example, wholesale, export and import, must also be identified by their standard fish name or scientific name.

This aims to increase consumer confidence in the seafood product purchased as standard names mean more effective fisheries monitoring and management, which in turn results in greater sustainability of fisheries resources. Traceability and food-safety management can also improve with more efficient seafood marketing campaigns, and increasing industry profitability.

Having a 'standard' in place also allows for more efficient and effective management of food safety and reduces the potential for misleading and deceptive conduct as more accurate trade descriptors can be used.

Information management

The goal for FRDC's IT [information technology] system for 2013–14 was to improve control, and improve flexibility to meet stakeholder demands as well as move towards a total paperless office.

For the past 10 years, the FRDC has been using a custom-built archive to manage its project management system to manage the full suite of its activities. The archive reached a tipping point when it became too costly to change and maintain because of the hard-coded nature of the software.

The FRDC then embarked upon a review of available technologies that would meet the diverse, dynamic and growing needs of the Corporation in a timely and cost-effective manner.

A range of technologies provided an 'out-of-the-box' ability to develop and implement the system's parameters.

The decision was made to develop software internally using expertise that would integrate staff. This provided the opportunity for staff to engage and assist the development to ensure the highest level of usability and acceptance.

The new system was developed over 10 months from conception to be fully operational. The decision to use out-of-the-box technology (Microsoft Sharepoint, Dynamics CRM and third-party software K2, GP Accounting and connectors that allow for seamless integration) meant a total cost of under $400,000. It is estimated that taking this approach has reduced the development cost by around $700,000–1,000,000.

The final system has provided the FRDC with more flexibility and control over its software, and the ability to customise it as demands require; as well as reducing the reliance on technical specialists.

It is important to note that the final system also covers FRDC's project management process which links all project records with a full finance system including deliverables, payments, income tracking and financial reporting. In addition the new system has meant the FRDC has become as close as possible to a paperless office, where all processing and records are now stored electronically.

Corporate communications

Communication continues to be a major focus for the Corporation. FRDC staff have worked hard during the year to maintain their relationship with all stakeholders. One-on-one contact is very important and underpins the 'partnership approach' the FRDC uses towards developing and disseminating RD&E. Staff use their time and opportunities to network with researchers, industry and government colleagues at many meetings over the course of a year.

Interacting with the media has been particularly important during 2013–14. The FRDC have actively engaged with journalists across Australia during the year providing information to better inform their stories. The FRDC participated in more than 50 interviews, television shows and was referred to in several hundred newspaper articles.

FISH magazine continues to be one of the leading fisheries research magazines in Australia and survey results indicate a high level of recognition and approval. Over the course of the year, readership has increased and indications are that is will grow in the coming year.

The development of an iPad version of the magazine was finalised and made available via the Apple Store in August 2013. Work also continued in response to reader requests for a version for android tablets which should be released in September 2014.

FISH for iPad and android.

Download the FRDC *FISH* magazine from the App Store directly or follow the steps below to find and install it:

1. Click the App Store icon on your iPad.
2. Search for FRDC *FISH* magazine.
3. Install, open the app and enjoy reading.

Click and deliver

The FRDC digital domain grew in terms of the number of sites, visitors and information (reports) accessed. The array of information now provided extends well beyond traditional final research reports—which tally well over 1200 (available as free downloads)—to include publications, video tutorials and trade and market data.

During the year the FRDC updated its website and launched a new linked site focusing on service of standards development—**www.seafoodstandards.com.au**. In addition to this site, the FRDC has continued to expand and deliver material through social media.

Social media tools have become an important part of the FRDC's communication strategy—to promote the science and best practice that underpins the Australian seafood and angling industry. Central to this strategy is to bring existing fisheries science to the broader Australian community as effectively and as freely accessibly as possible.

While traditional media such as radio, newspapers, magazines and television are still important, there are now so many more places to look for information.

Social media is about being part of a community—telling and sharing part of a broader story. More sites telling the story of seafood will help to bolster the information it is possible to deliver.

The FRDC has tried to integrate information delivery between its websites and Facebook pages and re-use it in different formats to appeal to different audiences. This cross-promotion has led to an increase in web traffic to the three main sites by more than 300 per cent in the past year.

The range of digital initiatives from the FRDC has brought the communication of fisheries science well and truly into the digital age.

FRDC digital media

The FRDC website—www.frdc.com.au

The FRDC website is primarily designed to provide information to industry, government and researchers, but it is also an excellent source of knowledge for anyone interested in marine and fisheries research. The website has expanded to now include information on trade, social sciences and marine planning.

FRDC YouTube channel—www.youtube.com/fisheriesresearchAU

The FRDC YouTube channel contains stories about, or generated by, FRDC projects. It provides a good source of information on research results, especially for schools.

FRDC Facebook page—www.facebook.com/FRDCAustralia

The FRDC Facebook page aims to inform the general public of the latest research and practice. The page has opened up communication channels and allowed the FRDC to promote the latest events, project updates, research facts and fish factoids to a broad audience.

The 'Status of key Australian fish stocks reports'—www.fish.gov.au

This website is designed for anyone who has an interest in knowing how Australian fish stocks are faring. It provides a high level of detail and gives a national perspective. The website also contains an excellent overview and description of fishing methods used in Australia, complete with diagrams for each. December 2014 will see the revised and expanded reports released.

Fishfiles—www.fishfiles.com.au

This website is designed as a consumer education resource for anyone interested in seafood. It brings together existing resources, namely the *Australian Seafood User Manual*, and links to other material such as the *Status of key Australian fish stocks reports*, articles from *FISH* magazine, the *Eyre Region Species Guide* and *Seafood Flavour Wheel* and seafood safety material from SafeFish.

Fishfiles Facebook page—www.facebook.com/Fishfiles

The Fishfiles Facebook page is designed to be the link between FRDC's three sites (www.frdc.com.au, www.fish.gov.au and www.fishfiles.com.au), as well linking to our partners and the broader community. The target point for this website is seafood consumers. The Fishfiles page will broaden FRDC's current reach to the community and provide a way to share scientific information that underpins the fishing industry to people who receive the messages via the FRDC Facebook page.

Fishfiles YouTube channel—www.youtube.com/FRDCFishfiles

Video is an important component of the Fishfiles website, especially for the younger audience. It is integrated into the website, but is hosted on its own Fishfiles YouTube channel. The format is aimed at giving a behind-the-scenes insight into what key stakeholders (fishers, retailers, scientists and chefs) think and know about seafood. These stakeholders are experts in their chosen field and will give the viewer confidence in the message being delivered.

Standards website—www.seafoodstandards.com.au

FRDC is accredited by the Accreditation Board for Standards Development Organisations to develop Australian Standards. This website provides the overview of current standards, such as the Australian Fish Names Standard (AS SSA 5300) and work underway to develop a Responsible Fishing Standard.

Fish Names website—www.fishnames.com.au

The Fish Names database provides access to over 4000 species listed in the Fish Names Standard. These names are recognised as the name that fish sold to consumers must use.

MANAGEMENT AND ACCOUNTABILITY

Planned outputs for this program are focused on continually improving FRDC's management and accountability activities. Each year, information on explicit planned outputs is provided in the annual operational plan. Since these outputs contribute to the planned outcomes of the five R&D programs, they are crucial to the FRDC's effectiveness and efficiency. The Corporation's ISO-certified quality management system encompasses all these activities.

FRDC strategic planning and reporting documents (comprising RD&E plan, annual operating plan and annual report) were completed and presented within their duly legislated timeframes to the Minister for Agriculture. These documents aim to identify the key issues that face the FRDC, and outline strategies to take advantage of opportunities, and to minimise or mitigate against negative risks.

To increase the effectiveness and ensure the views of stakeholders are heard, the FRDC Board and staff use a range of mechanisms. These include consulting with representative organisations, FRABs, sector industry bodies, government and other RDCs through the Council of Rural Research and Development Corporations.

Principal inputs

During 2013–14, there was $4.67 million (around 17.0 per cent) invested in activities within management and accountability. The increase of $1.2 million was due to a write down of assets.

Performance indicators

Since the management and accountability outputs contribute to the planned outcome of the FRDC's R&D programs, they are crucial to the FRDC's effectiveness and efficiency. The following six performance indicators link FRDC business practices with the R&D program delivery. They also help ensure that FRDC can show good management, accountability and corporate governance.

Performance indicators	Target	Achievements
Projects focus on the FRDC Board's assessment of priority research and development issues.	95%	All projects aligned to the priorities of the FRDC Board, government and industry stakeholders.
Projects are assessed as meeting high standards/ peer review requirements for improvements in performance and likely adoption.	95%	All projects met a high standard. Each project, where applicable, had an extension and development plan developed.
Maintain ISO 9001:2008 accreditation.	100%	FRDC maintained ISO 9001:2008 accreditation following an external audit.
Submit planning and reporting documents in accordance with legislative and Australian Government requirements and timeframes.	100%	Achieved: All corporate documents were submitted according to required timeframes.
Implement best practice governance arrangements to promote transparency, good business performance, and unqualified audits.	100%	Achieved: FRDC received an unqualified audit report for 2013–14 financial statements.
Demonstrate the benefits of RD&E investments by positive benefit cost analysis results.	100%	Achieved.

Quality system

The FRDC is a certified AS/NZS ISO 9001:2008 organisation for quality, and undertakes both internal (cross team) and external audits annually with a recertification audit of its quality system triennially. The FRDC carried out five internal cross-team audits in 2013 and underwent its annual external audit on 19–20 September 2013. Not only does the quality system ensure appropriate policies and procedures are in place and are used, it provides the basic framework to act as a service charter for the organisation.

Risk management

There was no incidence of fraud at the FRDC during 2013–14.

The Board reviewed and approved the FRDC risk management framework at its February 2014 meeting. All staff participated in an internal risk workshop on 27 September 2013 which was used to update the Corporation's risk register. Additionally, the Board reviews the highest ranked risks at every meeting.

In 2013, the FRDC participated in Comcover's Risk Management and Benchmarking Survey which is conducted annually and provides an independent review of the FRDC's existing risk framework, involving a survey and a review of the documentation.

FRDC achieved a rating of 8.2 (up from 7.8 the previous year) against the 10 elements of the Comcover benchmarking model. The average for individual peer group agencies (as defined by Comcover) was 7.4 compared to the average for the total 119 agencies evaluated which was 7.0 out of 10.

Risk management is incorporated into FRDC activities in accordance with its risk management policy, which is integrated into the Corporation's quality management system and internal audit program. The risk management policy also incorporates a fraud control framework in accordance with the Fraud Control Guidelines produced by the Attorney-General's Department which seeks to minimise the likelihood and impact of fraud. The FRDC also participated in an Australian Institute of Criminology survey during the year.

Finance and administration

The 2013–14 audit report by the Australian National Audit Office confirmed the FRDC's financial statements gave a true and fair view of the financial position of the Corporation and there were no adverse findings associated with the audit.

The FRDC has continued to build partnerships with individual industry sectors. It currently directly invests with entities such as Southern Rocklobster Ltd, Australian Southern Bluefin Tuna Industry Association, Tasmanian Salmonid Growers Association, Australian Prawn Farmers Association and the Australian Barramundi Farmers Association. These partnerships offer both parties a number of advantages. For industry they provide more involvement in determining and undertaking RD&E. For the FRDC they provide a more certain flow of industry funds and ultimately a greater understanding of the fishing industry.

An overview of the state and territory contributions against the maximum matchable contribution is shown in table 2: Contributions, maximum matchable contributions by the Australian Government and returns on investment, 2013–14 (page iii).

FRDC also holds a share in Australian Seafood Co-products (ASCo) which is a company developed to look at alternate uses for fish processing waste.

Agreements and contracts

Each year the FRDC engages companies, research institutions, and government agencies to undertake research. The process for applying for funding is clearly outlined on the Corporation's website. Each organisation selected is directly engaged under contract for that project. A list of all active projects, including projects approved by the FRDC Board is available on the website—**www.frdc.com.au**

Consultancy services and selection of suppliers

During the year, the FRDC engaged six consultancies (as defined in the Department of Prime Minister and Cabinet document, *Requirements for Departmental Annual Reports*) to the value of $10,000 or more.

When selecting suppliers of goods and services, the FRDC follows its procurement procedure—which seeks to achieve value for money and to deal fairly and impartially. The FRDC policies and procedures align with the principles contained in the *Commonwealth Procurement Rules*. Obtaining value for money does not necessarily require the cheapest supplier to be selected. Other factors considered are urgency, quality, ethical conduct of the supplier, and whole-of-life costs.

Name of consultant	Strategic Fitness Noosa Pty Ltd
Nature and purpose of consultancy	Information technology advice
Cost (exclusive of GST)	$159,175.50
Name of consultant	Sustineo Pty Ltd
Nature and purpose of consultancy	Accounting services
Cost (exclusive of GST)	$20,081.60
Name of consultant	Kyaw Kyaw Soe Hlaing
Nature and purpose of consultancy	Information technology advice
Cost (exclusive of GST)	$160,446.02
Name of consultant	HWL Ebsworth Lawyers
Nature and purpose of consultancy	Legal advice
Cost (exclusive of GST)	$84,266.05
Name of consultant	Forestier & Co Interiors
Nature and purpose of consultancy	Quality management consulting
Cost (exclusive of GST)	$30,514.00
Name of consultant	Breidenbach, Rachelle
Nature and purpose of consultancy	Digital content producer
Cost (exclusive of GST)	$33,756.61

Ministerial directions

The new PIRD Act provides that the Minister may give direction to the Corporation with respect to the performance of its functions and the exercise of its powers. In addition, the Minister, under the CAC Act, may notify the Board of any general Australian Government policies that apply to the Corporation. At the date of this report, the following ministerial directions and notifications have been received.

- In May 1995, the Minister issued a directive in accordance with the [then] PIERD Act that spending of industry contributions is to be of direct relevance, within a five-year period, to the fishery, industry sector, or state/territory in which funds were collected. The FRDC is to have regard to advice from management agencies and industry sectors, including FRABs.
- In July 1998, the Minister issued a directive in accordance with section 16(1)(b) of the CAC Act requiring the Corporation to comply with the reporting requirements of the *Guidelines on funding of consultation costs by primary industry and energy portfolio statutory authorities*.
- The Minister has notified the Corporation under section 28 of the CAC Act that the following policies apply to the Corporation:
  - on 21 August 2002, Commonwealth Fraud Control Guidelines 2002,
  - on 28 August 2002, Finance Circular No. 2002/01 — Foreign Exchange (Forex) Risk Management,
  - on 14 April 2003, Finance Circular No. 2002/02 — Cost Recovery by Government Agencies,
  - on 13 October 2003, National Code of Practice for the Construction Industry and the Commonwealth's Implementation Guidelines.
- On 23 September 2008 the then Minister notified the Corporation under section 143 of the [then] PIERD Act requiring the Corporation to comply with the Australian Government Bargaining Framework when exercising their power to engage employees.

Judicial reviews

There were no judicial reviews in 2013–14.

Government policy

During 2013–14, the FRDC complied with all relevant Australian Government policy requirements, including:

- Commonwealth Fraud Control Guidelines 2011,
- Australian Government Cost Recovery Policy,
- Australian Government Commonwealth Procurement Rules,
- Australian Government Commonwealth Property Management Framework.

Protective Security Policy Framework

The FRDC has worked consistently during the year to align FRDC practices with the Protective Security Policy. It has implemented a number of physical and system changes to meet the requirements of the policy. These include installing both physical security and information technology improvements. The FRDC continues to work on improving its security policies and procedures with regards to security risk management.

Disabilities

The FRDC's employment policies and procedures align with the *Disability Discrimination Act 1992* in the broader context of the National Disability Strategy 2010–2020. The FRDC's recruitment and staff development practices seek to eliminate disadvantage that may be contributed to by disabilities. Consultation with people with a disability and when required, with appropriate specialist organisations, is a component of the FRDC's policies and practices, recognising the effect of a disability differs widely between individuals and that often a little thought makes a big difference in meeting a person's needs.

Equal employment opportunity

The FRDC has a policy of equal employment opportunity. Merit-based principles are applied in recruitment and promotion to ensure discrimination does not occur. Of the FRDC's staff of 12, as at 30 June 2014, seven are female.

Industrial democracy

The FRDC's staff members work as a team in which all contribute freely. This process is strongly reinforced by the FRDC's total quality management philosophy and the attendant emphasis on continual improvement. Staff are provided with the opportunity at regular meetings to raise issues and discuss options as to resolve how they are handled.

Freedom of information

During 2013–14, the FRDC received no requests pursuant to the *Freedom of Information Act 1982* (FOI Act).

The FRDC is required to comply with the FOI Act. In many cases it may not be necessary to request the information under the FOI Act—the FRDC may simply provide it to you when you ask for it. At all times, however, you have the option of applying under the FOI Act.

From 1 May 2011, agencies subject to the FOI Act are required to publish information as part of the Information Publication Scheme (IPS). This requirement is in Part II of the FOI Act and has replaced the former requirement to publish a section 8 statement in an annual report. An agency plan showing what information is published in accordance with the IPS requirements is accessible from the FRDC website—**www.frdc.com.au**

More information on freedom of information see Appendix F on page 147.

Energy efficiency

The Commonwealth Government's *Energy Efficiency in Government Operations Policy* seeks to improve energy efficiency in relation to vehicles, equipment and building design.

The FRDC adheres to this policy. The Corporation is a minority tenant occupying part of an office building and does not own motor vehicles or large equipment. Prudent management of power consumption is followed within the FRDC office. For example, timer switches have been placed in offices to reduce the time lights are left on and energy efficient lighting has been installed.

Work health and safety

The FRDC is committed to providing a safe and healthy environment for all staff, contractors and visitors to its workplace. The Corporation recognises that its people are its greatest asset and its most valuable resource. The FRDC's ultimate goal is that its workplace is free of injury, illness and disease. The FRDC complies with its legislative obligations under the *Work Health and Safety Act 2011* (WHS Act) and takes all reasonably practicable steps to ensure a safe working environment. The FRDC's working environment is reviewed periodically by occupational health and safety consultants, and training is provided in workplace health and prevention of injury.

The FRDC's workplace health and safety policy and procedures, has been developed in accordance with the requirements under the WHS Act in consultation with FRDC's employees. The FRDC also recognises that continued reviewing and improvement of its health and safety management system makes good sense legally, morally and from a business perspective.

PART 4 OF THE WORK HEALTH AND SAFETY ACT 2011

Statistics of any notifiable incidents of which the entity becomes aware during the year that arose out of the conduct of businesses or undertakings by the entity.	• No injuries occurred on FRDC premises during 2013–14.
Initiatives taken during the year to ensure the health, safety and welfare of workers who carry out work for the entity.	• Consultation of WHS issues includes all staff. • Agreed health and safety management arrangements policy and procedures.
Health and safety outcomes (including the impact on injury rates of workers) achieved as a result of initiatives mentioned under paragraph (a) or previous initiatives.	• Health and safety awareness and incidents are brought to the attention of all staff at the weekly staff meetings. • Occupational rehabilitation physiotherapist provides ergonomic assessments to all new staff in their immediate working environment, and when requested. • Staff are provided with access to influenza vaccinations. • Workplace safety training. • Annual fire safety and warden training, and six-monthly checks of fire safety equipment. • Annual testing and tagging of electrical appliances. • Qualified first aid officer and fire warden. • Assessment of risks in line with the risk framework annual review.
Investigations conducted during the year that relate to businesses or undertakings conducted by the entity, including details of notices given to the entity during the year under part 10 of the Act.	• Increased awareness of roles and responsibilities in work health and safety including responsibilities of managers.
	• No requests were received from staff and no undertakings were given by the Corporation. • No directions or notices were given to the Corporation.

Notifiable incidents	2009–10	2010–11	2011–12	2012–13	2013–14
Deaths	0	0	0	0	0
Dangerous occurrences	0	0	0	0	0
Serious personal injury	0	0	0	1	0
Incapacity	0	0	0	0	0
Total	**0**	**0**	**0**	**1**	**0**

Comcare Australia is responsible for worker's compensation insurance coverage within the Corporation. The insurance premiums are levied each year based on the level of salaries and wages costs and experience in claims made by the employees.

REPORT OF OPERATIONS
PART 4

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

Governance refers to processes by which organisations are directed and controlled—including, characteristics such as authority, accountability, stewardship and leadership. Corporate governance is concerned with structures and processes for decision making, and with controls and behaviour within organisations that support effective accountability for performance outcomes.

The FRDC general governance arrangements are established by legislation and government policies and reporting requirements. In addition to the requirements of the PIRD Act, which includes an annual operational plan, a research and development plan and an annual report, the Corporation also operates under the provisions of the CAC Act which applies high standards of accountability for statutory authorities.

The Board and staff are strongly committed to ensuring good corporate governance. In doing so, the focus is on policies, structures, processes, controls, behaviours and transparency. To support the FRDC's high level of commitment to these principles, a full list of FRDC policies and copies of the financial statements are available from the FRDC website—**www.frdc.com.au**

The Board

The Board comprises eight directors who are appointed in accordance with sections 17 and 77 of the PIRD Act. Directors are selected on the basis of their expertise in a variety of fields derived from the PIRD Act including commodity production and processing, conservation, science, economics, and business and financial management. All directors, except the Executive Director, are appointed for three years, on a part-time basis.

At the commencement of a term all directors undergo a formal induction including a workshop run by the Australian Institute of Company Directors. In addition, to ensure the Board has a strong understanding and connection to the fishing industry and its stakeholders, it meets outside Canberra three times a year in regions key to the fishing industry. This provides directors with the opportunity to discuss issues with relevant industry stakeholders, as well as see first-hand, the fishing industry in action.

The Board plays a fundamental role in guiding the FRDC and provides management with strong leadership. It oversees the FRDC's corporate governance, ensuring the FRDC has a good framework of policies and procedures; playing a strong role in the approval and oversight of financial matters including the approval of new projects.

Details of the directors who held office during the year are shown on the following pages.

Directors' biographies

The Hon. Harry Woods: Chair

Appointed as Chair 1 September 2010.

Harry Woods comes from a diverse background having been an auditor, bookmaker and publican before serving many years as a politician in both federal and state governments. He was the member for Page from 1990 to 1996. Following this, Harry was elected as the Member for Clarence in the New South Wales Legislative Assembly. During his time in New South Wales Parliament he was Minister for Regional Development and Minister for Rural Affairs from 1997–99 and Minister for Local Government, Minister for Regional Development and Minister for Rural Affairs from 1999 until his retirement in 2003.

Since then, Harry has spent time as a professional fisherman, undertaken policy review work for the New South Wales Government, worked as an accredited mediator and has been involved in the development and building of commercial property. Harry has a good understanding of, not only the fishing industry, but the broader primary industries arena. As the member for Page his responsibilities included a diverse range of issues—dairy cattle, pigs, maize, tropical fruit, sugar cane, fishing, prawning, oyster farming, butter and bacon factories, breweries, timber mills, and tourism.

Brett McCallum: Deputy Chair

Appointed 9 September 2009. Chair of the Finance, Audit and Risk Management Committee.

Brett McCallum is Chief Executive Officer of the Pearl Producers Association. He has held senior roles in the fishing industry and has been involved in a number of industry and government advisory committees. Previous roles include Chief Executive Officer of the Western Australian Fishing Industry Council, National Aquaculture Council director and several executive management positions in major commercial fishing companies.

Dr Patrick Hone: Executive Director

Appointed Executive Director from 21 April 2005.

Patrick Hone is Executive Director of the FRDC, a director of the Seafood CRC and a member of the National Marine Science Committee. Patrick has extensive knowledge of all sectors of the fishing and aquaculture industries. He has almost 20 years working for FRDC and has played a key role in the planning, management and funding of fishing and aquaculture-related RD&E in Australia. In the last two years Patrick has become one of Australia's leading spokespeople on the role of marine science.

Patrick has a PhD from Adelaide University, and previously worked for SARDI on a wide range of aquaculture research for Southern Bluefin Tuna, Pacific Oysters, mussels, Yellowtail Kingfish and abalone.

Heather Brayford: Director

Appointed 1 September 2009. Member of the Remuneration Committee.

Heather Brayford has extensive experience in fisheries and aquatic resource management including senior management and policy roles related to commercial fisheries, recreational fisheries, pearling and aquaculture and fish habitat protection. Heather is currently the Deputy Director General with the Western Australian Department of Fisheries and has also held the position of Executive Director of Fisheries in the Northern Territory.

Renata Brooks: Director

Appointed 1 September 2009.

Renata Brooks is the Deputy Director General, Land and Natural Resources in the New South Wales Department of Primary Industries, with responsibility for the New South Wales crown land estate, natural resource policy and programs, and coordination of primary industry policy and regional services. She has previously held senior executive positions within the Department of Primary Industries in the areas of science and research, agriculture, fisheries, biosecurity and compliance and mine safety. Renata holds a Bachelor of Veterinary Science from the University of Sydney with first class honours, a Graduate Certificate in Bioethics from the University of Technology Sydney, and is a graduate of the Australian Institute of Company Directors.

Dr Bruce Mapstone: Director

Appointed 1 September 2012.

Bruce Mapstone is Chief of Division, CSIRO Marine and Atmospheric Research. He has a research background in tropical fisheries, especially line fisheries and was previously Director, Centre for Australian Weather and Climate Research and Chief Executive Officer, Antarctic Climate and Ecosystems CRC. He has chaired and served on several advisory committees to federal and state government agencies, mainly related to fisheries management, the Great Barrier Reef, and national regional marine planning.

Dr Peter O'Brien: Director

Appointed 1 September 2012.

Peter O'Brien is a professional director, business operator and consultant. He is currently director and professorial fellow of the Murray–Darling Basin Futures Collaborative Research Network, and is principal of Peter O'Brien Consulting and Tempo Mentors. Peter was previously Managing Director of the Rural Industries Research and Development Corporation and Executive Director of the Bureau of Rural Sciences, Department of Agriculture.

David Thomason: Director

Appointed 1 September 2012.

David Thomason has a 40-year marketing career in the food industry, most recently with Meat & Livestock Australia Ltd. He is a founding Board member of Primary Industries Education Foundation Ltd, Deputy Chair of Certified Australian Angus Beef Pty Ltd and associated companies, and is a Board member of the Seafood CRC. David has extensive experience in building consumer demand, including working with, and influencing the entire supply chain from grower through to retail, with the aim of raising quality, promotion and merchandising standards and consumer spending.

Independent committee member

Mr Robert Seldon: Independent member

Appointed as an independent member of the Finance, Audit and Risk Committee August 2008.

Robert Seldon has more than 40 years' experience in merchant banking, including 15 years as chief executive of a major United States banking subsidiary in Australia. He has had substantial exposure to both food and agribusiness activities, with an active participation in the provision of advice on mergers and acquisitions within that sector. Robert was formerly on the Board of Horticulture Australia Ltd and chair of the Finance and Risk Committee. He was a director of the AFMA and chair of their Finance and Audit Committee.

Attendance at Board meetings held during 2013–14

The tables below and on the opposite page show attendance at Board meetings held during the year. The Chairman approved all absences from Board meetings in accordance with section 71(2) of the PIRD Act.

TABLE 4: ATTENDANCE BY DIRECTORS AT BOARD MEETINGS

Date	28/08/13	19/11/13	12/02/14	16/04/14	21/05/14	25/06/14
The Hon. Harry Woods (Chair)	Yes	Yes	Yes	Yes	Yes	Yes
Mr Brett McCallum (Deputy Chair)	Yes	Yes	Yes	Yes	No	Yes
Dr Patrick Hone (Executive Director)	Yes	Yes	Yes	Yes	Yes	Yes
Ms Heather Brayford	Yes	Yes	Yes	Yes	Yes	Yes
Ms Renata Brooks	Yes	Yes	Yes	Yes	Yes	Yes
Dr Bruce Mapstone	Yes	Yes	Yes	Yes	Yes	Yes
Dr Peter O'Brien	Yes	Yes	Yes	Yes	Yes	Yes
Mr David Thomason	Yes	Yes	Yes	Yes	No	No

Board committees

Currently the Board has two committees.

The Finance, Audit and Risk Management Committee. The Board at its 12 August 2008 meeting, agreed to appoint Mr Robert Seldon to the Committee as an independent member. Mr Seldon has continued in this role during this financial year.

- The Finance, Audit and Risk Management Committee comprises at least two non-executive directors and the Business Development Manager. The Committee provides a forum for the effective communication between the Board and the external and internal auditors. It also oversees the FRDC Risk Management Framework.

The Remuneration Committee.

- The Remuneration Committee comprises the FRDC Chair (Chair of the Committee) and two non-executive directors elected by the Board.
- The Committee reviews the remuneration packages of the Executive Director and senior management on annual basis and makes recommendations to the Board. The packages will be reviewed with due regard to performance and other relevant factors including market relativity.

For more information on the terms of reference for these committees please visit the FRDC website —www.frdc.com.au

TABLE 5: ATTENDANCE BY DIRECTORS, INDEPENDENT MEMBER AND BUSINESS DEVELOPMENT MANAGER AT FINANCE, AUDIT AND RISK MANAGEMENT COMMITTEE MEETINGS

Date T/C: teleconference	26/08/13	18/11/13	28/01/14 (T/C)	15/04/14	19/06/14 (T/C)
Mr Brett McCallum (Committee Chair)	Yes	Yes	Yes	Yes	Yes
Ms Renata Brooks	Yes	Yes	Yes	Yes	Yes
Dr Patrick Hone (Executive Director)	Yes	Yes	Yes	Yes	No
Mr David Thomason	Yes	Yes	Yes	Yes	No
The Hon. Harry Woods (Chair)	Yes	Yes	Yes	Yes	Yes
Mr Robert Seldon (Independent member)	Yes	Yes	Yes	Yes	Yes
Mr John Wilson (Company Secretary)	Yes	Yes	Yes	Yes	Yes

TABLE 6: ATTENDANCE BY DIRECTORS AT REMUNERATION COMMITTEE MEETINGS

Date	23/06/14
The Hon. Harry Woods (Chair)	Yes
Ms Heather Brayford	Yes
Dr Peter O'Brien	Yes

Directors' interests and related entity transactions

The FRDC's policy on directors' interests, complies with section 21 of the CAC Act. The policy centres on the principle that a director must disclose an interest whenever he/she considers there is a potential conflict of interests.

A standing notice (register) about directors' interests is updated at each Board meeting. All declarations of interests, and their consideration by the Board, are recorded in the minutes.

Importantly, where the director has declared a 'material personal interest' in a matter that relates to the affairs of the FRDC, in addition to the duty of disclosing that interest, the director must not be present while the Board is discussing that matter and, importantly, must not vote on the matter unless one of a number of specific exceptions applies.

Indemnities and insurance premiums for officers

The Corporation holds directors' and officers' liability insurance cover through Comcover. During the year, no indemnity-related claims were made.

When appropriate, the FRDC may take out insurance policies to mitigate insurable risk.

Remuneration policy

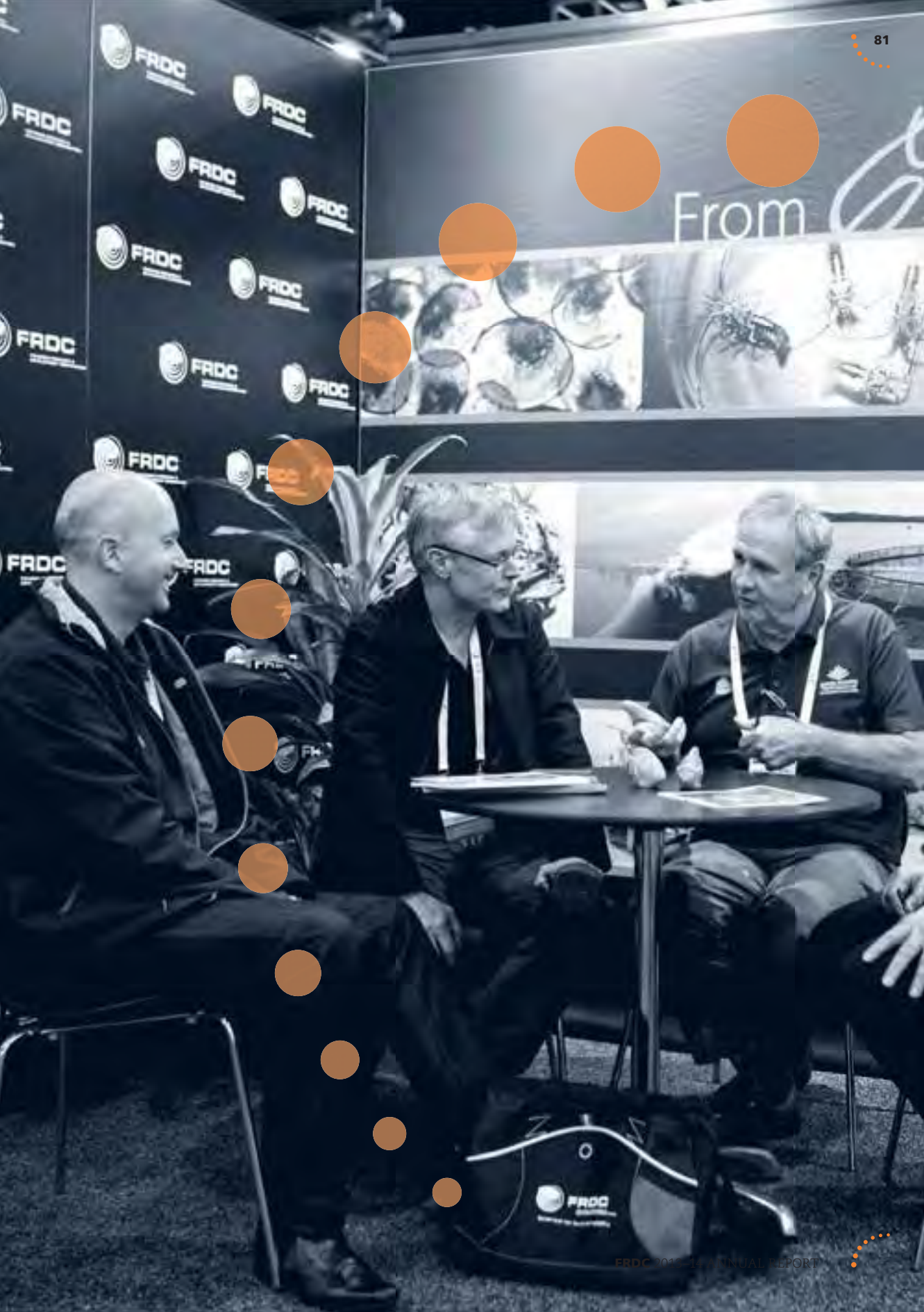
Remuneration of non-executive directors is determined by the Remuneration Tribunal.

Remuneration of the Executive Director and staff is determined by an FRDC policy set by the Board, and is administered through the Board's Remuneration Committee. The amount of individual remuneration of the Executive Director and staff is based on advice by Mercer Human Resources Consulting Pty Ltd. The amount is also influenced by performance measured against individual performance agreements and by the size of the program support component within the total FRDC budget, from which salaries are paid.

FRDC has, in line with government policy, commenced the process to develop a certified agreement for all staff that will cover a range of employment conditions.

Liabilities to staff

The FRDC provides for liabilities to its staff by ensuring its financial assets (cash, receivables and investments) are always greater than its employee provisions. Compliance with this policy is evidenced in the Statement of Financial Position in the Corporation's monthly financial statements.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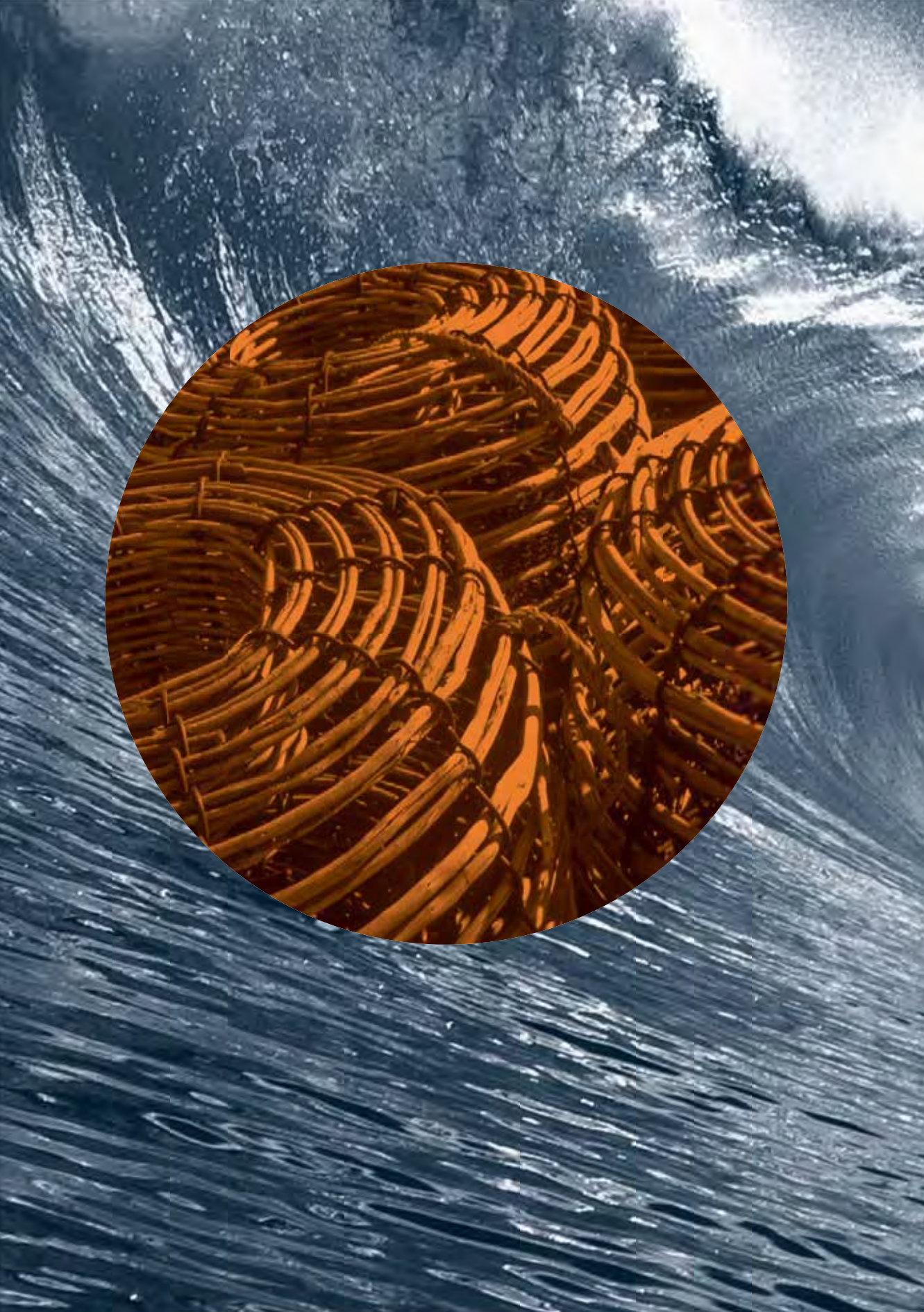


AUDITOR-GENERAL'S REPORT
2013–14

INDEPENDENT AUDITOR'S REPORT

To the Minister for Agriculture

I have audited the accompanying financial statements of the Fisheries Research and Development Corporation for the year ended 30 June 2014, which comprise: a Statement by the Directors, Executive Director and Chief Financial Officer; the Statement of Comprehensive Income; Statement of Financial Position; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Contingencies; and Notes to and forming part of the financial statements comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The directors of the Fisheries Research and Development Corporation are responsible for the preparation of financial statements that give a true and fair view in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, including the Australian Accounting Standards, and for such internal control as is necessary to enable the preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fisheries Research and Development Corporation's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fisheries Research and Development Corporation's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Opinion

In my opinion, the financial statements of the Fisheries Research and Development Corporation:

(a) have been prepared in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, including the Australian Accounting Standards; and

(b) give a true and fair view of the matters required by the Finance Minister's Orders, including the Fisheries Research and Development Corporation's financial position as at 30 June 2014 and its financial performance and cash flows for the year then ended.

Australian National Audit Office

Peter Kerr

Executive Director

Delegate of the Auditor-General

Canberra

27 August 2014

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2014

FISHERIES RESEARCH AND DEVELOPMENT CORPORATION

STATEMENT BY THE DIRECTORS, EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the period ended 30 June 2014 are based on properly maintained financial records, and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997* (CAC Act), as amended.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Authority will be able to pay its debts as, and when, they become due and payable.

This statement is made in accordance with a resolution of the directors.

Signed 27/8/2014
The Hon. Harry Woods ..... Date
Chair

Signed 27.8.2014
Brett McCallum ..... Date
Chair Finance, Audit and Risk Management Committee

Signed 27/8/2014
Dr Patrick Hone ..... Date
Executive Director

Signed ..... 27 AUG 2014
John Wilson ..... Date
Chief Financial Officer

Statement of Comprehensive Income

FOR THE PERIOD ENDED 30 JUNE 2014

	Notes	2014 $	2013 $
NET COST OF SERVICES			
Expenses			
Employee benefits	3A	**2,021,461**	1,951,714
Suppliers	38	**1,085,734**	1,053,202
Projects expenditure	3C	**22,872,063**	22,135,577
Depreciation and amortisation	3D	**453,819**	521,327
Finance costs	3E	**–**	9,437
Write-down and impairment of assets	3F	**1,130,068**	18,847
Other expenses	3H	**–**	–
Total expenses		**27,563,145**	25,690,104
Own-source income			
Own-source revenue			
Sale of goods and rendering of services	4A	**83,541**	30,109
Interest	4B	**219,583**	256,267
Grants	4C	**171,740**	483,480
Contributions	4D	**8,463,990**	7,983,019
Other revenue	4E	**19,408**	–
Total own-source revenue		**8,958,262**	8,752,875
Total own-source income		**8,958,262**	8,752,875
Net cost of services		**18,604,883**	16,937,229
Revenue from the Australian Government	4F	**17,932,344**	17,229,825
Surplus (deficit) attributable to the Australian Government		**(672,539)**	292,596
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes in asset revaluation surplus		**28,490**	–
Total other comprehensive income		**28,490**	–
Total comprehensive income (loss) attributable to the Australian Government		**(644,049)**	292,596

THE ABOVE STATEMENT SHOULD BE READ IN CONJUNCTION WITH THE ACCOMPANYING NOTES.

Statement of Financial Position

AS AT 30 JUNE 2014

	Notes	2014 $	2013 $
ASSETS			
Financial assets			
Cash and cash equivalents	6A	4,169,252	4,963,258
Trade and other receivables	6B	2,623,574	1,284,587
Other investments	6C	5,001	5,001
Total financial assets		6,797,827	6,252,846
Non-financial assets			
Property, plant and equipment	7A,B	124,575	76,239
Intangibles	7C,D	640,977	1,850,964
Inventories	7E	14,169	–
Other non-financial assets	7F	8,381	–
Total non-financial assets		788,102	1,927,203
Total assets		7,585,929	8,180,049
LIABILITIES			
Payables			
Suppliers	8A	129,110	152,056
Projects	8B	219,760	186,792
Other payables	8C	324,004	324,004
Total payables		672,874	662,852
Provisions			
Employee provisions	9A	804,374	764,467
Total provisions		804,374	764,467
Total liabilities		1,477,248	1,427,319
Net assets		6,108,681	6,752,730
EQUITY			
Reserves		223,171	194,681
Retained earnings		5,885,510	6,558,049
Total equity		6,108,681	6,752,730

THE ABOVE STATEMENT SHOULD BE READ IN CONJUNCTION WITH THE ACCOMPANYING NOTES.

Statement of Changes in Equity

FOR THE PERIOD ENDED 30 JUNE 2014

	Retained earnings		Asset revaluation surplus		Total equity	
	2014	2013	**2014**	2013	**2014**	2013
	$	$	**$**	$	**$**	$
Opening balance						
Balance carried forward from previous period	**6,558,049**	6,265,453	**194,681**	194,681	**6,752,730**	6,460,134
Adjusted opening balance	**6,558,049**	6,265,453	**194,681**	194,681	**6,752,730**	6,460,134
Comprehensive income						
Surplus (deficit) for the period	**(672,539)**	292,596	**–**	–	**(672,539)**	292,596
Other comprehensive income	**–**	–	**28,490**	–	**28,490**	–
Total comprehensive income	**(672,539)**	292,596	**28,490**	–	**(644,049)**	292,596
Total comprehensive income attributable to the Australian Government	**(672,539)**	292,596	**28,490**	–	**(644,049)**	292,596
Closing balance as at 30 June 2014	**5,885,510**	6,558,049	**223,171**	194,681	**6,108,681**	6,752,730
Closing balance attributable to the Australian Government	**5,885,510**	6,558,049	**223,171**	194,681	**6,108,681**	6,752,730

THE ABOVE STATEMENT SHOULD BE READ IN CONJUNCTION WITH THE ACCOMPANYING NOTES.

Cash Flow Statement

FOR THE PERIOD ENDED 30 JUNE 2014

	Notes	2014 $	2013 $
OPERATING ACTIVITIES			
Cash received			
Receipts from the Australian Government		16,919,062	16,945,257
Contributions		8,792,230	8,820,060
Grants		171,740	483,480
Interest		215,630	251,919
Net GST received		1,749,972	1,830,228
Other		87,754	30,109
Total cash received		27,936,388	28,361,053
Cash used			
Employees		(1,981,554)	(1,904,310)
Suppliers		(1,228,793)	(1,388,371)
Projects expenditure		(25,126,301)	(24,384,416)
Total cash used		(28,336,648)	(27,677,097)
Net cash from (used by) operating activities	10	(400,260)	683,956
INVESTING ACTIVITIES			
Cash used			
Purchase of property, plant and equipment		(61,659)	(30,629)
Purchase of intangibles		(332,087)	(244,790)
Total cash used		(393,746)	(275,419)
Net cash used by investing activities		(393,746)	(275,419)
FINANCING ACTIVITIES			
Cash used			
Other		–	(324,004)
Total cash used		–	(324,004)
Net cash used by financing activities		–	(324,004)
Net increase (decrease) in cash held		(794,006)	84,533
Cash and cash equivalents at the beginning of the reporting period		4,963,258	4,878,725
Cash and cash equivalents at the end of the reporting period	6A	4,169,252	4,963,258

THE ABOVE STATEMENT SHOULD BE READ IN CONJUNCTION WITH THE ACCOMPANYING NOTES.

Schedule of Commitments

AS AT 30 JUNE 2014

	2014	2013
	$	$
BY TYPE		
Commitments receivable		
Net GST recoverable on operating lease commitments	24,652	36,447
Net GST recoverable on project commitments	4,055,881	4,145,735
Total commitments receivable	4,080,533	4,182,182
Commitments payable		
Other commitments		
Operating leases[1]	271,175	400,925
Project commitments[2]	44,614,685	45,603,084
Total other commitments	44,885,860	46,004,009
Total commitments payable	44,885,860	46,004,009
Net commitments by type	40,805,327	41,821,827
BY MATURITY		
Commitments receivable		
Other commitments receivable		
Within 1 year	2,801,528	2,738,231
Between 1 to 5 years	1,279,004	1,443,951
Total other commitments receivable	4,080,532	4,182,182
Total commitments receivable	4,080,532	4,182,182
Commitments payable		
Operating lease commitments		
Within 1 year	130,176	129,761
Between 1 to 5 years	140,999	271,164
Total operating lease commitments	271,175	400,925
Project commitments		
Within 1 year	30,686,636	29,990,787
Between 1 to 5 years	13,928,050	15,612,297
Total project commitments	44,614,686	45,603,084
Total commitments payable	44,885,860	46,004,009
Net commitments by maturity	40,805,327	41,821,827

Note: Commitments are GST inclusive where relevant.

(1) Operating leases included were effectively non-cancellable. The lease for the office accommodation at 25 Geils Court, Deakin expires on 31 July 2016. Lease payments are subject to an annual increase in accordance with upwards movements in the Consumer Price Index.

(2) Project commitments comprise the future funding of approved projects that are contingent on achievement of agreed milestones over the life of those projects (project agreements are exchanged prior to release of the first payment on a project). Projects, where amounts were payable but were unpaid at the end of the period, have been brought to account as project payables. The FRDC contracts to fund projects in future years in advance of receipt of the income needed to fund them. It manages this risk by having the project agreement allow for termination due to insufficient funds or change of Australian Government policy. If the FRDC were to terminate a project agreement, it would only be liable to compensate the research partner for reasonable costs in respect of unavoidable loss incurred by the research partner and directly attributable to the termination.

THIS SCHEDULE SHOULD BE READ IN CONJUNCTION WITH THE ACCOMPANYING NOTES.

Schedule of Contingencies

AS AT 30 JUNE 2014

	Note	2014 $	2013 $
Contingent liabilities			
Seafood CRC Company Ltd	11	**1,908,953**	4,295,009
Total contingent liabilities		**1,908,953**	4,295,009

Details of contingent liabilities listed above are disclosed in Note 11: Contingent liabilities and assets.

At 30 June 2014, the FRDC had no contingent assets.

THE ABOVE SCHEDULE SHOULD BE READ IN CONJUNCTION WITH THE ACCOMPANYING NOTES.

Notes to and forming part of the financial statements for the period ended 30 June 2014

Table of contents—notes

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2014

Note 1: Summary of significant accounting policies

The FRDC is an Australian Government controlled entity. It is a not-for-profit entity established as a statutory corporation on 2 July 1991, and is under the provisions of the *Primary Industries Research and Development Act 1989* (PIRD Act). The objective of the FRDC is to plan and invest in fisheries research, development and extension activities (RD&E) in Australia.

As a national organisation with strong linkages to industry, managers and researchers it has a fundamental role of providing leadership and coordination. The FRDC achieves this through establishing strong relationships and putting in place mechanisms to identify and address RD&E priorities with industry and government stakeholders. In addition the FRDC monitors and evaluates the adoption of research and development outputs to better inform future decisions.

The FRDC is structured to meet the following outcome:

> *Increased knowledge that fosters sustainable economic, environmental and social benefits for the Australian fishing industry; including the indigenous, recreational, commercial and aquaculture sectors, and the community; through investing in research, development and adoption.*

The continued existence of the FRDC in its present form, and with its present programs, is dependent on Australian Government policy, and on continuing funding by the Parliament for the FRDC's administration and program.

1.2 Basis of preparation of the financial statements

The financial statements are general purpose financial statements, and are required by clause 1(b) of Schedule 1 to the *Commonwealth Authorities and Companies Act 1997* (CAC Act).

The financial statements have been prepared in accordance with:

a) Finance Minister's Orders (FMOs) for reporting periods ending on, or after, 1 July 2011; and

b) Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars, and values are rounded to the nearest dollar unless otherwise specified.

Unless an alternative treatment is specifically required by an accounting standard or the FMOs, assets and liabilities are recognised in the Statement of Financial Position when, and only when, it is probable that future economic benefits will flow to the entity or a future sacrifice of economic benefits will be required, and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executor contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the Schedule of Commitments or the Schedule of Contingencies.

Unless an alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the Statement of Comprehensive Income when, and only when, the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.3 Significant accounting judgements and estimates

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period. Key balances that relate to accounting judgements and estimates are detailed in Note 7A: Property, plant and equipment and in Note 9A: Employee provisions.

1.4 New Australian Accounting Standards

Adoption of new Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date as stated in the standard.

The new standards, revised standards, interpretations and amending standards that were issued prior to the signing of the statements by the: Board Chair; Finance, Audit and Risk Management Committee Chair; Executive Director; and the Chief Financial Officer; and are applicable to the current reporting period, did not have a financial impact and are not expected to have a future financial impact on the FRDC.

Future Australian Accounting Standard requirements

The new standards, revised standards, interpretations and amending standards that were issued prior to the signing of the statements by the: Board Chair; Finance, Audit and Risk Management Committee Chair; Executive Director; and Chief Financial Officer; and are applicable to the future reporting period, are not expected to have a future financial impact on the FRDC.

1.5 Revenue

Contributions are paid to the FRDC under Section 30A of the PIRD Act. Contributions are recognised when they are entitled to be received by the FRDC.

Revenue from the sale of goods is recognised when:

a) the risks and rewards of ownership have been transferred to the buyer;

b) the FRDC retains no managerial involvement or effective control over the goods;

c) the revenue and transaction costs incurred can be reliably measured; and

d) it is probable that the economic benefits associated with the transaction will flow to the FRDC.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

a) the amount of revenue, stage of completion, and transaction costs incurred can be reliably measured; and

b) the probable economic benefits associated with the transaction will flow to the entity.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due, less any impairment allowance account. Collectability of debts is reviewed at the end of each reporting period. Allowances are made when the collection of the debt is no longer probable.

Interest revenue is recognised using the effective interest method as set out in *AASB 139 Financial instruments: Recognition and Measurement*.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other contributions, including Australian Government grants, are recognised when:

a) the FRDC obtains control of the contribution or the right to receive the contribution;

b) it is probable that the economic benefits comprising the contribution will flow to the FRDC; and

c) the amount oft he contribution can be reliably measured.

Project refunds from research organisations are brought to account when received.

Resources received free of charge

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition.

Revenue from the Australian Government

Funding received or receivable from the Australian Government (appropriated to the FRDC as a CAC Act body payment item for payment to FRDC), is recognised as revenue from the Australian Government, unless the funding is in the nature of an equity injection or a loan.

1.6 Gains

Sale of assets

Gains from disposal of assets are recognised when control of the asset has passed to the buyer.

1.7 Employee benefits

Liabilities for 'short-term employee benefits' (as defined in *AASB 119 Employee Benefits*) and termination benefits due within twelve months of the end of reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting, and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the FRDC's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The estimate of the present value of the long service leave liability takes into account attrition rates and pay increases through promotion and CPI adjustments.

All leave provision calculations are based on remuneration packages as at 1 July 2014, see Note 9: Provisions.

Superannuation

FRDC staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or an approved superannuation scheme of their choice.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government, and is settled by the Australian Government in due course. This liability is reported by the Department of Finance in its administered schedules and notes.

The FRDC makes employer contributions to employees' superannuation schemes at rates determined by an actuary to be sufficient to meet the current cost to the Australian Government. The FRDC accounts for the contributions as if they were contributions to defined contribution plans.

For other approved superannuation schemes, the FRDC contributes a minimum of 9.25% of superannuable salaries.

As at 30 June 2014, all superannuation contributions were fully paid, therefore no superannuation liability has been recognised {30 June 2013: $Nil).

1.8 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards in s not currently have any finance leases.

1.9 Projects

The FRDC recognises project liabilities through project agreements that require the research partner to perform services or provide facilities, or to meet eligibility criteria. In these cases, liabilities are recognised only to the extent that the services required have been performed and an invoice issued consistent with the contractual requirements, or the eligibility criteria have been satisfied by the research partner to the FRDC's satisfaction.

1.10 Fair value measurement

The FRDC transfers *Leasehold improvements* and *Property, plant and equipment* values between levels of the fair value hierarchy only where more objective data becomes available.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.11 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

a) cash on hand; and

b) demand deposits in bank accounts with an original maturity of three months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

In accordance with section 42 of the PIRD Act, the Treasurer has approved the FRDC overdrawing its bank account to a limit of $900,000 on the basis that sufficient funds are held in related accounts to offset any overdrawing, with these funds to be transferred as soon as possible to clear any debt.

1.12 Financial assets

The FRDC classifies its financial assets in the following category:

a) loans and receivables.

The classification depends on the nature and purpose of the financial assets, and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon 'trade date'.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset; or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis, except for financial assets that are recognised at fair value through profit or loss.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Impairment of financial assets

Financial assets are assessed for impairment at the end of each reporting period.

Financial assets held at amortised cost—if there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Statement of Comprehensive Income.

Financial assets held at cost—if there is objective evidence that an impairment loss has been incurred, the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.13 Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or 'other financial liabilities'. Financial liabilities are recognised and derecognised upon 'trade date'.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

1.14 Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position, but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset, or represent an asset or liability in respect to which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain; and contingent liabilities are disclosed when settlement is greater than remote.

1.15 Acquisition of assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred on exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.16 Property, plant and equipment

Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than $5,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items where value is greater than $5,000).

Revaluations

Following initial recognition at cost, property, plant and equipment are carried at fair value. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date.

All property, plant and equipment assets were reviewed and assessed for fair value as at 30 June 2014 by Australian Valuation Solutions.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve, except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit, except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset, and the asset restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written off to their estimated residual values over their estimated useful lives to the FRDC using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date, and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2014	2013
Property, plant and equipment	**3 to 5 years**	3 to 5 years
Leasehold improvements	**Lease term**	Lease term

Impairment

All assets were assessed for impairment as at 30 June 2014. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell, and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the FRDC were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

No indicators of impairment were found for assets at fair value as at 30 June 2014.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derecognition

An item of property, plant and equipment is derecognised upon disposal, or when no further future economic benefits are expected from its use or disposal.

1.17 Intangibles

The FRDC's intangibles comprise internally developed software and purchased software for internal use. These assets are carried at cost, less accumulated amortisation and accumulated impairment losses.

Internally developed software and purchased software is amortised on a straight-line basis over its anticipated useful life. The useful life of software is 10 years (2012–13: 10 years).

All software assets were assessed for indications of impairment as at 30 June 2014.

1.18 Inventory

Inventories held for sale are valued at the lower of cost and net realisable value.

Inventories acquired at no cost or nominal consideration are initially measured at current replacement cost at the date of acquisition.

1.19 Taxation

The FRDC is exempt from all forms of taxation except fringe benefits tax (FBT), payroll tax and the goods and services tax (GST).

Revenues, expenses and assets are recognised net of GST except:

a) where the amount of GST incurred is not recoverable from the Australian Taxation Office; and

b) for receivables and payables.

1.20 Comparative figures

No adjustments have been required to the comparative figures to conform with changes in the presentation of these financial statements.

Note 2: Events after the reporting period

Departmental

There was no subsequent event that had the potential to significantly affect the ongoing structure and financial activities of the entity.

Note 3: Expenses

Note 3A: Employee benefits

	2014	2013
	$	$
Wages and salaries	1,563,430	1,502,882
Superannuation		
Defined contribution plans	119,183	120,602
Defined benefit plans	298,941	280,825
Leave and other entitlements	39,907	47,405
Total employee benefits	2,021,461	1,951,714

NOTE 3: EXPENSES (CONTINUED)

Note 3B: Suppliers

	2014	2013
	$	$
Goods and services supplied or rendered		
Annual report	**27,055**	29,361
Asset purchases less than $5,000	**24,362**	28,073
Audit fees	**29,750**	29,000
Cost of goods sold	**1,026**	–
External service providers	**137,198**	124,687
Insurance—general	**21,537**	19,952
Information technology	**250,106**	234,277
Joint research and development corporation (RDC) activities	**62,220**	39,873
Legal	**79,387**	33,671
Media monitoring and releases	**21,325**	33,673
Office supplies	**25,857**	25,409
Photographs	**9,643**	26,396
Postage and couriers	**4,022**	4,646
Property	**32,905**	46,139
Recruitment/director selection costs	**–**	25,733
Representation	**19,426**	15,954
Representative organisations consultation	**12,213**	5,976
Telecommunications	**22,515**	25,810
Training	**39,343**	23,751
Travel	**102,116**	111,986
Other	**30,382**	38,360
Total goods and services supplied or rendered	**952,388**	922,727
Goods and services supplied or rendered in connection with		
Related parties	**46,648**	52,791
External parties	**905,740**	869,936
Total goods and services supplied or rendered	**952,388**	922,727
Other suppliers		
Operating lease rental in connection with		
External parties		
Minimum lease payments	**116,808**	112,605
Workers compensation expenses	**16,538**	17,870
Total other suppliers	**133,346**	130,475
Total suppliers	**1,085,734**	1,053,202

NOTE 3: EXPENSES (CONTINUED)

Note 3C: Projects expenditure

	2014	2013
	$	$
Public sector		
Australian Government entities (related parties)	3,034,706	3,839,532
State and territory governments	4,823,945	3,603,629
Private sector		
Universities	5,479,899	4,880,129
Overseas	–	500
Cooperative research centres	3,459,862	3,762,686
Other	6,073,651	6,049,101
Total project expenditure	**22,872,063**	22,135,577

Note 3D: Depreciation and amortisation

	2014	2013
	$	$
Depreciation		
Property, plant and equipment	41,814	85,133
Total depreciation	**41,814**	85,133
Amortisation		
Intangibles	412,005	436,194
Total amortisation	**412,005**	436,194
Total depreciation and amortisation	**453,819**	521,327

Note 3E: Finance costs

	2014	2013
	$	$
Department of Agriculture debt—unwinding of discount	–	9,437
Total finance costs	–	9,437

Department of Agriculture debt—unwinding of discount expense represents the discount to the present value of the future cash flows for the Department of Agriculture debt payable (refer Note 8C) in accordance with *AASB 139 Financial Instruments: Recognition and Measurement*.

NOTE 3: EXPENSES (CONTINUED)

Note 3F: Write down and impairment of assets

	2014	2013
	$	$
Asset write down and impairments from:		
Write down of intangible assets[1]	1,130,068	18,847
Total write down and impairment of assets	1,130,068	18,847

(1) Refer Note 7C — Intangibles for a detailed explanation of the write-off of the FRDC's project management and accounting software system.

Note 4: Own-source income

OWN-SOURCE REVENUE

Note 4A: Sale of goods and rendering of services

	2014	2013
	$	$
Sale of goods and rendering of services in connection with		
Related parties	395	392
External parties	83,146	29,717
Total sale of goods and rendering of services	83,541	30,109

Note 4B: Interest

	2014	2013
	$	$
Deposits	219,583	256,267
Total interest	219,583	256,267

Note 4C: Grants

	2014	2013
	$	$
Australian Government		
Department of Agriculture[1]	131,740	483,480
Torres Strait Regional Authority[2]	40,000	–
Total grants	171,740	483,480

(1) Research program funding for Department of Agriculture (refer Note 15).

(2) Research program funding for Torres Straight Regional Authority (refer Note 15).

NOTE 4: OWN-SOURCE INCOME (CONTINUED)

Note 4D: Contributions

	2014	2013
	$	$
Fisheries:		
Australian Prawn Farmers Association	148,956	127,232
Australian Fisheries Management Authority	902,146	737,508
Australian Capital Territory	110,000	30,000
New South Wales	585,213	636,244
Northern Territory	420,734	265,444
Queensland	533,727	388,000
South Australia	1,653,371	1,933,328
Tasmania	2,364,642	1,676,617
Victoria	403,446	641,545
Western Australia	1,154,910	1,047,162
Total fisheries	8,277,145	7,483,080
Projects		
Project refunds of prior years expenditure	186,845	499,939
Total projects	186,845	499,939
Total contributions	8,463,990	7,983,019

Note 4E: Other revenue

	2014	2013
	$	$
Inventories received free of charge	15,195	–
Miscellaneous	4,213	–
Total other revenue	19,408	–

Note 4F: Revenue from the Australian Government

	2014	2013
	$	$
Department of Agriculture		
CAC Act body payment item		
Australian Government contribution of 0.50% of GVP[1]	11,973,915	11,662,250
Matching of industry contributions[2]	5,958,429	5,567,575
Total revenue from the Australian Government	17,932,344	17,229,825

(1) GVP is the average gross value of fisheries production for the current year and the two preceding financial years. The Australian Government's contribution of 0.50% of GVP is made on the grounds that the FRDC exercises a stewardship role in relation to fisheries resources on behalf of the Australian community.

(2) Matching of industry's contributions (up to 0.25% of GVP) by the Australian Government.

Note 5: Fair value measurement

The following notes 5A, 5B, 5C and 5D, provide an analysis of assets and liabilities that are measured at fair value. The different levels of the fair value hierarchy are defined below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the FRDC can access at measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Note 5A: Fair value measurement

Fair value measurements at the end of the reporting period by hierarchy for non-financial assets in 2014

	Fair value measurements at the end of the reporting period using			
	Fair value	Level 1 inputs	Level 2 inputs	Level 3 inputs
	$	$	$	$
Non-financial assets:				
Leasehold improvements	74,335	–	15,970	58,365
Property, plant and equipment	50,240	–	35,940	14,300
Total non-financial assets	**124,575**	**–**	**51,910**	**72,665**
Assets not measured at fair value in the Statement of Financial Position				
Non-financial assets[1]	–	–	–	–

(1) The FRDC did not measure any non-financial assets at fair value on a non-recurring basis as at 30 June 2014.

Fair value measurement—highest and best use

FRDC's assets are held for operational purposes and not held for the purposes of deriving a profit. The current use of the assets is considered the highest and best use.

Note 5B: Level 1 and Level 2 transfers for recurring fair value measurements

Recurring fair value measurements transferred between Level 1 and Level 2 for assets and liabilities

	Transferred from	
	Level 1 to Level 2	Level 2 to Level 1
	2014	2014
	$	$
Non-financial assets:		
Leasehold improvements	–	–
Property, plant and equipment	–	–
Total non-financial assets	–	–

There have been no transfers between levels of the hierarchy during the year.

The FRDC's policy for determining when transfers occur between levels can be found in Note 1.

NOTE 5: FAIR VALUE MEASUREMENT (CONTINUED)

Note 5C: Valuation technique and inputs for Level 2 and Level 3 fair value measurements

Level 2 and 3 fair value measurements—valuation technique and the inputs used for assets in 2014					
Non-financial assets:	Category (Level 2 or Level 3)	Fair value	Valuation technique(s) (1)	Inputs used	Range (weighted average) (2)
Leasehold improvements	2	15,970	Market approach	Adjusted market transactions	
Leasehold improvements	3	58,365	Depreciated replacement cost (DRC)	Replacement cost new (price per square metre)	
				Consumed economic benefit/ obsolescence of asset	59.7–5.8% (18.7%) per annum
Property, plant and equipment	2	35,940	Market approach	Adjusted market transactions	
Property, plant and equipment	3	14,300	Depreciated replacement cost (DRC)	Replacement cost new	
				Consumed economic benefit/ obsolescence of asset	10.0–10.0% (10.0%) per annum

(1) There has been no changes to valuation techniques.

(2) Significant unobservable inputs only. Not applicable for assets or liabilities in the Level 2 category.

There were no significant inter-relationships between unobservable inputs that materially affect fair value.

Recurring and non-recurring Level 3 fair value measurements —valuation processes

The FRDC procured the service of the Australian Valuation Office to undertake a desktop revaluation of all property, plant and equipment as at 30 June 2012 and a materiality review as at 30 June 2013. The FRDC tests the procedures of the valuation model as an internal management review at least once every 12 months (with a formal revaluation undertaken once every three years). If a particular asset class experiences significant and volatile changes in fair value (i.e. where indicators suggest that the value of the class has changed materially since the previous reporting period), that class is subject to specific valuation in the reporting period, where practicable, regardless of the timing of the last specific valuation. The FRDC engaged Australian Valuation Solutions to provide written assurance that the models developed comply with *AASB 13 Fair Value Measurement*.

There is no change in the valuation technique since the prior year.

Significant Level 3 inputs utilised by the FRDC are derived and evaluated as follows.

Leasehold improvements—consumed economic benefit/obsolescence of asset

Assets that do not transact with enough frequency or transparency to develop objective opinions of value from observable market evidence have been measured utilising the cost (depreciated replacement cost or DRC) approach. Under the DRC approach the estimated cost to replace the asset is calculated and then adjusted to take into account its consumed economic benefit/asset obsolescence (accumulated depreciation). Consumed economic benefit/asset obsolescence has been determined based on professional judgement regarding physical, economic and external obsolescence factors relevant to the asset under consideration.

The weighted average is determined by assessing the fair value measurement as a proportion of the total fair value for the class against the total useful life of each asset.

Property, plant and equipment—consumed economic benefit/obsolescence of asset

Assets that do not transact with enough frequency or transparency to develop objective opinions of value from observable market evidence have been measured utilising the cost (depreciated replacement cost or DRC) approach. Under the DRC approach the estimated cost to replace the asset is calculated and then adjusted to take into account its consumed economic benefit/asset obsolescence (accumulated depreciation). Consumed economic benefit/asset obsolescence has been determined based on professional judgement regarding physical, economic and external obsolescence factors relevant to the asset under consideration.

Recurring Level 3 fair value measurements—sensitivity of inputs

Leasehold improvements and property, plant and equipment— consumed economic benefit/obsolescence of asset

The significant unobservable inputs used in the fair value measurement of the FRDC's leasehold improvements and property, plant and equipment asset classes relate to the consumed economic benefit/asset obsolescence (accumulated depreciation). A significant increase (decrease) in this input would result in a significantly lower (higher) fair value measurement.

NOTE 5: FAIR VALUE MEASUREMENT (CONTINUED)

Note 5D: Reconciliation for recurring Level 3 fair value measurements

Recurring Level 3 fair value measurements—reconciliation for assets

	Non-financial assets		
	Fair value measurements at the end of the reporting period using		
	Leasehold improvements	Property, plant and equipment	Total
	2014	2014	2014
	$	$	$
Opening balance[1]	**19,528**	**14,183**	**33,711**
Total (losses) recognised in net cost of service[2]	(809)	–	**(809)**
Total gains recognised in other comprehensive income[3]	–	117	**117**
Purchases	39,646	–	**39,646**
Sales	–	–	–
Issues	–	–	–
Settlements	–	–	–
Transfers into Level 3[4]	–	–	–
Transfers out of Level 3[4]	–	–	–
Closing balance	**58,365**	**14,300**	**72,665**
Changes in unrealised gains/(losses) recognised	–	–	–

(1) Opening balance as determined in accordance with AASB 13.

(2) These losses are included in the Statement of Comprehensive Income under Note: 3D Depreciation.

(3) These gains are included in the Statement of Comprehensive Income under Other Comprehensive Income, Changes in asset revaluation surplus.

(4) There have been no transfers between levels of the hierarchy during the year.

The FRDC's policy for determining when transfers occur between levels can be found in Note 1.

Note 6: Financial assets

Note 6A: Cash and cash equivalents

	2014	2013
	$	$
Cash on hand	4,169,252	1,963,258
Funds on term deposit	–	3,000,000
Total cash and cash equivalents	4,169,252	4,963,258

Note 6B: Trade and other receivables

	2014	2013
	$	$
Goods and services receivables in connection with		
Related parties	–	2,026
External parties	1,237,457	806,716
Total goods and services receivables	1,237,457	808,741
Department of Agriculture		
Receivables	1,297,849	284,568
Total receivables from Department of Agriculture	1,297,849	284,568
Other receivables		
GST receivable from the Australian Taxation Office	85,768	188,778
ASCo loan[(1)]	2,500	2,500
Total other receivables	88,268	191,278
Total trade and other receivables	2,623,574	1,284,587
Trade and other receivables are expected to be recovered		
No more than 12 months	2,623,574	1,284,587
Total trade and other receivables	2,623,574	1,284,587
Trade and other receivables aged as follows		
Not overdue		
Overdue by	2,112,797	927,989
0 to 30 days	205,270	191,598
31 to 60 days	550	165,000
61 to 90 days	244,750	–
More than 90 days	60,207	–
Total trade and other receivables	2,623,574	1,284,587

Credit terms for goods and services were within 30 days (2012–13: 30 days).

No indicators of impairment were found for trade and other receivables.

Australian Seafood Co-Products Pty Ltd (ASCo)

(1) **ASCo shareholder's loan**—Included in receivables above is a loan by the FRDC to ASCo of $2,500 under clause 14.3 of the shareholder agreement (refer also Note 6C). The FRDC does not consider the loan to be impaired or overdue—it is expected to be repaid from future profits.

NOTE 6: FINANCIAL ASSETS (CONTINUED)

Note 6C: Other investments

	2014	2013
	$	$
Shares in other company—unlisted[1]	5,001	5,001
Total other investments	5,001	5,001
Other investments expected to be recovered		
More than 12 months	5,001	5,001
Total other investments	5,001	5,001

Australian Seafood Co-Products Pty Ltd (ASCo)

(1) Shares in unlisted company

Australian Seafood Co-Products Pty Ltd (ASCo) is an unlisted company in which the FRDC owns a one-fifteenth share. The FRDC is not represented on the ASCo board. The principal activity of ASCo is to invest in ASCo Fertilisers Pty Ltd, which carries on the business of commercialisation of know-how and technical information relating to the conversion of fish waste and fish nutrient into agricultural fertiliser products, and the development of production facilities for those products. As the shares do not have a quoted market price in an active market, and cannot be reliably measured, they have been carried at cost in accordance with *AASB 139*.

Note 7: Non-financial assets

Note 7A: Property, plant and equipment

	2014	2013
	$	$
Property, plant and equipment		
Fair value	124,575	161,372
Accumulated depreciation	–	(85,133)
Total property, plant and equipment	124,575	76,239

Revaluations of non-financial assets

All revaluations were conducted in accordance with the revaluation policy stated at Note 5. On 30 June 2014 Australian Valuation Solutions conducted the revaluation.

A revaluation increment of $28,490 for plant and equipment (2012–13: Nil) was credited to the asset revaluation reserve by asset class and included in the equity section of the Statement of Financial Position.

No indicators of impairment were found for property, plant and equipment.

No property, plant and equipment is expected to be sold or disposed of within the next 12 months.

NOTE 7: NON-FINANCIAL ASSETS (CONTINUED)

Note 7B: Reconciliation of the opening and closing balances of property, plant and equipment

Reconciliation of the opening and closing balances of property, plant and equipment for 2013–14		
	Property, plant and equipment	Total
	$	$
As at 1 July 2013		
Gross book value	**161,372**	**161,372**
Accumulated depreciation	**(85,133)**	**(85,133)**
Total as at 1 July 2013	**76,239**	**76,239**
Additions		
Purchase	61,660	61,660
Revaluations recognised in net cost of services	28,490	28,490
Depreciation	(41,814)	(41,814)
Total as at 30 June 2014	**124,575**	**124,575**
Total as at 30 June 2014 represented by		
Gross book value	**124,575**	**124,575**
Accumulated depreciation	–	–
Total as at 30 June 2014	**124,575**	**124,575**

Reconciliation of the opening and closing balances of property, plant and equipment for 2012–13		
	Property, plant and equipment	Total
	$	$
As at 1 July 2012		
Gross book value	130,743	130,743
Accumulated depreciation		
Total as at 1 July 2012	130,743	130,743
Additions		
Purchase	30,629	30,629
Revaluations recognised in net cost of services		
Depreciation	(85,133)	(85,133)
Total as at 30 June 2013	76,239	76,239
Total as at 30 June 2013 represented by		
Gross book value	161,372	161,372
Accumulated depreciation	(85,133)	(85,133)
Total as at 30 June 2013	76,239	76,239

NOTE 7: NON-FINANCIAL ASSETS (CONTINUED)

Note 7C: Intangibles

	2014	2013
	$	$
Computer software		
Purchase or internally developed—in progress	**305,862**	–
Purchase or internally developed—in use	**452,460**	4,976,486
Accumulated amortisation	**(117,345)**	(3,125,522)
Total computer software	**640,977**	1,850,964
Total intangibles	**640,977**	1,850,964

No indicators of impairment were found for intangible assets.

FRDC's project management and accounting software system was decommissioned, and replaced effective 30 June 2014. As a result of this decommissioning, it has been written down by $1,130,068 (refer Note 3F).

As a third party is still using the software and the FRDC is receiving one year's licence fee, a residual equal to the value of the licence fee has been retained.

NOTE 7: NON-FINANCIAL ASSETS (CONTINUED)

Note 7D: Reconciliation of the opening and closing balances of intangibles for 2013–14

Reconciliation of the opening and closing balances of intangibles for 2013–14		
	Computer software	Total
	$	$
As at 1 July 2013		
Gross book value	**4,976,486**	**4,976,486**
Accumulated amortisation	**(3,125,522)**	**(3,125,522)**
Total as at 1 July 2013	**1,850,964**	**1,850,964**
Additions		
Purchase or internally developed—in progress	305,861	305,861
Purchase or internally developed—in use	26,225	26,225
Write down recognised in net cost of services	(1,130,068)	(1,130,068)
Amortisation	(412,005)	(412,005)
Total as at 30 June 2014	**640,977**	**640,977**
Total as at 30 June 2014 represented by		
Gross book value	**758,322**	**758,322**
Accumulated amortisation	**(117,345)**	**(117,345)**
Total as at 30 June 2014	**640,977**	**640,977**

Reconciliation of the opening and closing balances of intangibles for 2012–13		
	Computer software	Total
	$	$
As at 1 July 2012		
Gross book value	4,750,543	4,750,543
Accumulated amortisation	(2,689,328)	(2,689,328)
Total as at 1 July 2012	2,061,215	2,061,215
Additions		
Purchased or internally developed—in progress	–	–
Purchased or internally developed—in use	244,790	244,790
Write down recognised in net cost of services	(18,847)	(18,847)
Amortisation	(436,194)	(436,194)
Total as at 30 June 2013	1,850,964	1,850,964
Total as at 30 June 2013 represented by		
Gross book value	4,976,486	4,976,486
Accumulated amortisation	(3,125,522)	(3,125,522)
Total as at 30 June 2013	1,850,964	1,850,964

NOTE 7: NON-FINANCIAL ASSETS (CONTINUED)

Note 7E: Inventories

	2014	2013
	$	$
Inventories	14,169	–
Total inventories	**14,169**	–

During 2013–14 the sum of $1,026 of inventory held for sale was recognised as an expense (2012–13: Nil).

Inventories are recognised at cost.

All inventories are not expected to be sold within the next 12 months.

Note 7F: Other non-financial assets

	2014	2013
	$	$
Prepayments	8,381	–
Total other non-financial assets	**8,381**	–
Other non-financial assets expected to be recovered		
No more than 12 months	8,381	–
Total other non-financial assets	**8,381**	–

Note 8: Payables

Note 8A: Suppliers

	2014	2013
	$	$
Trade creditors and accruals	90,558	112,670
FBT payable	1,100	1,504
PAYG payable	37,452	37,882
Total suppliers	**129,110**	152,056
Suppliers expected to be settled		
No more than 12 months	129,110	152,056
Total suppliers	**129,110**	152,056
Suppliers in connection with		
Related parties	68,302	84,351
External parties	60,808	67,705
Total suppliers	**129,110**	152,056

Settlement is usually made within 30 days.

NOTE 8: PAYABLES (CONTINUED)

Note 8B: Projects

	2014	2013
	$	$
Public sector		
Australian Government entities	35,000	8,250
State and territory governments	65,375	42,806
Private sector		
Universities	–	37,785
Cooperative research centres	101,853	–
Other	17,532	97,952
Total projects	**219,760**	186,792
Projects expected to be settled		
No more than 12 months	219,760	186,792
Total projects	**219,760**	186,792

Project payables are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. They relate to payments approved on achievement of agreed milestones, but which were unpaid at the end of the reporting period. Settlement is usually made within 30 days.

Note 8C: Other payables

	2014	2013
	$	$
Debt payable to Department of Agriculture[1]	324,004	324,004
Total other payables	**324,004**	324,004
Other payables expected to be settled		
No more than 12 months	324,004	324,004
Total other payables	**324,004**	324,004

(1) The debt payable to the Department of Agriculture represents the recovery of GVP overpayments to the FRDC. The Department of Agriculture inadvertently used an incorrect formula to determine the GVP for fisheries for the financial years between 2001–02 and 2006–07. The Department of Agriculture and the FRDC have agreed the total value of the debt is $1,944,024 ($1,371,565 in relation to 0.50% GVP; and $572,459 in relation to the matching contributions). The Department of Agriculture and the FRDC have also agreed that the debt will be repaid over six years. The last payment will be made in 2014–15, and FRDC has recognised it as other payables.

Note 9: Provisions

Note 9A: Employee provisions

	2014	2013
	$	$
Leave	804,374	764,467
Total employee provisions	**804,374**	764,467
Employee provisions that could be settled		
No more than 12 months	762,405	699,661
More than 12 months	41,969	64,806
Total employee provisions	**804,374**	764,467

Note 10: Cash flow reconciliation

	Note	2014	2013
		$	$
Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement			
Cash and cash equivalents as per			
Cash flow statement		4,169,252	4,963,258
Statement of financial position	6A	4,169,252	4,963,258
Discrepancy		0	0
Reconciliation of net cost of services to net cash from / (used by) operating activities			
Net cost of services		(18,604,883)	(16,937,229)
Revenue from the Australian Government		17,932,344	17,229,825
Adjustments for non-cash items			
Depreciation / amortisation		453,819	521,327
Net write down of non-financial assets		1,130,068	18,847
Finance costs		–	9,437
Movement in assets and liabilities			
Assets			
(Increase) / decrease in net receivables		(1,338,987)	5,435
(Increase) / decrease in other non-financial assets		(8,381)	–
(Increase) / decrease in inventories		(14,169)	–
Liabilities			
Increase / (decrease) in employee provisions		39,907	47,404
Increase / (decrease) in supplier payables		(22,946)	25,424
Increase / (decrease) in project payables		32,968	(236,514)
Net cash from / (used by) operating activities		(400,260)	683,956

Note 11: Contingent assets and liabilities

At 30 June 2014, the FRDC had no contingent assets.

	2014	2013
	$	$
Contingent liabilities		
Balance from previous period	**4,295,009**	4,581,168
New contingent liabilities recognised	**900,000**	550,000
Obligations expired	**(3,286,056)**	(836,159)
Total contingent liabilities[1]	**1,908,953**	4,295,009

(1) **Quantifiable contingencies**

The Schedule of Contingencies reports contingent liabilities in respect of Seafood CRC Company Ltd (Seafood CRC) in which FRDC is a participant. The FRDC has agreements with the Seafood CRC that commit the FRDC to investing $30,084,719 as at 30 June 2014 ($29,184,719 as at 30 June 2013) over the life of the Seafood CRC, which was due to finish 30 June 2014. The Seafood CRC has been granted a 12 month extension from 1 July 2014 to 30 June 2015. The FRDC recognises commitments as contracts are signed.

The FRDC recognised $28,175,766 in Seafood CRC contracts as at 30 June 2014 ($24,889,710 as at 30 June 2013).

This leaves a contingent liability of $1,908,953 as at 30 June 2014 ($4,295,009 as at 30 June 2013).

As the FRDC commits to further Seafood CRC contracts this contingent liability will reduce.

Unquantifiable contingencies

The FRDC had no unquantifiable contingencies.

Significant remote contingencies

The FRDC had no significant remote contingencies.

Note 12: Directors remuneration

Note 12A: Non-executive directors remuneration

	2014	2013
	No.	No.
$0 to $29,999	1	9
$30,000 to $59,999	6	2
Total number of non-executive directors	7	11

Total remuneration received, or due and receivable, by non-executive directors of the FRDC for 2013–14 is $210,479 (2012–13: $199,128)

Remuneration of the Executive Director is not included in Note: 12A and is included in Note 14: Senior executive remuneration.

Note 13: Related party disclosures

The directors of the FRDC during the year were:

Ms H. Brayford	Director (Member Remuneration Committee)
Ms R. Brooks	Director (Member Finance, Audit and Risk Management Committee)
Dr P. Hone	Executive Director
Dr B. Mapstone	Director
Mr B. McCallum	Director (Deputy Chair) (Chair Finance, Audit and Risk Management Committee)
Dr P. O'Brien	Director (Member Remuneration Committee)
Mr D. Thomason	Director (Deputy Chair Finance, Audit and Risk Management Committee)
The Hon. Harry Woods	Chair (Chair Remuneration Committee)

Transactions with director-related parties

The FRDC's practice is to disclose all transactions with an entity with whom a director has an association. This means that directors who have disclosed a material personal interest have attributed to them all the transactions of that entity with the FRDC. Typically, the FRDC will not transact with all the entities for which a director has made such a declaration.

The FRDC board governance policy provides guidance to directors on how the FRDC deals with material personal interests. Where a director has an association with an entity where a conflict has the potential to arise, in addition to the duty to disclose that association, the director absents him/herself from both the discussion and the decision-making process.

No loans were made to directors or director-related entities during the year.

NOTE 13: RELATED PARTY DISCLOSURES (CONTINUED)

Director	Organisation and position held	Nature of interest	Expenditure paid to entity $	Income received from entity $
Ms H. Brayford	Department of Fisheries Western Australia *Deputy Director General*	Research projects or work undertaken by the organisation	1,111,956	1,270,402
Ms R. Brooks	Department of Primary Industries (NSW) *Deputy Director, General Land and Natural Resources*	Research projects or work undertaken by the organisation	629,582	696,073
Dr P. Hone	Seafood CRC Company Ltd *Director*	Research projects or work undertaken by the organisation	3,795,663	113,924
Dr B. Mapstone	CSIRO *Member, Executive Management Council*	Research projects or work undertaken by the organisation	2,513,760	435
	CSIRO FRDC Project 2011-030: Evaluating candidate monitoring strategies, assessment procedures and harvest control rules in the spatially complex Queensland coral reef finfish fishery *Research Co-investigator*	Research projects or work undertaken by the organisation	129,283	0
	Institute of Marine and Antarctic Studies at the University of Tasmania *Member, Advisory Board*	Research projects or work undertaken by the organisation	2,867,475	0
Mr B. McCallum	Bresal Consulting FRDC Project 2013-049: DAFF Aquatic Animal Welfare Working Group– Communications Coordinator *Project Manager*	Research projects or work undertaken by the organisation	55,000	0
Dr Peter O'Brien	Australian Rural Leadership Foundation *Governor Member*	Research projects or work undertaken by the organisation	122,650	0
Mr D. Thomason	Seafood CRC Company Ltd *Director*	Research projects or work undertaken by the organisation	3,795,663	113,924

All transactions were conducted under normal terms and conditions and include GST.

Note 14: Senior executive remuneration

Note 14A: Senior executive remuneration expenses for the reporting period

	2014	2013
	$	$
Short-term employee benefits		
Salary	809,352	761,322
Total short-term employee benefits	809,352	761,322
Post-employment benefits		
Superannuation	140,108	132,288
Total post-employment benefits	140,108	132,288
Other long-term employee benefits		
Annual leave accrued	23,966	12,535
Long service leave	7,280	17,394
Total other long-term employee benefits	31,246	29,929
Total senior executive remuneration expenses	980,706	923,539

During the year no termination benefits were paid to senior executives (2012–13: $Nil).

1. Note 14A is prepared on an accrual basis.
2. Note 14A excludes acting arrangements and part-year service where total remuneration expensed as a senior executive was less than $195,000.

NOTE 14: SENIOR EXECUTIVE REMUNERATION (CONTINUED)

Note 14B: Average annual reportable remuneration paid to substantive senior executives during the reporting period

Average annual reportable remuneration paid to substantive senior executives in 2014						
Average annual reportable remuneration [1]	Substantive senior executives no.	Reportable salary [2] $	Contributed superannuation [3] $	Reportable allowances [4] $	Bonus paid [5] $	Total reportable remuneration $
Total reportable remuneration (including part-time arrangements)						
Less than $195,000	1	148,951	25,549	–	–	174,500
$195,000 to $224,999	1	170,027	28,973	–	–	199,000
$255,000 to $284,999	1	228,948	39,052	–	–	268,000
$285,000 to $314,999	1	261,426	46,534	–	–	307,960
Total number of substantive senior executives	4					

Average annual reportable remuneration paid to substantive senior executives in 2013						
Average annual reportable remuneration [1]	Substantive senior executives no.	Reportable salary [2] $	Contributed superannuation [3] $	Reportable allowances [4] $	Bonus paid [5] $	Total reportable remuneration $
Total reportable remuneration (including part-time arrangements)						
Less than $195,000	2	146,785	24,583	–	–	171,368
$255,000 to $284,999	1	218,774	38,806	–	–	257,580
$285,000 to $314,999	1	248,977	44,318	–	–	293,295
Total number of substantive senior executives	4					

Notes:

(1) This table reports substantive senior executives who received remuneration during the reporting period. Each row represents an average figure.

(2) 'Reportable salary' includes the following:
   a) gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
   b) reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits);
   b) reportable employer superannuation contributions; and
   c) exempt foreign employment income.

(3) The 'contributed superannuation' amount is the actual cost of superannuation benefits to substantive senior executives in that reportable remuneration band during the reporting period.

(4) 'Reportable allowances' are the actual allowances paid as per the 'total allowances' line on individuals' payment summaries.

(5) 'Bonus paid' represents actual bonuses paid during the reporting period in that reportable remuneration band. During the year no bonuses were paid to senior executives.

Note 14C: Other highly paid staff

During 2013–14 and 2012–13, there were no employees whose salary or performance bonus was $195,000 or more (noting that the FRDC does not pay its employees bonuses).

Note 15: Other related party disclosures

Department of Agriculture

The FRDC has a Research & Development Funding Head Agreement with the Department of Agriculture under which it manages a suite of projects noted below:

2013–14

- Aquaplan 2014–19
- Aquavetplan

2012–13

- Australian Animal Welfare Strategy
- Australian Biosecurity Intelligence Network (ABIN) Neptune
- Aquatic Animal Welfare Working Group: Communications Plans Coordinator
- A technical review of formal fisheries harvest strategies
- People development program: Scholarship program for enhancing the skills of aquatic animal health professionals in Australia
- Development of methods for obtaining national estimates of the recreational catch of Southern Bluefin Tuna

The FRDC has recognised in 2013–14: $131,740 (2012–13: $483,480) (refer Note 4C: Grants).

Torres Strait Regional Authority

The FRDC has a Research & Development Funding Agreement with the Torres Strait Regional Authority under which it will manage an FRDC project titled 'Finfish Fishery Action Plan'.

The FRDC has recognised in 2013-14: $40,000 (2012-13: Nil) (refer Note 4C: Grants).

Note 16: Remuneration of auditors

	2014	2013
	$	$
Fair value of the services received		
Financial statement audit services	**29,750**	29,000
Total fair value of services received	**29,750**	29,000

Financial statement audit services are provided to the FRDC by the Australian National Audit Office (ANAO). RSM Bird Cameron is contracted by the ANAO to provide audit services on the ANAO's behalf. Fees for these services are included above. No other services were provided by the ANAO or their contractors, RSM Bird Cameron.

Note 17: Financial instruments

Note 17A: Categories of financial instruments

	2014	2013
	$	$
Financial assets		
Loans and receivables		
Cash and cash equivalents	**4,169,252**	4,963,258
Trade and other receivables	**2,535,306**	1,093,309
Shares	**5,001**	5,001
Loan	**2,500**	2,500
Total loans and receivables	**6,712,059**	6,064,068
Total financial assets	**6,712,059**	6,064,068
Financial liabilities		
Other financial liabilities		
Trade creditors	**90,558**	112,670
Project creditors	**219,760**	186,792
Other payables	**324,004**	324,004
Total other financial liabilities	**634,322**	623,466
Total financial liabilities	**634,322**	623,466

Note 17B: Net gain or loss from financial assets

	2014	2013
	$	$
Loans and receivables		
Interest revenue (Note 4B)	**219,583**	256,267
Net gain from loans and receivables	**219,583**	256,267

NOTE 17: FINANCIAL INSTRUMENTS (CONTINUED)

Note 17C: Fair value of financial instruments

	Carrying amount	Fair value	Carrying amount	Fair value
	2014	2014	2013	2013
	$	$	$	$
Financial assets				
Loans and receivables				
Cash and cash equivalents	4,169,252	4,169,252	4,963,258	4,963,258
Trade and other receivables	2,535,306	2,535,306	1,093,309	1,093,309
Shares[(1)]	5,001	–	5,001	–
Loan	2,500	2,500	2,500	2,500
Total financial assets	6,712,059	6,707,058	6,064,068	6,059,067
Financial liabilities				
Other financial liabilities				
Trade creditors	90,558	90,558	112,670	112,670
Project creditors	219,760	219,760	186,792	186,792
Other payables	324,004	324,004	324,004	324,004
Total financial liabilities	634,322	634,322	623,466	623,466

(1) There are no significant differences between the carrying amounts and fair values of financial assets and liabilities; with the exception of the value of ASCo shares, which are carried at cost because they do not have a quoted market price in an active market, and a fair value cannot be reliably measured.

NOTE 17: FINANCIAL INSTRUMENTS (CONTINUED)

Note 17D: Credit risk

The FRDC's activities expose it to normal commercial financial risk. As a result of the nature of the FRDC's business, the FRDC's internal policies, and Australian Government policies dealing with the management of financial risk, the FRDC's exposure to market, credit, liquidity, cash flow and fair value interest rate risk is considered to be low.

The majority of FRDC's receivables are from government agencies, industry, universities and program contributors who have long-standing relationships with the FRDC.

The FRDC held no collateral to mitigate against credit risk.

Credit quality of financial instruments not past due or individually determined as impaired

	Not past due nor impaired	Not past due nor impaired	**Past due or impaired**	Past due or impaired
	2014	2013	**2014**	2013
	$	$	**$**	$
Cash and cash equivalents	**4,169,252**	4,963,258	**–**	–
Receivables for goods and services	**2,024,529**	736,711	**510,777**	356,598
Shares	**5,001**	5,001	**–**	–
Loan	**2,500**	2,500	**–**	–
Total	**6,201,282**	5,707,470	**510,777**	356,598

Ageing of financial assets that were past due but not impaired for 2014

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	$	$	$	$	$
Receivables for goods and services	**205,270**	**550**	**244,750**	**60,207**	**510,777**
Total	**205,270**	**550**	**244,750**	**60,207**	**510,777**

Ageing of financial assets that are past due but not impaired for 2013

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	$	$	$	$	$
Receivables for goods and services	191,598	165,000	–	–	356,598
Total	191,598	165,000	–	–	356,598

As of 30 June 2014, other receivables in the amount of $510,777 ($356,598 as at 30 June 2013) were past due, but not impaired.

These relate to debtors for whom there is no recent history of default. The FRDC has been in contact with the relevant debtors, and is satisfied that the payment will be received in full.

Other balances within other receivables do not contain impaired assets and are not past due. It is expected these balances will be received when due.

NOTE 17: FINANCIAL INSTRUMENTS (CONTINUED)

Note 17E: Liquidity risk

The FRDC's financial liabilities are project payables, supplier payables and other payables. The exposure to liquidity risk is based on the notion that the FRDC will encounter difficulty in meeting its obligations associated with these financial liabilities. This is highly unlikely due to Australian Government funding and internal policies and procedures put in place to ensure there are appropriate resources for the FRDC to meet its financial obligations.

Maturities for non-derivative financial liabilities in 2014

	On demand	Within 1 year	Between 1 to 2 years	Between 2 to 5 years	Total
	$	$	$	$	$
Suppliers	–	90,558	–	–	90,558
Projects	–	219,760	–	–	219,760
Other payables	–	324,004	–	–	324,004
Total	–	634,322	–	–	634,322

Maturities for non-derivative financial liabilities in 2013

	On demand	Within 1 year	Between 1 to 2 years	Between 2 to 5 years	Total
	$	$	$	$	$
Suppliers	–	112,670	–	–	112,670
Projects	–	186,792	–	–	186,792
Other payables	–	324,004	–	–	324,004
Total	–	623,466	–	–	623,466

The FRDC has no derivative financial liabilities in either 2013–14 or 2012–13.

Note 17F: Market risk

The FRDC holds basic financial instruments that do not expose the FRDC to certain market risks. The FRDC is not exposed to 'currency risk' or 'other price risk'.

Note 18: Financial assets reconciliation

	Note	2014 $	2013 $
Financial assets			
Total financial assets as per Statement of Financial Position		**6,797,827**	6,252,846
Less: non-financial instrument components			
GST receivable from the Australian Taxation Office	6B	**85,768**	188,778
Total non-financial instrument components		**85,768**	188,778
Total financial assets as per financial instruments note		**6,712,059**	6,064,068

Note 19: Reporting of outcome

The FRDC is a co-funded partnership between its stakeholders, the Australian Government and the Australian fishing industry (wild-catch commercial, aquaculture, recreational and indigenous fishers).

The objective of the FRDC is to plan and invest in fisheries RD&E activities in Australia. As a national organisation with strong linkages to industry, managers and researchers it has a fundamental role is providing leadership and coordination. The FRDC achieves this through establishing strong relationships and putting in place mechanisms to identify and address RD&E priorities with industry and government stakeholders. In addition the FRDC monitors and evaluates the adoption of research and development outputs to better inform future decisions.

Note 19A: Net cost of outcome delivery

	Outcome 1	
	2014	2013
	$	$
Departmental		
Expenses	**27,563,145**	25,690,104
Own-source income	**8,958,262**	8,752,875
Net cost/(contribution) of outcome delivery	**18,604,883**	16,937,229

NOTE 19: REPORTING OF OUTCOME (CONTINUED)

Note 19B: Major classes of departmental expenses, income, assets and liabilities by outcome

	Outcome 1	
	2014	2013
	$	$
Expenses		
Employee	2,021,461	1,951,714
Suppliers	1,085,734	1,053,202
Projects expenditure	22,872,063	22,135,577
Depreciation and amortisation	453,819	521,327
Finance costs	–	9,437
Write down and impairment of assets	1,130,068	18,847
Total expenses	27,563,145	25,690,104
Own-source income		
Revenue from the Australian Government	17,932,344	17,229,825
Sale of goods and rendering of services	83,541	30,109
Interest	219,583	256,267
Grants	171,740	483,480
Contributions	8,463,990	7,983,019
Other	19,408	–
Total own-source income	26,890,606	25,982,700
Assets		
Cash and cash equivalents	4,169,252	4,963,258
Trade and other receivables	2,623,574	1,284,587
Other investments	5,001	5,001
Property, plant and equipment	124,575	76,239
Intangibles	640,977	1,850,964
Inventories	14,169	–
Other non-financial assets	8,381	–
Total assets	7,585,929	8,180,049
Liabilities		
Suppliers	129,110	152,056
Projects	219,760	186,792
Other payables	324,004	324,004
Employee provisions	804,374	764,467
Total liabilities	1,477,248	1,427,319

APPENDICES
A·B·C·D·E·F

APPENDIX A

THE FRDC'S PRINCIPAL REVENUE BASE

As stipulated in the PIRD Act, and shown in figure 5, the FRDC's primary revenue source is based on:

(a) the Australian Government providing unmatched funds equivalent to 0.50 per cent of the average gross value of Australian fisheries production (AGVP) for the current year plus the two preceding years,

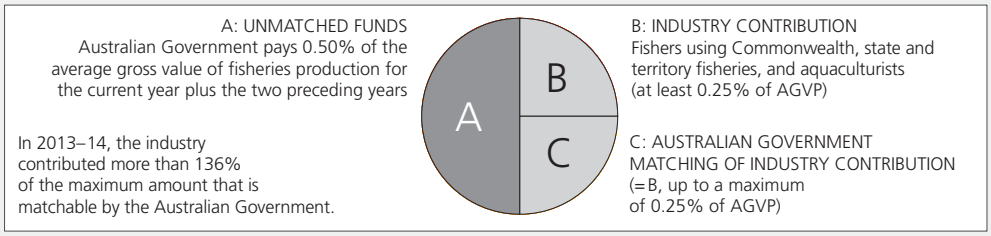
(b) fishers and aquaculturists providing contributions, and

(c) the Australian Government matches this amount up to a maximum of 0.25 per cent of AGVP.

There is no legislative impediment to fishers and aquaculturists contributing to the FRDC above the maximum level at which the Australian Government will provide a matching contribution. Industry contributions for the past financial year and trends for the past five years are shown on page v.

Details of all FRDC revenue (including investments, royalties, and sales of products, information and services) are in the financial statements starting on page 87.

FIGURE 5: PROPORTIONS OF THE FRDC'S PRINCIPAL REVENUE BASE



Rationale for the FRDC's revenue base

The high component of public good in the operating environment of the fishing industry, has significance for the FRDC's revenue base. The Australian Government's contribution of 0.50 per cent of AGVP is made on the grounds that the Australian Government exercises a stewardship role in relation to fisheries resources on behalf of the Australian community.

Industry makes its contributions to the FRDC recognising that fisheries RD&E will be oriented to its needs and will deliver economic and social benefits. In turn, the Australian Government's matching of the industry contributions is in line with policy principles that:

- beneficiaries from research should pay roughly in proportion to the benefits received, and
- the greater the spillover benefits, the greater the proportion the Australian Government should contribute.

APPENDIX B

THE FRDC'S LEGISLATIVE FOUNDATION AND THE EXERCISE OF MINISTERIAL POWERS

Enabling legislation

The FRDC was formed as a statutory corporation on 2 July 1991 under the provisions of the then PIERD Act. It also operates under the provisions of the CAC Act, which applies high standards of accountability while providing for the independence required by the Corporation's role as a statutory authority.

The FRDC's objects, deriving from section 3 of the PIRD Act and shown in Appendix C, are incorporated in the FRDC's vision and planned outcomes. As reflected in figure 1 on page 18, the Corporation's five R&D programs mirror the industry development, natural resources sustainability and people development themes of, respectively, sub-sections 3(a), (b) and (c) of the Act. This alignment has brought simplicity and robustness to the FRDC's RD&E planning, implementation and reporting, and to many of the organisations with which it does business. Importantly, the alignment ensures the RD&E outputs resulting from the Corporation's investments fully address the legislative objects.

The FRDC's current enabling legislation is the PIRD Act. The FRDC Board is responsible to the Minister for Agriculture and, through him, to the Parliament of Australia. The objects, functions and powers of R&D corporations are specified in the PIRD Act, the text of which is available via the FRDC website.

More information about the FRDC's legislative foundations can be found in Appendix C.

Objects

The objects of the PIRD Act are to:

(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, and
  (ii) achieving the sustainable use and sustainable management of natural resources, and
  (iii) making more effective use of the resources and skills of the community in general and the scientific community in particular, and
  (iv) supporting the development of scientific and technical capacity, and
  (v) developing the adoptive capacity of primary producers, and
  (vi) improving accountability for expenditure on research and development activities in relation to primary industries, and

(b) make provision for the funding and administration of marketing relating to products of primary industries.

Functions

The functions of an R&D corporation are:

(a) to investigate and evaluate the requirements for R&D in relation to the primary industry or class of primary industries in respect of which it is:
  (i) to prepare an R&D plan under section 19, and
  (ii) to review and revise the plan, and

(b) to prepare an annual operational plan under section 25 for each financial year, and

(c) to coordinate or fund the carrying out of R&D activities that are consistent with the annual operational plan prepared by the Corporation and in force at the time, and

(d) to:
  (i) monitor, and
  (ii) evaluate, and
  (iii) report to the Parliament, the Minister and its representative organisations on R&D activities that are coordinated or funded, wholly or partly, by the Corporation, and

(da) to:
  (i) assess, and
  (ii) report to the Parliament, the Minister and its representative organisations on, the impact, on the primary industry or class of primary industries in respect of which the Corporation was established, of R&D activities that are coordinated or funded, wholly or partly, by the Corporation, and

(e) to disseminate and commercialise, and facilitate the dissemination, adoption and commercialisation of, the results of R&D in relation to the primary industry or class of primary industries in respect of which the Corporation was established, and

(ea) if a levy attached to the Corporation has a marketing component—to carry out marketing activities for the benefit of the primary industry or class of primary industries in respect of which the Corporation was established, and

(f) such other functions as are conferred on the Corporation by this Act or any other Act.

Powers

Subject to the PIRD Act, an R&D corporation has power to do all things necessary or convenient to be done for, or in connection with, the performance of its functions and, in particular, may:

(a) enter into agreements under section 13 for the carrying out of R&D or marketing activities by other persons, and

(b) enter into agreements under section 14 for the carrying out of R&D or marketing activities by the Corporation and other persons, and

(c) make intellectual property and other applications, including joint applications, in relation to the results of research and development, and

(d) deal with the results of research and development vested in, or made available to, the Corporation or the Corporation and other persons, and

(e) make charges for work done, services rendered, and goods and information supplied, by it, and

(f) accept gifts, grants, bequests and devises made to it, and act as trustee of money and other property vested in it on trust, and

(g) acquire, hold and dispose of real and personal property for the purposes of this Act, and

(h) join in the formation of a company, and

(j) do anything incidental to any of its powers.

The description of ministerial powers that follows has been drawn from several sections of the PIRD Act and has been condensed from the original in the interests of clarity.

Ministerial powers

Ministerial powers under the enabling legislation may be exercised by the Minister for Agriculture. They relate to:

- directing the FRDC in writing as to the performance of its functions and the exercise of its powers,
- approving the RD&E plan and the annual operational plan,
- requesting and approving variation to the RD&E plan and the annual operational plan,
- requesting the establishment of a selection committee and determining certain conditions relating to the selection committee,
- appointing the presiding member and members of a committee for the selection of directors,
- determining the number of directors,
- determining the terms and conditions of appointment of directors (other than the Executive Director) in relation to matters not provided for by the PIRD Act,
- appointing the Chairperson,
- appointing directors, other than the Chairperson and Executive Director, from persons nominated by a selection committee,
- appointing a nominated director to be the Deputy Chairperson,
- declaring one or more specified organisations to be representative organisations in relation to the FRDC,
- determining the gross value of production of the fishing industry for the purposes of establishing the maximum payments by the Australian Government to the FRDC,
- establishing written guidelines covering the payment by the FRDC to an eligible industry body, or member of an eligible industry body, for expenses reasonably incurred in connection with consultation with the FRDC,
- causing, at least once in each financial year, a coordination meeting to be held of all R&D corporations,
- granting leave of absence to the Chairperson, and
- terminating the appointment of the Chairperson or a director other than the Executive Director.

Additional powers under the CAC Act relating to corporate governance and reporting are available to the Minister for Agriculture; and the Finance Minister.

APPENDIX C

PRINCIPAL LEGISLATIVE REQUIREMENTS FOR REPORTING

This annual report complies with the requirements of Commonwealth legislation. The principal reporting requirements, and some of their consequences for the FRDC, are outlined in this appendix. The Acts are the:

- *Commonwealth Authorities and Companies Act 1997* (CAC Act),
- *Primary Industries Research and Development Act 1989* (PIRD Act), and
- *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act).

CAC Act requirements

The CAC Act is the principal legislation that specifies the content and standards of presentation of statutory authorities' annual reports for parliamentary scrutiny.

Section 9 of the CAC Act requires the FRDC's directors to prepare an annual report in accordance with Schedule 1 each financial year, and to give it to the responsible minister by 15 October. Clause 10 of the CAC Orders specifies that the report of operations and future prospects (one of the three main elements of the annual report, the others being financial statements and a report by the Auditor-General) are to include, among other things:

- a review of how the FRDC has performed during the financial year in relation to its statutory objects and functions, its R&D plan and its principal outputs and contribution to outcomes,
- factors influencing its performance over the financial year and in the future,
- significant events,
- operational and financial results, including principal outputs, major investing and financing activities, and key financial and non-financial performance indicators,
- significant changes in the FRDC's state of affairs or principal activities,
- developments since the end of the financial year, and
- matters required to be included by the PIRD Act and any other legislation.

PIRD Act requirements

The PIRD Act also specifies matters that must be reported. In particular, section 28 stated for the reporting period:

(1) The directors must include in each report on an R&D Corporation prepared under section 9 of the CAC Act:

(a) particulars of:
(i) the R&D activities that it coordinated or funded, wholly or partly, during the period, and
(ia) if a levy attached to the Corporation had a marketing component during the period—the marketing activities that it coordinated or funded, wholly or partly, during the period, and
(ii) the amount that it spent during the period in relation to each of those activities, and
(iib) the impact of those activities on the primary industry or class of primary industries in respect of which the Corporation was established, and
(iii) revisions of its R&D plan approved by the Minister during the period, and
(iv) the entering into of agreements under sections 13 and 14 during the period and its activities during the period in relation to agreements entered into under that section during or prior to the period, and
(v) its activities during the period in relation to applying for patents for inventions, commercially exploiting patented inventions and granting licences under patented inventions, and
(vi) the activities of any companies in which the Corporation has an interest, and
(vii) any activities relating to the formation of a company, and
(viii) significant acquisitions and dispositions of real property by it during the period, and

(b) an assessment of the extent to which its operations during the period have:
(i) achieved its objectives as stated in its R&D plan, and
(ii) implemented the annual operational plan applicable to the period, and

(c) an assessment of the extent to which the Corporation has, during the period, contributed to the attainment of the objects of this Act as set out in section 3, and

(d) in respect of the grain industry or such other primary industry or class of primary industries as is prescribed in the regulations, particulars of sources and expenditure of funds, including:
(i) commodity, cross commodity and regional classifications, and
(ii) funds derived from transfer of assets, debts, liabilities and obligations under section 144.

Further information on the PIRD Act in relation to the FRDC is in Appendix C.

EPBC Act requirements

Section 516A of the EPBC Act requires the FRDC to report on ecologically sustainable development (ESD) and environmental matters. The specific reporting required by section 516A, and the FRDC's responses, are as follows.

- The extent to which the principles of ESD have been internalised in decision-making systems and processes. The objects of the FRDC, specified in the enabling legislation and detailed in Appendix C, focus its activities on economic, environmental and social matters (that is, the principal elements of ESD), including 'sustainable use and sustainable management of Australia's fisheries natural resources'. The first three of the legislated objects underlie the FRDC's vision, and are the basis for the planned outcomes of the FRDC's R&D programs. In pursuing these outcomes, the FRDC has fully internalised the principles of ESD in its decision-making systems and processes.
- The contribution to ESD of the social, economic and environmental outcomes that the Australian Government is seeking. Reporting of the FRDC's R&D programs (pages 23–55) addresses this requirement. In addition, Appendix D: Government priorities on pages 143–146 outlines expenditure against the broader government priorities including an environmentally sustainable Australia.
- Program 1: Environment and Program 2: Industry, clearly focus and deliver RD&E outcomes that are consistent with the intentions of the EPBC Act and assist management agencies.
- The environmental impacts of the FRDC's operations and actions, the measures being taken to minimise the impact on the environment, and the mechanisms for reviewing and improving performance. The FRDC implements section 516A through two functions, as follows:
  - R&D project management. The FRDC identifies R&D needs, and the means of addressing them, through a planning process and by entering project agreements with research providers; it does not undertake research itself. Management of fisheries R&D involves reporting against economic, environmental and/or social outcomes—at a strategic level through this annual report and in more detail in the final reports for projects. Before R&D projects start, the FRDC assesses their environmental impacts and ensures that appropriate approvals are obtained. The FRDC also has an entire R&D subprogram dedicated to developing an ESD reporting and assessment framework so that the industry can meet its obligations under the Act.
  - FRDC internal operations. Mechanisms for reviewing and improving performance are incorporated in the Corporation's ISO-certified quality management system, which provides a structure for continual improvement that permeates all management processes. The FRDC manages the process through the Management and accountability program.

A compliance index shows the page numbers on which the FRDC has reported on matters specified in Australian Government legislation and policies.

APPENDIX D

GOVERNMENT PRIORITIES

The national research priorities and rural research priorities can be viewed at http://www.daff.gov.au/agriculture-food/innovation/priorities

National research priorities and their associated goals (for use with the tables on the following page).

Priority 1—An environmentally sustainable Australia

A1 Water—a critical resource
A2 Transforming existing industries
A3 Overcoming soil loss, salinity and acidity
A4 Reducing and capturing emissions in transport and energy generation
A5 Sustainable use of Australia's biodiversity
A6 Developing deep earth resources
A7 Responding to climate change and variability

Priority 2—Promoting and maintaining good health

B1 A healthy start to life
B2 Ageing well, ageing productively
B3 Preventive healthcare
B4 Strengthening Australia's social and economic fabric

Priority 3—Frontier technologies for building and transforming Australian industries

C1 Breakthrough science
C2 Frontier technologies
C3 Advanced materials
C4 Smart information use
C5 Promoting an innovation culture and economy

Priority 4—Safeguarding Australia

D1 Critical infrastructure
D2 Understanding our region and the world
D3 Protecting Australia from invasive diseases and pests
D4 Protecting Australia from terrorism and crime
D5 Transformational defence technologies

TABLE 7: TOTAL INVESTMENT 2013–14. GOVERNMENT RESEARCH PRIORITIES ATTRIBUTED TO EACH R&D PROGRAM ($ AND %)

RURAL RESEARCH PRIORITIES												
Rural research priorities	Program 1: Environment		Program 2: Industry		Program 3: Communities		Program 4: People development		Program 5: Extension and adoption		Total expenditure	
	$000	%	$000	%	$000	%	$000	%	$000	%	$000	%
Productivity and adding value	753	3.29	2,701	11.81	49	0.21	410	1.79	159	0.70	4,072	17.81
Supply chain and markets	315	1.38	988	4.32	49	0.21	180	0.79	187	0.82	1,719	7.52
Natural resource management	6,632	29.00	2,795	12.22	178	0.78	350	1.53	340	1.49	10,296	45.02
Climate variability and climate change	1,521	6.65	229	1.00	9	0.04	61	0.27	5	0.33	1,894	8.28
Biosecurity	1,560	6.82	190	0.83			98	0.43	73	0.32	1,921	8.40
Innovation skills	379	1.66	418	1.83	100	0.44	483	2.11	142	0.62	1,522	6.65
Technology	268	1.17	635	2.78			102	0.45	55	0.24	1,061	4.64
Other research	387	1.69									387	1.69
TOTAL	11,815	51.65	7,956	34.78	386	1.69	1,685	7.37	1,032	4.51	22,872	100.00

Notes:

- When looking at the RD&E expenditure estimates across the rural research priorities and national research priorities, note that expenditure estimates differ for similarly themed priorities as a result of differences between descriptors.
- National research priorities and their associated goals are listed on the previous page.

Figures in this table have been rounded, hence totals may not agree with component figures.

TABLE 7: CONTINUED

NATIONAL RESEARCH PRIORITIES												
National research priorities		Program 1: Environment		Program 2: Industry		Program 3: Communities		Program 4: People development		Program 5: Extension and adoption		Total expenditure	
		$000	%	$000	%	$000	%	$000	%	$000	%	$000	%
An environmentally sustainable Australia	A1												
	A2	1,054	4.61	2,279	9.96			31	0.13	122	0.54	3,486	15.24
	A3												
	A4			157	0.69					11	0.05	168	0.74
	A5	6,890	30.13	1,493	6.53	135	0.59	682	2.98	335	1.47	9,535	41.69
	A6												
	A7	2,108	9.22			114	0.50			64	0.28	2,286	10.00
Promoting and maintaining good health	B1												
	B2												
	B3	104	0.46	289	1.26					27	0.12	420	1.84
	B4	250	1.09			53	0.23	373	1.63	82	0.36	758	3.31
Frontier technologies for building and transforming Australian industries	C1	319	1.40	382	1.67			51	0.22	56	0.24	808	3.53
	C2	238	1.04	1,815	7.94					134	0.59	2,187	9.56
	C3	51	0.22	255	1.12					24	0.10	330	1.44
	C4	133	0.58	63	0.28					19	0.08	215	0.94
	C5			668	2.92	56	0.24	424	1.85	70	0.31	1,218	5.33
Safeguarding Australia	D1												
	D2												
	D3	983	4.30	189	0.83	10	0.04	179	0.78	97	0.43	1,458	6.37
	D4												
	D5												

APPENDIX E

REPRESENTATIVE ORGANISATIONS

Guidelines on funding of consultation costs by primary industry and energy portfolio statutory authorities were issued by the then Minister for Primary Industries and Energy in July 1998 under the relevant enabling legislation and in association with paragraph 16(1)(b) of the CAC Act which obliges directors of a Commonwealth authority to provide the responsible Minister with such reports, documents and information as he or she requires.

As required by section 5(b) of the guidelines FRDC is required to report:

> *Where the statutory authority has authorised an industry organisation, with which it has a formal relationship under its enabling legislation, to undertake a discrete project or consultancy on its behalf as per section 1(b) of these guidelines, then details of the nature, purpose and expected or final outcome of the project or consultancy should be provided concurrently, with details of any consultation funding, in the main body of the annual report.*

The following tables are a list of all projects FRDC had with representative bodies in 2013–14. Note that projects can run over multiple years.

There are no projects in progress with the National Seafood Industry Association or the Commonwealth Fisheries Association.

National Aquaculture Council

Project number	Project title	Total project cost
2009/303	Australasian Aquaculture 2010 to 2014	$240,000

Recfish Australia

Project number	Project title	Total project cost
2010/211	Development of National Extension and Adoption Framework for Fishing and Aquaculture	$358,880

Further details on these and all active projects can be found on the FRDC website.

APPENDIX F

FREEDOM OF INFORMATION STATEMENT

Australian Government agencies subject to the *Freedom of Information Act 1982* (FOI Act) are required to publish information to the public as part of the Information Publication Scheme (IPS). This requirement is in Part II of the FOI Act and each agency must display on its website a plan showing what information it publishes in accordance with the IPS requirements.

Further information on the FRDC's agency plan is available from the FRDC website—http://frdc.com.au/about_frdc/foi/Pages/default.aspx

Role, structure and functions

The FRDC's role is described on page 13 of this annual report; its structure and functions and legislation under which it is established are described in Appendices A to C.

Documents available for inspection

RD&E plan (the FRDC's strategic plan)	File, publication and website *
FRDC policies	Unpublished documents, list on website *
Annual operational plan	File, publication and website *
Project details	Database, files and website *
Project agreements	Files and generic copy on website *
Final reports and non-technical summaries	Publications and website *
RD&E funding applications	Files
Annual report	File, publications and FRDC website *
FISH magazine	File, publications, iPad and FRDC website *
Administration	Files, unpublished document
Mailing lists	Database

* The FRDC's website address is www.frdc.com.au

Some other information may be subject to assessment of access for such matters as commercial confidentiality or personal privacy in accordance with the FOI Act.

Access to documents

To seek access to FRDC documents, please contact the FRDC's FOI Officer: address, telephone, fax and e-mail details are shown inside the back cover of this report. It may not be necessary to request the information under the FOI Act—the FRDC may simply provide it to you when you ask for it. At all times, however, you have the option of applying under the FOI Act.

Fees and charges for FOI

Request	Charge
Application	No fee
Search and retrieval	$15 per hour
Decision making and consultation	First five hours free, after that $20 per hour
When a FOI request is not responded to within the statutory time limit	No fee
Internal review	No fee
Request for personal information	No fee

The standard FOI application fee is nil when making your application, however processing charges will apply.

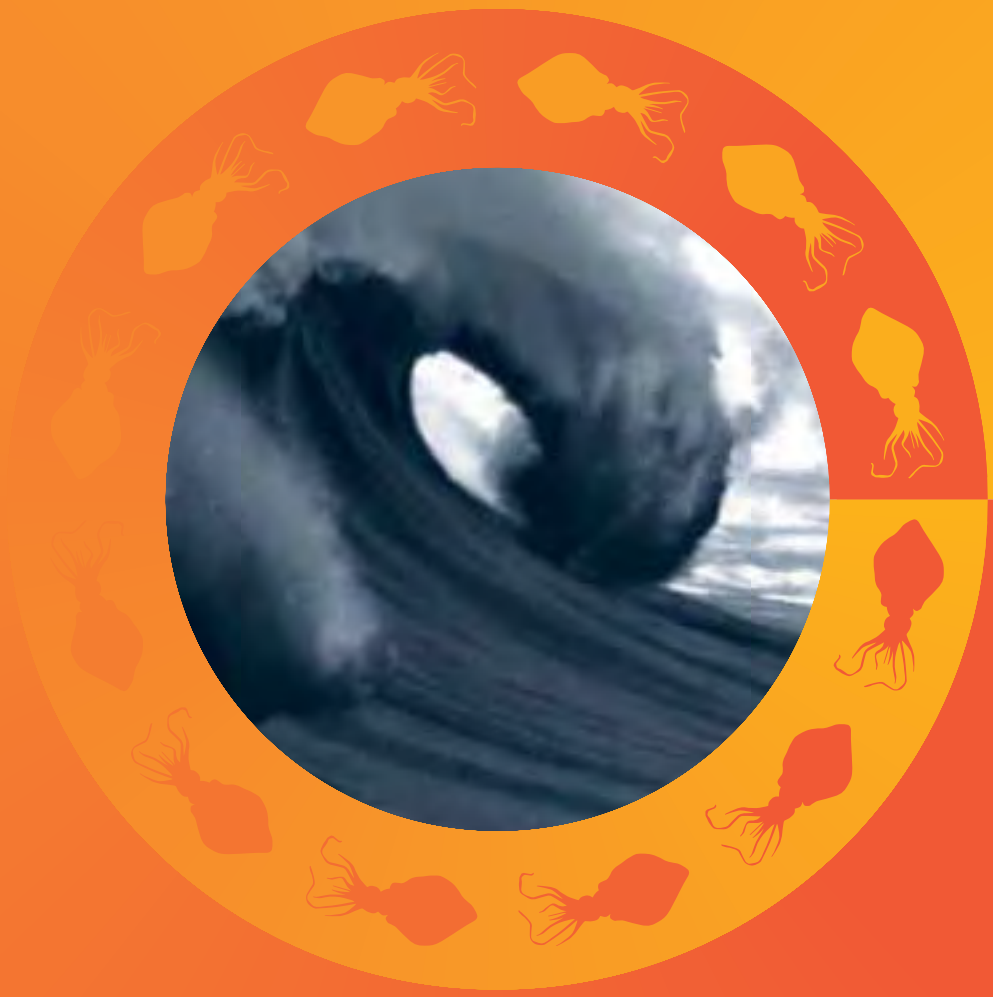
Documents are usually made available for direct access at the FRDC's office in Canberra. They may also be provided, depending on your preference:

- by post (photocopies) to an address specified in your request, or
- at the Information Access Office (established by the Attorney-General) nearest where you live.

ABBREVIATIONS AND ACRONYMS

AASB	Australian Accounting Standards Board
ABARES	Australian Bureau of Agricultural and Resource Economics and Sciences
AFMA	Australian Fisheries Management Authority
AGVP	average gross value of production
AOP	annual operational plan
APFA	Australian Prawn Farmers Association
ASCo	Australian Seafood Co-products
AVG	abalone viral ganglioneuritis
b	billion
CAC Act	*Commonwealth Authorities and Companies Act 1997*
CEO	Chief Executive Officer
CRC	cooperative research centre
CSIRO	Commonwealth Scientific and Industrial Research Organisation
E&A	extension and adoption
EPBC Act	*Environment Protection and Biodiversity Conservation Act 1999*
ESD	ecologically sustainable development
FOI Act	*Freedom of Information Act 1982*
FRAB	Fisheries Research Advisory Body
FRDC	Fisheries Research and Development Corporation
GST	goods and services tax
GVP	gross value of production
ISO	International Organization for Standardisation
IT	information technology
m	million
MP	member of parliament
NPF	National Priorities Forum
NSW	New South Wales
OOD	oyster oedema disease
PhD	Doctor of Philosophy
PIERD Act	*Primary Industries and Energy Research and Development Act 1989*
PIRD Act	*Primary Industries Research and Development Act 1989*
PIRSA	Department of Primary Industries and Regions South Australia
POMS	Pacific Oyster mortality syndrome
R&D	research and development
RD&E	research, development and extension
RDC	research and development corporation
SARDI	South Australian Research and Development Institute
SBT	Southern Bluefin Tuna
SSA	Seafood Services Australia
TEP	threatened, endangered or protected species
WHS Act	*Work Health and Safety Act 2011*

INDICES
COMPLIANCE · ALPHABETICAL



COMPLIANCE INDEX

This index shows the page numbers on which the FRDC has reported on matters specified in Australian Government legislation and policies, and in the Global Reporting Initiative.

When this annual report has not addressed a compliance subject (usually because no activity occurred under that heading during the year), the subject entry is followed by '—' rather than by a page number.

Australian Government legislation and policies

The Australian Government legislation and policies with which the FRDC complies include the following:

- the FRDC's enabling legislation, the *Primary Industries Research and Development Act 1989* (PIRD Act),
- the *Commonwealth Authorities and Companies Act 1997* (CAC Act) and its supporting Commonwealth Authorities and Companies (Report of Operations) Orders 2008 made under section 48 of the Act (CAC Orders),
- the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act),
- other legislation, such as the *Freedom of Information Act 1982*, the *Work Health and Safety Act 2011*, the *Disability Discrimination Act 1992* and the *Commonwealth Electoral Act 1918*,
- ministerial notifications of Australian Government policy, including national priorities for research and priorities for rural R&D,
- other Australian Government guidelines,
- recommendations by the Australian National Audit Office.

The document *Requirements for annual reports* acknowledges that agencies vary in role and size and there is discretion as to the extent of information to include in annual reports and the sequence in which it is presented. The Joint Committee on Publications has also observed that a departmental report will necessarily be different from that of a statutory authority; a statutory authority, while accountable for its activities, has a degree of independence not shared by departments and its annual reports will thus have a greater freedom of expression and comment. The FRDC's reporting is, accordingly, appropriate to its legislative basis, functions and size.

Commonwealth Authorities and Companies Act 1997 and *CAC (Report of Operations) Orders 2008*

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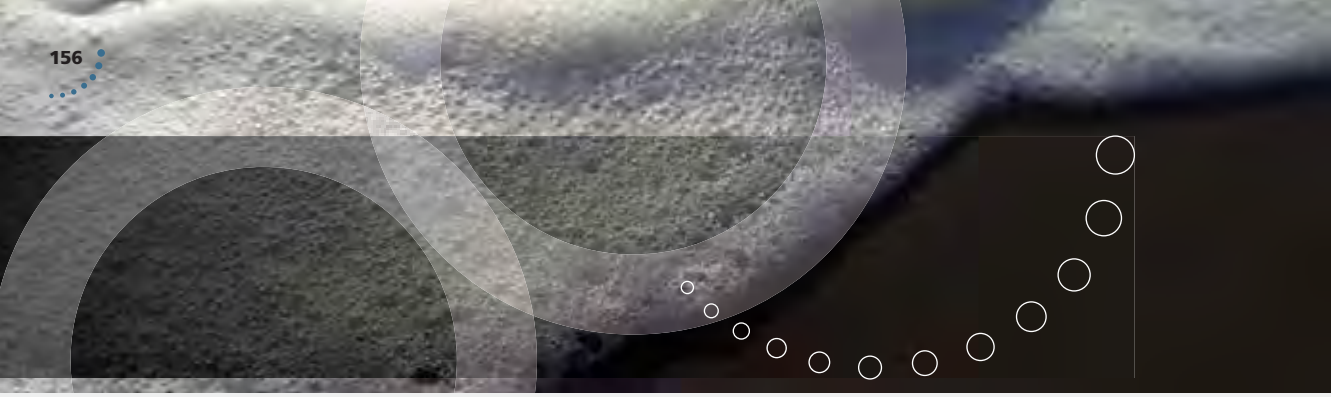

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PUBLICATIONS AND OTHER INFORMATION

The following information is available from the FRDC	Printed	Website
The RD&E plan (*Investing for tomorrow's fish: The FRDC's research, development and extension plan 2010–2015*), which provides comprehensive information on the Corporation; its business environment; the outlook for the fishing industry and the natural resources on which it depends; and the way in which the FRDC plans, invests in and manages fisheries R&D.	Yes	Yes
This and the previous annual report.	Yes	Yes
R&D plans for Commonwealth, states, Northern Territory, regions and industry sectors.	Yes	Yes
FISH (published in March, June, September and December, and on other occasions for special themes), which provides information on FRDC activities, summarises final reports on completed R&D projects released during the previous quarter, and lists projects that have been newly funded.	Yes	Yes
Information on completed projects (final reports and other related products).	Yes (see note 1)	
Non-technical summaries of all final reports of FRDC projects.		Yes
Hyperlinks to other websites containing full final reports and fisheries R&D strategies, and to other important websites.		Yes
R&D funding application details.		Yes
Coming events of significance for the industry.		Yes
Research databases.		Yes

Note 1: Information on completed projects (final reports and other related products) are also available from:

- the National Library of Australia, Parkes ACT 2600
- the Librarian, CSIRO Marine Research, GPO Box 1538, Hobart Tasmania 7001
- state libraries and research institutions that the researcher considers appropriate.

www.frdc.com.au

The FRDC's website (www.frdc.com.au) provides easy access to information and publications, including the items on this page.

Visit FRDC's other sites

- www.fish.gov.au
- www.fishfiles.com.au
- www.facebook.com/FRDCAustralia

ABOUT THIS REPORT

This report describes the extent to which the Corporation implemented its approved annual operational plan during the previous financial year. It meets the requirements for reporting legislated by the Australian Government and informs the FRDC's other stakeholders—especially those in the commercial, recreational and Indigenous sectors of the fishing industry and in the research and development community.

Fisheries Research and Development Corporation Annual Report, 2013–14

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The FRDC is co-funded by our stakeholders,
the Australian Government, and the fishing industry.

The FRDC invests strategically across all of Australia in research, development and extension (RD&E) activities that benefit all sectors of the fishing industry. Our goal is for Australia's fisheries to be sustainably managed.