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Auditor-General for Australia



28 September 2022

Senator the Hon Matthew Canavan
Committee Chair
Senate Rural and Regional Affairs and Transport References Committee
By email: rrat.sen@aph.gov.au

Dear Senator Canavan

INQUIRY INTO THE FISHERIES QUOTA SYSTEM

The Australian National Audit Office (ANAO) presented the following performance audit report to the Parliament that you may find relevant to the above inquiry.

- Auditor-General Report No.45 of 2020–21 [Management of Commonwealth Fisheries](#)

Information about what the audit assessed, concluded, and recommended is attached on page 2 and 3 of this letter. The audit report is available online at anao.gov.au.

Should the Committee require further information in relation to this matter, the ANAO would be pleased to provide a briefing at a time convenient to you or appear as a witness at a hearing.

To arrange a briefing, please contact our External Relations team at external.relations@anao.gov.au.

Yours sincerely

Grant Hehir

Auditor-General

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Auditor-General Report No.45 of 2020–21 *Management of Commonwealth Fisheries* assessed the effectiveness of AFMA’s management of Commonwealth fisheries.

To form a conclusion against this objective, the following high-level criteria were applied:

- Have appropriate governance arrangements been established to inform planning and management?
- Are individual fisheries management arrangements effective?
- Have effective compliance and enforcement processes been implemented?

The audit concluded that:

- AFMA’s overall management of Commonwealth fisheries is partly effective.
- AFMA’s governance arrangements, including performance information, are partly appropriate. Performance measures contained in AFMA’s corporate plan do not provide a clear assessment against its purpose and incorrect reporting has been identified. An ecological risk assessment framework has been established but re-assessments have not been completed in accordance with the framework. AFMA has not pursued a proposal to establish an economic risk assessment framework. An appropriate risk-based compliance and enforcement framework to promote compliance with fisheries management regulations has been established.
- Individual fisheries management arrangements are partly effective. Plans and strategies implemented under Commonwealth policy have not been reviewed in a timely manner. Maximising net economic returns based on scientific modelling has not progressed. Conflict of interest arrangements for commissioners and committees are managed appropriately although administration of staff conflict of interest declarations is not effective. Public reporting on key commercial fish stock is extensive. Aggregate pricing data collected from industry is not being reported.
- AFMA has implemented largely effective compliance and enforcement processes. Compliance activities are informed by a structured risk assessment process. Detection, prevention and enforcement activities are largely effective. Guidance material and reporting could be improved.

The report included the following nine recommendations:

Recommendation No.1

The Australian Fisheries Management Authority revise its performance information to:

- ensure the purpose statement wholly incorporates legislated objectives;
- align key activities with the purpose; and
- include measures and targets that meet the requirements of the Public Governance, performance and Accountability Rule 2014, section 16EA.

Australian Fisheries Management Authority response: Agreed.

Recommendation No.2

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The Australian Fisheries Management Authority document a re-assessment plan and schedule for ecological risk assessments and report progress towards implementation of the schedule to the Commission.

Australian Fisheries Management Authority response: Agreed.

Recommendation No.3

The Australian Fisheries Management Authority work with its economic working group and research committee to determine AFMA's approach to managing economic risk.

Australian Fisheries Management Authority response: Agreed.

Recommendation No.4

The Australian Fisheries Management Authority ensure harvest strategies and bycatch and discard plans meet the relevant Commonwealth policy and are available on its website.

Australian Fisheries Management Authority response: Agreed.

Recommendation No.5

The Australian Fisheries Management Authority maintain a current register of interested parties and actively engage with all relevant stakeholders in relation to fisheries management arrangements.

Australian Fisheries Management Authority response: Agreed.

Recommendation No.6

The Australian Fisheries Management Authority ensure conflict of interest and outside employment records for all staff are current, consistently recorded, accessible and approved where appropriate.

Australian Fisheries Management Authority response: Agreed.

Recommendation No.7

The Australian Fisheries Management Authority resolve data quality issues with regard to quota transactions and publish pricing data.

Australian Fisheries Management Authority response: Agreed.

Recommendation No.8

The Australian Fisheries Management Authority update the workflow contained in the quota reconciliation enforcement matrix to include detailed guidance on handling repeat offences.

Australian Fisheries Management Authority response: Agreed.

Recommendation No.9

The Australian Fisheries Management Authority ensure staff are aware of their legislated obligations when conducting investigations and address identified capability gaps in a timely manner.

Australian Fisheries Management Authority response: Agreed.