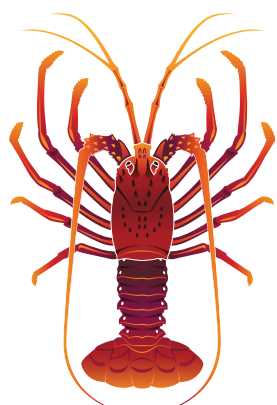


2021/2022 Annual Report



Western
**ROCK
LOBSTER**

World leading sustainable fishery



WA Fishery Map



Our Mission

OUR MISSION IS TO ENSURE THAT THE WRL FISHERY IS RESPECTED AND RECOGNISED AS AN ICONIC GLOBAL LEADER IN SUSTAINABLE FISHERIES MANAGEMENT.

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From the Chair

2022: our industry proves resilient through the aftermaths of COVID-19 and market closure impacts.



In late 2021, the WA Government commissioned a review of the State's commercial fishing and aquaculture governance arrangements. The Rayns Report recommended that Western Rock Lobster become a peak body in its own right through a direct funding agreement with the Minister for Fisheries. WRL further improved its governance and professionalism by appointing two independent directors to the board, Bradley Gannon and Sophie Raven together with requiring that all current and future WRL Directors must complete the Australian Institute of Company Directors 5-day course.

Much of the last two years felt like we were continually adjusting to new pressures on our industry. The COVID-19 pandemic continued, but we were entering a different chapter, evidenced by the WA state border re-opening on 3 March 2022. The past two years clearly indicated our industry has little influence on geo-political market situations, nor worldwide pandemics. WRL reacted by disseminating information and implementing positive change that would assist industry. This included updating members on the critical worker policy brought in by the WA Government and revising industry's future season dates and fee repayments. This process involved rigorous industry consultation, including the ability for members to provide their own submissions, an in-person workshop and online poll that eventually resulted in the industry adopting a short 5.5-month transition season before commencing annual seasons that align with financial years. WRL also recommenced meetings of the Total Allowable Catch Committee (TACC) whose important input has led to the approval of the first version of the West Coast Rock Lobster Managed Fishery Maximum Economic Yield Model (MEY Model), a significant analytical asset for maximising our industry's value and sustainability.

Following a State election in 2021 including a new Minister for Fisheries, the Federal election in 2022 established a new Albanese Government including a range of new Ministers relevant to the western rock lobster industry. With resource access security threats from numerous sources, WRL is committed to raising awareness and advocating on industry's behalf with key new Federal Ministers including the portfolios of Fisheries, Environment and Water, Trade and Tourism, and Climate Change and Energy.

I extend my thanks to industry, WRL's Committees, processors, fishers, investors and associated businesses for once again working collaboratively in these challenging and changing times. I acknowledge the efforts and leadership of the WRL Board, and in particular the work of retiring Directors Roger King and Brad Arnup for their contribution and dedication over recent years. I would also like to recognise independent Director Sophie Raven and thank her for her contribution to the board as she has not been able to continue in her role. Lastly, on behalf of the Board, many thanks to Matt and his team for their professionalism and dedication.

Though this year presented new challenges and changes to our industry, the outcomes that have been achieved are reflective of what happens when our members and WRL work together and put industry's interests first. We have continued to raise the contribution of our industry to Western Australia through our BoBs, ShoreLeave Festival and media. Our industry is stronger when we collaborate, so I encourage our members to participate in industry events and engage in the many consultation opportunities.

Terry Lissiman
Chairman

From the CEO

COVID-19 pandemic followed by market access restrictions since 2021 have halved the western rock lobster industry's gross value of production (GVP). With these external factors showing no signs of easing in the near future and additional threats to resource access security, it has never so critical for WRL to be a leading, capable and influential peak body with a key focus on utilising research, development and extension to benefit members, grow GVP and maintain market competitiveness.



Following the Rayns Report, the Minister for Fisheries, the Hon. Don Punch MLA authorised a new direct funding agreement between WRL and the WA Government. The Minister noted the agreement was an acknowledgement of WRL's strong performance and contribution to the management of WA's most valuable aquatic resource. While this direct funding agreement with the WA Government provides greater status for WRL with autonomy and security regarding our access fee funding, the halving of GVP presents a very real threat to the current level of peak body service provision and future funding for key industry initiatives. With this in mind, WRL has commenced planning for the introduction of the independent funding model as described in WRL's 'Strategy for Security, Independence and Community Connection'.

Independent funding presents opportunities for our industry to ensure the success and durability of key strategic initiatives including the Research Network partnership with DPIRD and FRDC plus our Industry Digital Strategy (IDS) that will create opportunities and synergies with national and regional innovation programs, including data, traceability and artificial intelligence. These strategic initiatives are fundamental to our industry realising future opportunities and mitigating an array of external risks, including encroaching pressures to our resource access security, climate change, global geo-political threats and a rising cost of doing business.

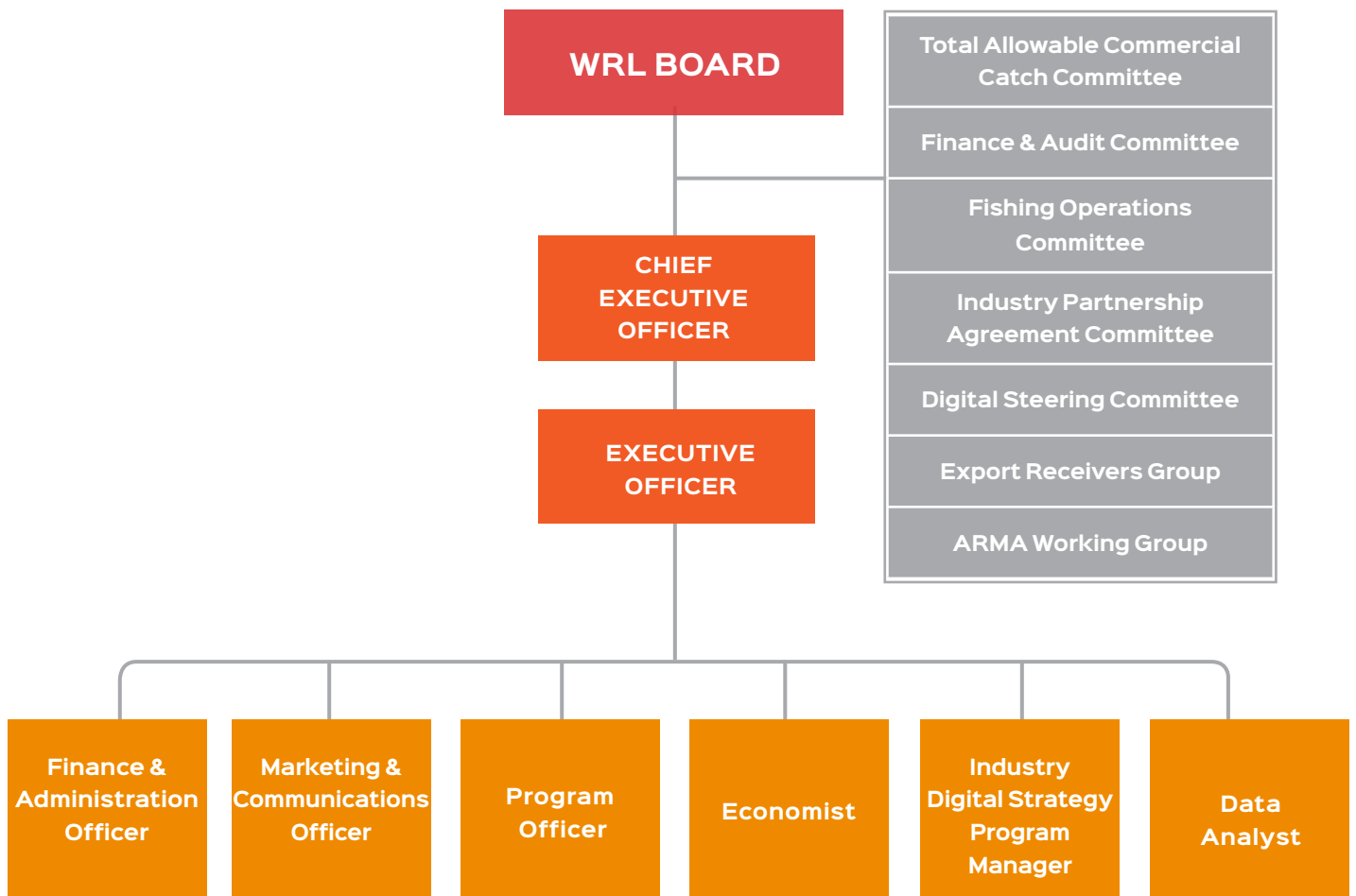
The last year has evidenced just how important our advocacy for resource access security is to preserving the future of our fishery. WRL has been strongly advocating members' interests in the Marmion Marine Park Expansion planning and the outrageous proliferation of giant windfarm proposals within the boundaries of the West Coast Rock Lobster Managed Fishery.

The WRL office has expanded over the last year to include two new staff members under the Industry Partnership Agreement with FRDC. David Pietersen has been appointed IT Program Manager for delivery of the Industry Digital Strategy and Chris King is a new Data Analyst supporting both the IDS and Markets and Economic programs. David and Chris are both highly credentialed and experienced so they complement WRL's very talented and professional Executive team. I am deeply appreciative of the work of our Executive, whose dedication has resulted in WRL accomplishing a great deal over the last year under difficult circumstances. The Executive together with the board have produced a model peak body of immense value to our industry. I would also like to acknowledge the very strong, collaborative and productive working relationship WRL has with all levels of DPIRD and WA Government.

Matt Taylor

Chief Executive Officer

Organisational Structure



The Board



Terry Lissiman
Chair,
Northern Zone



Fedele Camarda
Deputy Chair,
Southern Zone



Justin Pirrottina
Director,
Northern Zone



Bruce Cockman
Director,
Northern Zone



Matthew Fong
Director,
Northern Zone



Brad Arnup
Director,
Southern Zone



Stephen Minutillo
Director,
Southern Zone



Roger King
Director,
Southern Zone

Independent Directors



Bradley Gannon



Sophie Raven



The Executive Team



Matt Taylor
Chief Executive
Officer



Carey-Ann Harper
Executive Officer



Katherine Chow
Finance &
Administration
Officer



Natalia Perez Haedo
Marketing &
Communications
Officer



Nicola Hutchinson
Program Officer

Industry Research Programs



Daniel Fels
Economist



David Pietersen
Industry Digital
Strategy Program
Manager



Chris King
Data Analyst





Strategic Plan 2020-2023

The Western Rock Lobster Strategic Plan assists our members, stakeholders and community by concisely communicating our vision, mission and objectives. This enables these stakeholders to understand the future direction of WRL as an organisation and where we aim to guide our industry over the next years.

Strategic Plans help organisations develop proactive strategies that assist the organisation to operate within changing environments and any prevailing risks. This is no different for Western Rock Lobster. Consequently, underpinning the Strategic Plan is WRL's Risk Management Framework. This framework enables the organisation to document, manage, monitor, review and update strategic, corporate and project risk information in full alignment with the strategic plan.

In 2022, the WRL Board introduced its 'Plan & Priorities 2022' as a standard board item for discussion at WRL board meetings. This document provides an overview of particular priorities and goals for the organisation over a year. Familiarity with this document and its plans and priorities will help assist with the development of WRL's new Strategic Plan, which is reviewed and updated by the new WRL Board following each AGM.

Our vision

By 2023, WRL will have the full confidence of government, the community, and members as a well-resourced, self-funded peak body engaged in advocacy and co-management for improved resource security.

Our mission

Our mission is to ensure that the WRL Fishery is respected and recognised as an iconic global leader in sustainable fisheries management.

Our objectives

1. The WRL industry is professionally managed to achieve a maximum economic contribution to the WA economy.
2. The WRL harvest strategy ensures long term access to the sustainable resource.
3. The community has sufficient confidence in the WRL fishery to support continuing access to the resource.
4. There is confidence in the WRL industry to attract and retain investment.
5. The WRL Council is proactively managing industry risk, reputation and development.



“

**THE WESTERN ROCK
LOBSTER FISHERY
IS AN ICONIC
GLOBAL LEADER IN
SUSTAINABLE FISHERIES
MANAGEMENT.”**

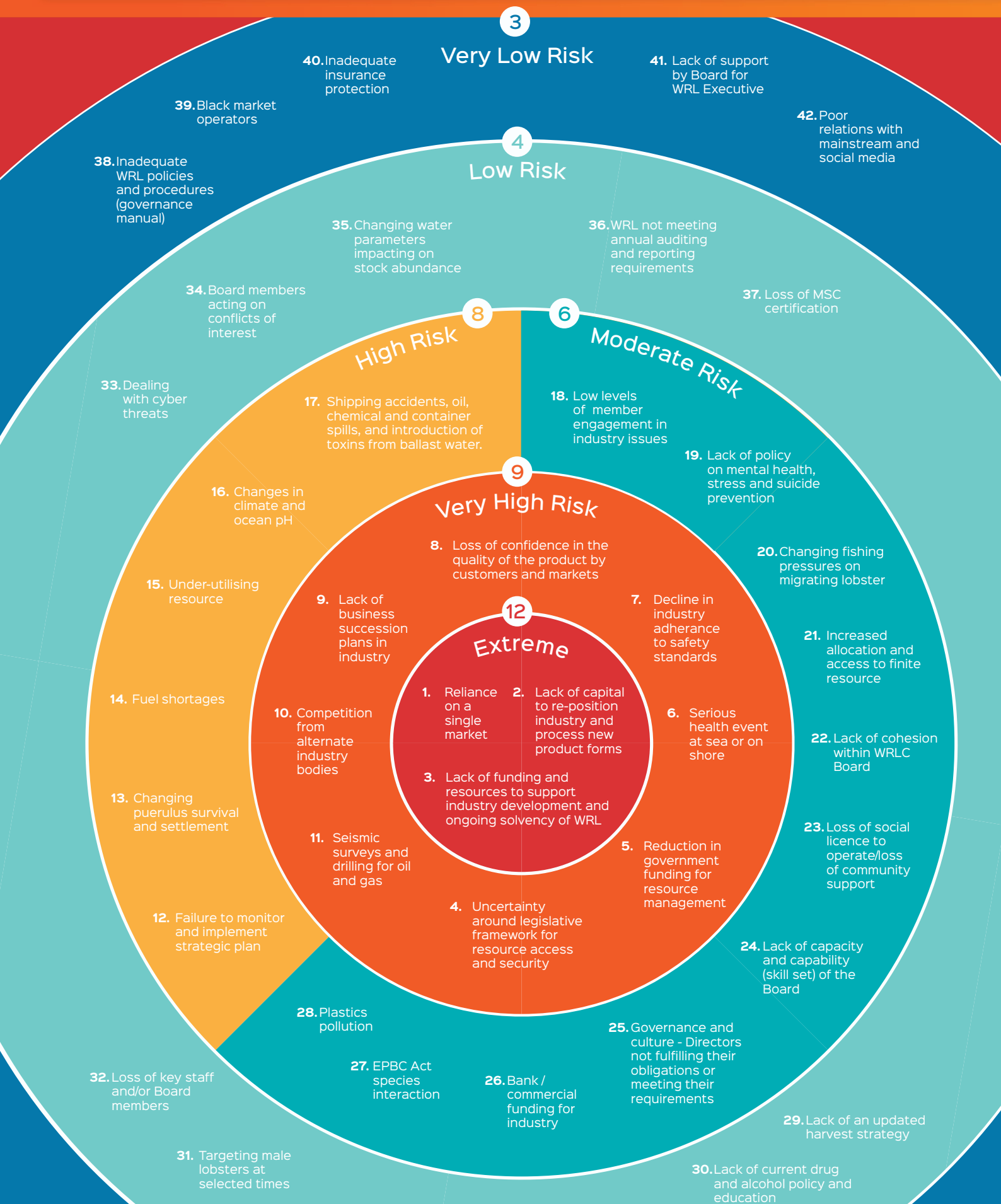
Our strategies

1. Secure resource access rights.
2. Ensure WRL is self-funded and well-resourced to deliver high quality advocacy and co-management of the resource.
3. Collaborate and invest in targeted R&D and technology to drive GVP growth and maintain market competitiveness.
4. Ensure the social licence to operate is supported by government, community and industry.
5. Market diversification and market development.

Our tactics

1. Achieve greater resource access security through legislative change.
2. Conduct a project that demonstrates WRL's ability to co-manage the resource e.g. unit registry, quota trading platform, shallow water survey, lobster tagging program.
3. Identify and implement new digital applications to improve efficiency and decision-making across the value chain.
4. Measure the performance of our industry and professional advocacy representation through surveys of members, stakeholders and the community.
5. Seek additional funding for industry to identify and develop new and existing markets.

Western Rock Lobster Risk Register Summary





The Top 11 Risks

1. Reliance on a single market

Industry is limited in markets to sell product when a market collapses and risks devaluing of the produce and risks oversupply of product, which impacts the financial security of the industry.

Industry is not ready and immediately capable to supply alternative markets should the dominant market close.

Risk Rating: **12**

Strategic

2. Lack of capital to re-position industry and process new product forms

Because the capital structure of the WRL industry supports exporting live lobster to China, targeting new markets may result in large debt holdings and skills shortages, which will impact Processors' business viability

Risk Rating: **12**

Strategic

3. Lack of funding and resources to support industry development and ongoing solvency of WRL

Due to trade restrictions, GVP-based funding could be reduced which would impact the Council's ability to support and advocate for the industry.

Risk Rating: **12**

Financial

4. Uncertainty around legislative framework for resource access and security

Continued uncertainty increases volatility with operators and financing sector.

Risk Rating: **9**

Strategic

5. Reduction in government funding for resource management

Increases the risk of non-compliance to safety standards, TAC rules, black market trade restrictions, and reduces funds for research, impacting the social licence to operate.

Risk Rating: **9**

Strategic

6. Serious health event at sea or on shore

A serious health event occurring at sea or onshore involving any WRL crew, could expose gaps in the medical emergency response capabilities of boat owners and skippers, which would impact industry's public image, social licence and litigation exposure (including industrial manslaughter charges).

Risk Rating: **9**

Safety

7. Decline in industry adherence to safety standards

A decline in industry's adherence to safety standards might cause fishers to come under greater scrutiny by AMSA and Worksafe, which will reduce the industry's social licence to operate.

Risk Rating: **9**

Safety

8. Loss of confidence in the quality of the product by customers and markets

The quality of the premium WRL product could be discredited causing market and reputational damage.

Risk Rating: **9**

Reputational

9. Lack of business succession plans in industry

Not being able to hand down fishing units to family without incurring cost as seen in the agriculture industry.

Risk Rating: **9**

Operational

10. Competition from alternate industry bodies

Increases the risk of WRL not being recognised as industry peak body by government and other stakeholders.

Risk Rating: **9**

Operational

11. Seismic surveys and drilling for oil and gas

Due to oil and gas seismic surveys being conducted off WA coast, there is a risk that lobster health and habitats will be affected, which will impact the health of the stock.

Risk Rating: **9**

Environmental

Resource Access Security

Resource Access Security is the main objective underpinning Western Rock Lobster's Strategy for Security, Independence and Community Connection. The importance of that strategy was realised when 2022 brought with it resource access security threats along the west coast in the form of windfarms, marine parks and other offshore projects.

Offshore Wind Farms

In December 2021 the *Offshore Electricity Infrastructure Bill 2021* was given assent by the Governor-General, meaning it became law. Now the '*Offshore Electricity Infrastructure Act 2021* (Cth)' (the Act), establishes a regulatory framework to enable the construction, installation, commissioning, operation, maintenance and decommissioning of offshore electricity infrastructure in the Commonwealth offshore area. This new Act has provided an incentive to developers who are looking to establish wind farms off the Australian coast.

WRL has communicated with its members throughout 2022 on the various threats to our industry's resource access as and when they have arisen. One of the first offshore threats WRL became aware of towards the end of 2021 was the project named 'the Western Australia Offshore Windfarm' being proposed by 'WA Offshore Windfarm Pty Ltd', which is a subsidiary of Australis Energy Ltd. This wind farm is currently being investigated and, subject to the necessary consents and permits being obtained, it will be located approximately 5.5km off the coast between Preston Beach and Binningup, 20kms north of Bunbury and notably in State waters. WRL have been liaising with this project's proponents to ensure that our industry is provided with maps and justifications for the project's locations. WRL have spoken to numerous potentially affected commercial fishers in this area and have created in-house resources through this information (i.e. heat maps) that will further assist WRL strongly advocate against removal of our members' resource access through exclusion zones around turbines.

Copenhagen Energy is another company looking to establish four offshore wind farms along the west coast, with a combined expected capacity of 12 GW. These four offshore wind farms are:

- The Leeuwin Offshore Wind Farm (proposed in an area about 130 km south of Perth between Mandurah and Bunbury);
- Sapphire Offshore Wind Farm (proposed in an area 60km to 120km north of Perth between Two Rocks and Lancelin);
- Midwest Offshore Wind Farm (proposed in an area from 10km to 70km off the coast of Kalbarri); and
- Vellela Offshore Wind Farm (information not yet publicly available).

WRL has met with Copenhagen Energy's Development Manager and Senior Communications Consultant and advocated the importance of our industry's resource access security and ongoing consultation, especially with our members' PFAs. These proposals are considered to be in their early stages and WRL members will be kept abreast on further developments and potential meetings with Copenhagen Energy representatives to learn more and ask questions.

Our industry will need to engage with these proponents to ensure they are adequately informed on the importance of these areas to our fishers and industry and advocate strongly for these windfarms to be located in areas that will not affect our industry's resource access. At a bare minimum, our industry needs to be actively involved in future decision making in relation to the size of exclusion zones during construction and during the life of a project.



Marmion Marine Park Expansion

The proposed Marmion Marine Park extension was announced earlier this year by the Minister for Fisheries, the Hon. Don Punch MLA and the Minister for the Environment, the Hon. Reece Whitby MLA. WRL acted immediately and established its own Sector Advisory Group, which provides advice (through its chair, our CEO Matt Taylor), to the Community Reference Community (CRC), the Department of Biodiversity, Conservation and Attractions (DBCA) and traditional owners. WRL has been present at every meeting of the CRC this year and provided invaluable advice from its SAG, including input on potential areas where there are relatively high community values coinciding with areas of relatively less resource access by our fishers, who have accessed the entire area for decades. WRL's SAG has steadily grown in numbers over 2022, and currently has 15 members and remains open to any interested WRL fisher who wishes to have input into the proposed expansion and advocate for resource access security for our industry. The SAG will continue to meet prior to every CRC meeting until the latter half of 2023.

Sustainability

Marine Stewardship Council (MSC)

The Western Rock Lobster Fishery was the world's first fishery to be certified as ecologically sustainable in line with the MSC standard in 2000 in recognition of the high environmental values and sustainable practices maintained by members. MSC re-certification has been achieved three times since 2000 and is expected to achieve a fourth re-certification in November 2022, albeit with three conditions under the new standards 2.1. It is expected that these conditions will be comfortably achieved through collaboration between WRL and DPIRD.

They can be summarised as follows:

- By the second surveillance audit, ensure that short- and long-term objectives are explicit within the fishery-specific management system;
- By the third surveillance audit, demonstrate that there is no systematic non-compliance in the fishery; and
- By the second surveillance audit, ensure that the fishery specific management system (incl. the Harvest Strategy and Ecological Risk Assessment) is subject to regular internal review.

Finally, in July 2022 WRL congratulated western rock lobster processors Bluwave and Indian Ocean Rock Lobster who received the MSC Chain of Custody (CoC) certification. The industry is now in the enviable position of having its four highest volume processors awarded MSC CoC certification, the world's most recognised certification program for wild-caught, sustainable seafood.



Stock Assessment

The annual Western Rock Lobster Stock Assessment for the fishery is conducted in April/ May each year following the completion of the puerulus settlement season. This year's stock assessment was made available to members via email in July and was discussed in detail by DPIRD's scientists at industry's Annual Management Meetings in September.

The Stock Assessment portrays that stock levels remain high, with current excellent levels of egg production and fishers reporting record catch rates. With that said, DPIRD's scientists have flagged that the 2022 season could deliver an average to below average puerulus settlement. Additionally, the harvest rate remains well below maximum sustainable yield and slightly below maximum economic yield estimates. The Stock Assessment is now available on the WRL website for members to review.

Ecological Risk Assessment

Ecological Risk Assessments (ERAs) are undertaken periodically to assess the impacts fisheries have on the aquatic environments in which they operate. The results of ERAs are then used to inform EBFM-based (Ecosystem Based Fisheries Management) harvest strategies and to prioritise DPIRD's monitoring, research and management activities.

Prior to this year, the most recent ERA undertaken in the West Coast Rock Lobster Managed Fishery (WCRLMF) was in 2013. The WCRLMF's 2022 ERA was hosted by DPIRD and WRL in April and was attended by 35 participants with diverse expertise. The ERA considered the impact of commercial and recreational lobster fishing on retained species, bycatch species, endangered, threatened, and protected species, habitats, ecological communities and the broader ecosystem. The 2022 ERA differed from the 2013 ERA in that it considered the potential impacts of the harvest of the western rock lobster by all sectors, including commercial fisheries (WCRLMF and South Coast Crustacean Managed Fishery), recreational (including charter) fishers and customary fishing.

The final report, including the management strategies underway to address any risks identified in the ERA, is to be published by DPIRD later in 2022. The final report will provide further recognition of the fishery's high standards for sustainability practices and will assist WRL to meet the requirements of its MSC recertification.



New Season Dates and Total Allowable Commercial Catch (TACC)

There is an old saying that states ‘change is the only constant in life’ and that has particularly rung true in regards to some key industry consultations that have resulted in changes to industry’s season dates and TACC.

Season Dates

On account of member feedback, at the beginning of 2022, WRL informed its members of the timeline that would be followed for industry’s consultation on upcoming season dates. The process ran as follows:

- In early February WRL distributed a poll to members that asks ‘Should WRL commence a process to investigate an alternative season start date that benefits the industry more?’ This poll resulted in a majority of members wanting to investigate changes to the season dates.
- WRL then requested submissions from members and processors stating their preferred alternative season dates together with cost/benefit due diligence analysis and justification.
- WRL then collated these submissions into a single report and supplied it to members with an open invitation to attend a WRL hosted future season dates workshop to be scheduled around mid-March 2022.
- The workshop identified overwhelming support for 1 July to 30 June season date and after further debate, a transitional date of 5.5 months was also overwhelmingly supported (which would equate to 15 January – 30 June 2023).
- After the workshop, a survey was distributed to members to gauge support for financial year seasons and a 5.5-month transitional period. The poll resulted in a clear majority (78% or 383 MFLs) supporting a change in future annual season dates to 1 July - 30 June with a similar clear majority (80% or 378 MFLs) of responding members supporting a 5.5-month transition period.

- The WRL board met on 27 April 2022 to discuss the results of the March online members’ poll regarding alternative future season dates. Based on the industry due diligence, process and results, the WRL board was unanimous in its recommendation to the Minister that:
 - » the future annual season start and end dates be changed to align with financial years; and
 - » the next season be a shorter transitional season of 5.5 months (15 January 2023 to 30 June 2023) before commencing financial year annual seasons from 1 July 2023.
- In June 2022, Minister Punch wrote to WRL approving of the board’s request to change the season dates.

This process is one of many where WRL has engaged in whole-of-industry consultation, due diligence and a well communicated process that has resulted in clear communicable results and positive change for industry.



TACC

WRL's TACC Committee met four times in 2022 and provided invaluable input into the drafting of the 2022 Global Trade Report and the WCRLMF Maximum Economic Yield Model. These documents, in addition to the 2022 Stock Assessment and Analysis created a knowledgeable foundation for the TACC Committee to make a recommendation to the WRL Board, being 4500 tonnes for the 5.5-month season and 7000 tonnes for the 12-month season. These recommendations were then taken to industry's Annual Management Meetings and formed part of a member-wide survey seeking to establish members' opinions on the recommendations. The WRL board considered the Global Trade Report, MEY Model, Stock Assessment, feedback from the AMMs/PFAs/members and the industry survey results before recommending to the Minister for Fisheries a TACC of 4300 tonnes for the 5.5-month season and 7300 tonnes for the 12-month season.

WRL is thankful for members' participation throughout this extensive process. This TACC setting process may be the last that the TACC Committee actively participates in due to the incoming new harvest strategy for the western rock lobster resource. More information on this change can be found in the ARMA chapter of this annual report.



ARMA

Aquatic Resources Management Act 2016 (WA) (ARMA).

As we transitioned into 2022, WRL commenced working towards understanding the *Aquatic Resources Management Act 2016* (WA) (ARMA). WRL's ARMA Working Group's (WAWG) First Report on ARMA was made available to our members in April 2022. The First Report is titled '*Report on ARMA and arising implications*' and is organised into a number of sections. The first is an introduction to ARMA, its purpose as a legislative instrument and current progress towards full proclamation. The document then delves into the risks posed to our industry by ARMA's introduction, then, conversely, the opportunities that are potentially available, including co-management arrangements. WAWG will also develop a second report that will analyse the forthcoming Harvest Strategy and develop guiding principles and key elements for our industry's Aquatic Resource Management Strategy (ARMS) and Aquatic Resource Usage Plan (ARUP).

The WAWG also developed an explanatory ARMA presentation that helps to guide members through the legislation. Importantly, the presentation is structured so that it covers key parts (akin to chapters) of ARMA. This means that there are slides ranging from 'the Objects of the Act' to 'Managed Aquatic Resources' to 'Aquaculture' and 'Aquatic Biosecurity'.

WRL have been provided with two draft policies from DPIRD concerning ARMA, namely, the 'ARMA-Based Harvest Strategy Policy' and the 'Objective Setting and Allocations for Aquatic Resources under ARMA'. DPIRD provided a brief overview of these policies to industry at our Annual Management Meetings in August. One key take-away from the Harvest Strategy Policy is the potential impact on industry through changes in which the total allowable commercial take is calculated annually. Importantly, the new Harvest Strategy will come into effect whether or not a resource has transitioned to ARMA.

Under industry's new Harvest Strategy (which would be contained in the ARMS), an 'Allowable Harvest Level' (AHL) is calculated, and would represent the (variable) quantity of a resource that can be taken in a fishing season that best meets the main objective (including sustainability). From the AHL, the Total Allowable Catch (TAC) is determined each season by removing the fixed priority allocation quantities (i.e., public benefit & customary) from the variable AHL. Then, the 95% Total Allowable Commercial Catch (TACC) and 5% Total Allowable Recreational Catch (TARC) are determined each season simply as fixed proportions of the variable TAC. Most notable in this explanation is the absence of any market consideration, or place for the TACC Committee consideration. DPIRD have indicated that the automatic calculations of the TACC and TARC from the TAC creates more certainty and provides improved resource access security and more predictable business planning for individual shareholders. WRL has indicated that it holds deep concerns for the calculation of a TACC that cannot respond rapidly to a market crisis such as a COVID-19 situation or China market shutdown. If such a market crisis was to repeat under ARMA, all shareholders in the resource would either need to wholly agree on changes to the TACC or the industry would need to request the Minister take the severe action to revoke the ARMS.

WRL are focused on negotiating with DPIRD the potential for a 'force majeure' clause that would create a temporary response for TACC setting should a major market event occurred. It is envisaged that WRL will need to be heavily involved and active in future discussions concerning ARMA to ensure that our industry's transition is for the betterment of our industry.

Industry Partnership Agreement

The Industry Partnership Agreement (IPA) is an agreement between Western Rock Lobster and the Fisheries Research and Development Corporation (FRDC). The IPA enables WRL to collaborate with a range of private and public (State and National) research and development organisations to deliver a comprehensive, diverse and balanced portfolio of initiatives aimed at enhancing industry sustainability, value, efficiency and community connection. Under the IPA this year, WRL has been able to deliver the Research Network Business Case and the 2022 – 2025 Research Development and Extension Plan. Both of these accomplishments convey industry's commitment to expanding industry's research and development capabilities.

Research Network Business Case

The development of the WRL Research Network Research Priorities and Business Plan (Business Case) commenced in November 2020 when WRL engaged Australian Venture Consultants (AVC) to prepare a business case for a proposed Western Rock Lobster Research Network (Research Network). The Business Case was developed over a year and involved numerous stakeholder interviews, reviews and input. Finally in December 2021, the Business Case was approved by the Board to be issued to members for final consultation and the feedback from this consultation has since been incorporated. In 2022, the research priorities from the Business Case were used to produce the new RD&E Plan as a separate document to ensure its accessibility and specific use for guiding future investment.

The Business Case includes a stakeholder-driven business plan, governance framework, investment proposal and research priorities framework. The Business Case and its components have been well-received by members and WRL's key research partners, DPIRD and FRDC. Further consultation is expected in 2023 that will see assist the Research Network progress towards developing the most effective approach for its implementation.

2022-2025 Research, Development and Extension Plan (RD&E Plan)

The new WRL RD&E Plan is one of the key components of the Research Network Business Case. It supports the implementation of the WRL Strategic Plan and helps mitigate the risks identified through WRL's risk management processes.

Like all effective research strategies, the WRL RD&E Plan is open and adaptive, ensuring research and development can pivot to address industry challenges as they arise. It will be routinely reviewed by members and stakeholders with WRL board oversight in accordance with the terms of reference for the governance structure. The key themes of the RD&E Plan are best described by Figure 1.

The WRL RD&E Plan will guide future investment for industry research and development that addresses member and stakeholder derived priority risks and opportunities. Initially the WRL RD&E Plan will be delivered through the current Industry Partnership Agreement (IPA) with FRDC before ideally transitioning to the preferred Research Network partnership primarily between WRL, DPIRD and FRDC.

In August 2022, the RD&E Plan was published on the Western Rock Lobster website and communicated via email to members. The publication of the RD&E Plan ensured further transparency in its process and demonstrated WRL's commitment to responding to industry's needs.

Putting the knowledge, tools and technologies into practice.



Making sure industry has access to the natural resource to be able to fish.



What natural resource should be fished and how shouldn't it be fished?



What natural resource can be fished and how could it be fished?



Figure 1.

Industry Digital Strategy

The Western Rock Lobster Council (WRL) is working closely with industry and government to deliver a program of digital initiatives that will streamline operations, reduce administrative burden and improve the customer experience along the entire supply chain from catch-to-plate.

Core to WRL's strategy is that digital technology should increasingly be utilised to resolve challenges and create opportunities for industry, government, and consumers. The Industry Digital Strategy (IDS) reflects industry and stakeholders' thinking about digital outcomes and presents a comprehensive roadmap that will result in interoperable and adaptable technologies that will directly benefit all industry participants.

The IDS was developed entirely based on member and stakeholder input and is being delivered in partnership between WRL, DPIRD and FRDC. It has been endorsed by the WA Minister for Fisheries and as an indication of its quality and acceptance the IDS was selected for presentation at the Seafood Directions Conference, held in Brisbane from 13 – 15 September 2022. To assist the delivery of the IDS Program, a steering committee has been established which comprises a manager and a technical expert from each of WRL, DPIRD and FRDC with an independent chair, Mr Brad Wearn, who was previously CIO of BHP Billiton (Iron Ore).

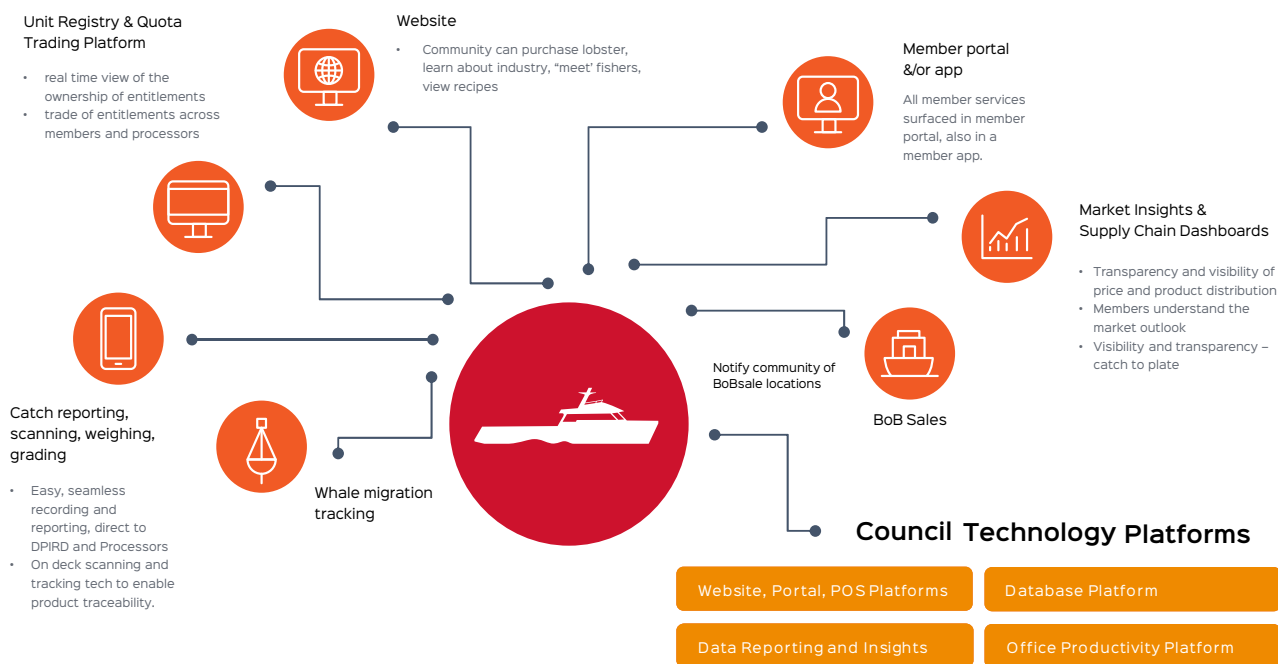
The specific goals of the IDS include:

- GVP growth and resource access security for the industry;
- increased co-management of the resource by industry;
- new technologies and targeted research and development;
- governance, decision-making and process efficiencies; and
- community engagement and advocacy.

Specified outcomes from the Industry Digital Strategy include:

- catch and stock management applications for real-time and on-board scanning to record catch and discards;
- traceability technology to track lobsters from catch to plate, enabling block chain and e-commerce while increasing market value by providing the provenance story to consumers;
- entitlement management for real-time buying, selling, and leasing entitlement;
- monitoring of gear, whale migrations and interaction behaviour;
- digitised workplace health and safety training, records management, and reporting; and
- online reporting to state and federal agencies, and other relevant parts of the supply chain, with the benefits of real time digital efficiency.





A core tenant of the IDS is to ensure that all work is in alignment with other state and national initiatives, and there is no duplication of effort. To achieve this outcome WRL participated in two external programs; firstly, the National Agrifood Data Exchange Project, a multi-stakeholder project to create a consolidated agrifood data exchange that combines multiple data sets from multiple data sources in real time. This program consisted of four experiments, and WRL contributed to experiment number 3: Compliance and Traceability, which are core components of the IDS. Secondly, DPIRD have launched their own complementary digital strategy initiative which WRL has provided input and feedback.

The first program to be delivered under the IDS is named Project Cygnus, a secure data storage and management environment (called SHELL) that will form the base infrastructure for all IDS systems. The first of those systems being developed is Back of Boat online ordering and payment system. Once Project Cygnus is complete and both SHELL and Back of Boat Sales are operational, additional systems will be rolled out.

Delivery of the first two years of the strategy has been approved under WRL's Industry Partnership Agreement with FRDC, and over the 2021/2022 Financial Year several key milestones have been achieved:

- Hired the Program Manager, Mr David Pietersen formally of Shell, BHP;
- Hired the Data Analyst, Mr Chris King (MBA) formally of WesTrac, Chevron;
- Established the Project Management Office and technology stack;
- Kicked-off Project Cygnus to design and build both SHELL and Back of Boat Sales;
- Conducted a workshop to determine the functional requirements for Back of Boat Sales;
- Developed a comprehensive set of standards that all systems will need to comply with to make certain the end-to-end system is uncompromisingly secure, ensures member privacy and enables collaboration and real time decision-making across industry and government;
- Conducted an Expression of Interest (EOI) process to find suitable potential vendors; and
- Conducted a Request for Proposal (RFP) process to garner bids for the design and delivery of Project Cygnus.



Market Situation

Australian lobster market conditions

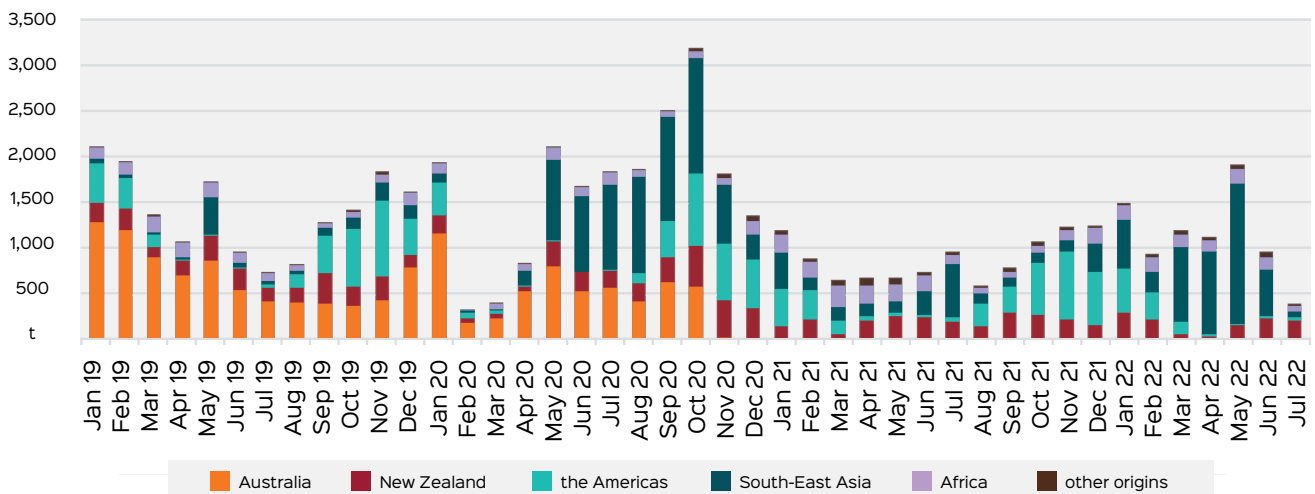
The COVID-19 pandemic has brought considerable disruption to the global economy and uncertainty as to the future, and the lobster trade has not been unscathed. Volumes of western rock lobster exports recovered from the interruption early in the pandemic and beach prices also recovered. However further disruption to all Australian lobster exports occurred in late 2020 with a hiatus in the direct to China trade forcing a rapid shift to identify and develop alternative markets, both domestic and export. Australia’s lobster export trade was supported by the International Freight Assistance Mechanism until June 2022, offsetting some of the increased freight costs associated with the pandemic. Freight costs and logistics unreliability indices remain high, albeit having declined significantly since 2021.

Beach prices of Australian lobster will continue to reflect the volume and price points of alternative markets, combined with the increased supply chain costs associated with the pandemic and disruptions to the direct China market.

The longer-term outlook for the lobster trade remains positive with caveats on this outlook including the inherent unknowns of COVID-19 health policy, vaccine efficacy, a return to “non-pandemic” global economic conditions including normalisation of supply chain costs, and the political relationship between Australia and China.

However, competition into the China market is emerging. Importantly, China’s import statistics (GACC) indicate that imports of live spiny lobster from Vietnam increased more than ten-fold in 2020, to nearly 6,500 tonnes, representing 32% of all live rock lobster imports in China that year. The assumption is that this trade is mostly farmed spiny lobster, given the uncertainties around the scale and location of grey trade routes. With an average unit price in 2020 of USD 26/kg this represented some of the lowest valued product imported into China, but unit prices began to show an upward trajectory towards the end of 2020 (as did prices for lobster from other origins). China’s imports of live spiny lobster from Vietnam in the period March to June 2022 totalled 3,500 tonnes.

China imports of non-frozen spiny lobster, quantity by origin, monthly



Australian exports

Analysis of Australian export trade shows that, in the absence of a direct live export market to China, all states have experienced reductions in export volumes and export revenue. Reductions in export volumes carries the implication that sales into the domestic market have increased significantly compared to pre-COVID levels.

Figures from the Australian Bureau of Statistics show that Australia's lobster exports in 2021 were sent to a much wider array of countries than in 2019, albeit at significantly lower unit prices.

Total rock lobster export volumes and value for Australia overall decreased, from pre-COVID 2019 (8,923 tonnes with an export value of \$762 million) to 2021 (6,452 tonnes with an export value of \$344 million). This represents a 28% reduction in export volume, and a 55% reduction in export value from 2019 to 2021:

- Total export volumes and value from **Western Australia** decreased, from pre-COVID 2019 (6,162 tonnes with an export value of \$488 million) to 2021 (4,427 tonnes with an export value of \$212 million). This represents a 28% reduction in export volume, and a 56% reduction in export value from 2019 to 2021.
- Total export volumes and value from **other Australian states** decreased from 2019 (2,761 tonnes with an export value of \$274 million) to 2021 (2,025 tonnes with an export value of \$132 million). This represents a 27% reduction in export volume, and a 52% reduction in export value from 2019 to 2021.

Live exports continue to dominate Australia's lobster trade. In 2021, live exports represented 5,940 tonnes of a total 6,452 tonnes exported, or 92% of lobster exported from Australia:

- 90% of WA lobster exports were live - 3,982 tonnes of a total 4,427 tonnes exported.
- 97% of lobster exports from the rest of Australia were live - 1,958 tonnes of a total 2,025 tonnes exported.

Given the high costs of air freight in absolute terms and relative to sea freight costs, Western Australian exporters appear to have explored the potential of sea freight more than their counterparts in the rest of Australia when exporting frozen product. In 2021, of the WA frozen product exported, 66% (293 tonnes) travelled by sea, mostly to the US and Europe. Of the frozen product from the rest of Australia, 28% (18 tonnes) travelled by sea.



Maximum Economic Yield Model

In June 2022, the TACC Committee endorsed the first version of the West Coast Rock Lobster Managed Fishery Maximum Economic Yield model.

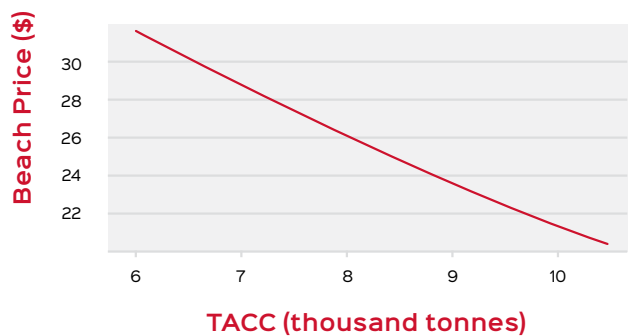
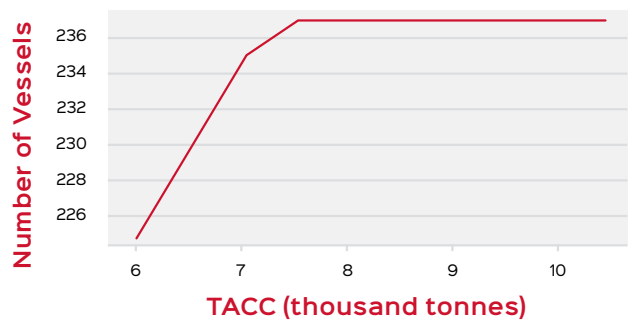
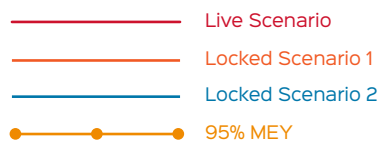
We define ‘Maximum Economic Yield’ or *MEY* as the catch or effort level that maximises profit for the fishery as a whole over a number of seasons. Maximum profit happens at the point when there is the largest difference between total revenues and total costs of fishing. MEY is informed by a sustainable catch framework. In most cases, MEY will be associated with a lower catch level (a higher level of biomass) than that associated with MSY (Maximum Sustainable Yield). MEY, along with other annual inputs and considerations, are used to inform Total Allowable Commercial Catch (TACC) recommendations to the Minister for Fisheries.

The MEY model provides an economic evaluation tool that considers the costs of fishing, lobster biomass levels, expected catch rates and expected long-term price responses to long-term changes in supply (increases in annual quota). As an evaluation tool it can be used to assess ongoing impacts of increasing quota and the expected profitability of industry.

Lobster biomass levels and projected catch rates under different quota scenarios are derived from the DPIRD stock assessment model. For each level of quota, the assessment model is projected out 20 years, so the resultant biomass level could be considered an equilibrium level, or in other words, the biomass that would be present if the fishery remained at that quota for an extended period.

The fishing cost components of the model are based on data collected through interviews by the Western Rock Lobster Council with commercial lobster fishers. The revenue elements of the model are based on two western rock lobster products (live and frozen) and projected long term expected annual product mix and beach-price pricing outcomes, based on the experience and views of the five processors on the TACC Committee.

Versions of the model operate in Microsoft Excel and app environments, highlighting responses in the industry profit function to changes in user inputs - a link to the app can be found on the WRL website, and Figure 1 shows the outputs of modelling based on assumptions accepted by the TACC Committee this year.



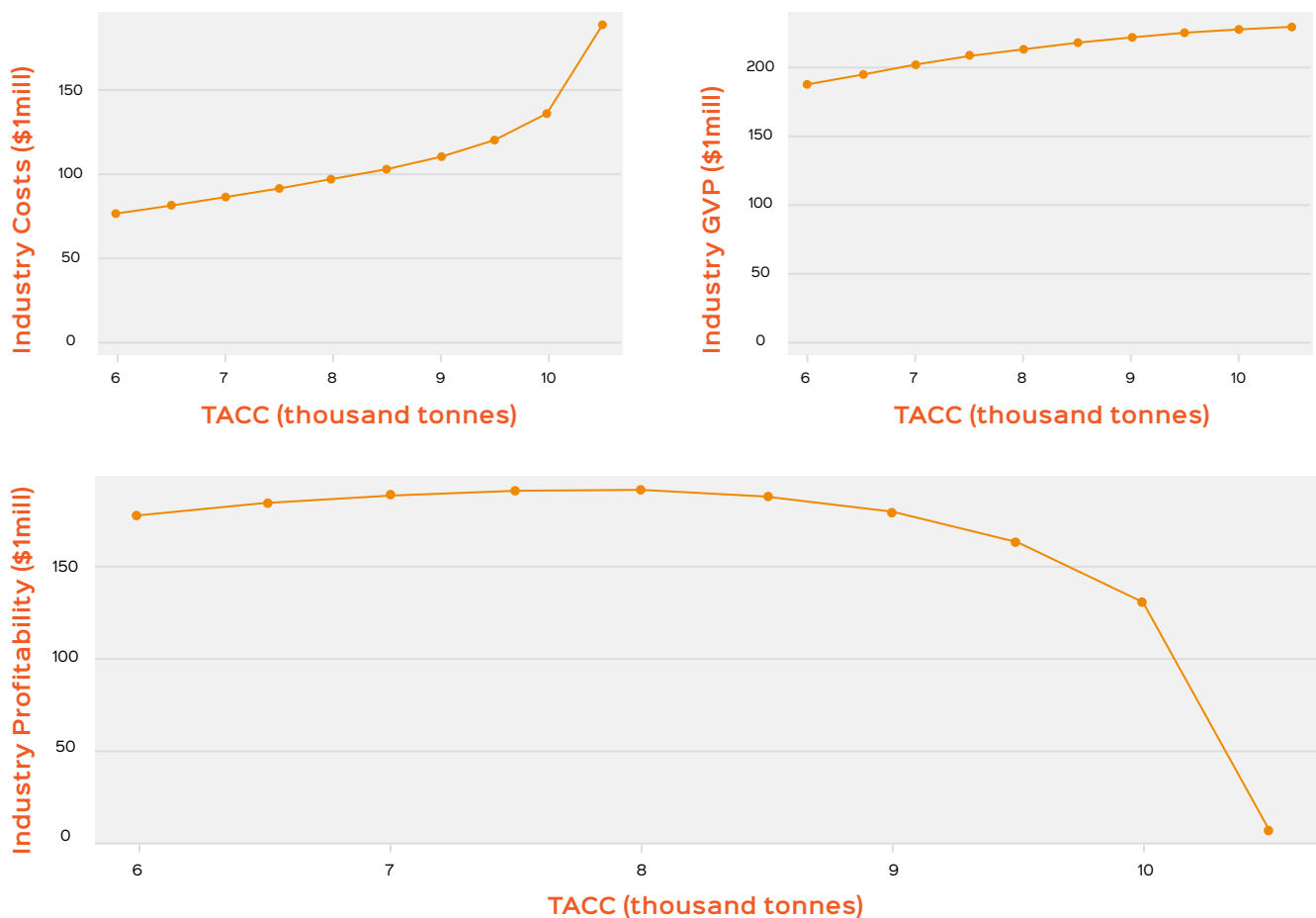


Figure 1.

MEY RANGE FOR ACTIVE SCENARIO

\$111.9 to \$116.9 mill

Revenue within 95% MEY

TACC FOR MEY RANGE FOR ACTIVE SCENARIO

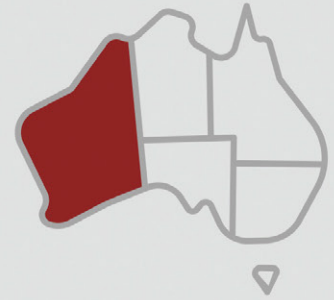
6500 to 9000 t

TACCs within 95% MEY

The model has been developed to help provide an evidence-based means of determining the optimal longer-term level of harvest for the commercial rock lobster fishery as a whole. It is necessarily reliant on judgement and informed opinion on market dynamics into an uncertain future. In reality, demand and supply for live western rock lobster change seasonally and indeed daily, which is further impacted by the availability of substitute products (rock lobster live and frozen; other species of lobster live and frozen, and other substitute products) and, in the longer term, other economic drivers.

As a tool the model generates outputs that enable an understanding to be gained on the likely shape of industry-wide revenue and profit outcomes as a range of inputs and assumptions are altered. Hence it can substantially add to the understanding of position of MEY for the fishery and can be used to evaluate a range of alternative assumptions. As an evaluation tool it can be used to assess ongoing impacts of increasing quota and the expected profitability of industry.

Benefits to Western Australia (2020-21)



The ACIL Allen study found the Western Rock Lobster industry continues to be the State's most valuable fishery and one of Western Australia's most valuable primary industries.

Contributes around

\$420 million dollars

annually to the WA economy

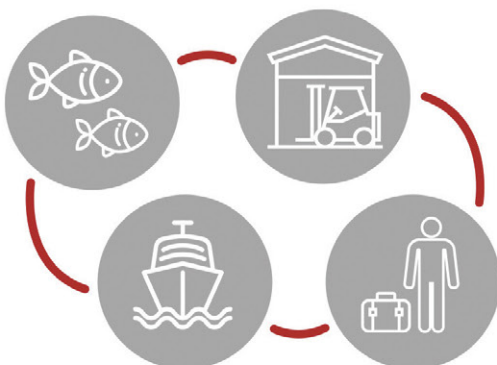


Directly supports **economic prosperity** and **social fabric** in iconic WA coastal communities



Generates around **1,850** direct and indirect full-time jobs across the State

The value of production is higher than **other significant WA primary industries** including milk and pigs.



Four key sectors make up the Western Rock Lobster Industry supply chain:

- Managed Fishery
- Seafood Processing
- Boat Building
- Tourism

Economic Contribution of the Western Rock Lobster Industry by Location

KEY

-  Processors
-  Total Gross Value Add
-  Share of Gross Town Product
-  Total employment
-  Airport



Communications and Engagement

The implementation of best practice communications and engagement principles has been a key focus of WRL this year. These principles ensure WRL members, stakeholders and the wider community are better informed and included in conversations and decision-making. This in turn creates broad, two-way conversations that influence WRL's decisions and improve our advocacy and representational effectiveness.

2022 Annual Management Meetings

The 2022 West Coast Rock Lobster Annual Management Meetings (AMMs) and industry forums were held on 8 August 2022 in Fremantle and 10 August 2022 in Geraldton. Both meetings were productive and allowed for participation in discussions on many important issues relevant to the western rock lobster fishery, including science, management, safety and WRL strategic plans and activities.

WA Fisheries Minister, Hon. Don Punch MLA attended the Fremantle meeting and provided an excellent speech that highlighted the strong relationship position that industry was currently in, noting the great dialogue between the catching sector, the Minister's office and DPIRD's research and management teams.

Community events

After a successful experience in 2021, WRL has agreed to be an official partner and support the Shore Leave Festival again in 2022 and 2023, committing to an event that has demonstrated excellent opportunities in reaching large audiences with manageable resourcing commitments. Creating activations at events like these provide opportunities for awareness building, but also provide excellent opportunities for engagement with the community and other industries.

The Shore Leave 2022 event took place in Geraldton from 27 April to 1 May. The flagship event at the festival was the Abrolhos Long Table Lunch, for which WRL continues to be the exclusive sponsor.

WRL also supported Saturday's Beach Price Fish Markets which included a Back of Boat sales activation area where visitors and locals could buy the freshest caught lobsters right off the back of the boat of a local fisherman. The free lobster BBQ set up next to the boat was received with particular enthusiasm by those customers who purchased their fresh lobsters and had their catch immediately cooked in front of them by an event chef.

Since the launch of Back of Boat lobster sales in September 2020, WRL has continued to host, participate and promote multiple Back of Boat sales events such as the Festive Season and WA Day BoB sales at multiple ports. These events received an enthusiastic response from the locals who arrived early with their eskys to buy the freshest lobsters available directly from one of their local fishers.

Seven West Media

From May 2021 to April 2022, WRL partnered with Seven West Media, to develop and implement a state-wide twelve-month campaign to raise community awareness, trust and appreciation for the western rock lobster industry as well as to encourage increased local consumption of the premium seafood product.

This multimedia visual campaign involved a broad range of mediums, from print and editorial articles to social-media micro-narratives to interactive landing pages.

With most of the overall results being at least double the average achieved by Seven West Media, it has proven to be a highly successful campaign which has demonstrated the great appeal of our industry to WA audiences.

WA Cray Day Campaign

Launched in 2021, the WA Cray Day campaign is now an annual WRL industry promotion initiative aimed at extending traditional local consumption past Easter to celebrate our State's Day in June by inspiring the local community to share iconic western rock lobster with family and friends. This second year of make WA Day Cray Day campaign built on the Hillarys promotion last year to also include successful Back of Boat sales in Port Coogee and Fremantle as well as WRL's second annual WA's Best Lobster Restaurant competition.

The campaign was strongly promoted through print and online channels with supporting collateral provided to each venue and partners supporting the initiative. Over 600 Back of Boat lobsters were sold in hours during the WA Cray Day weekend events. Almost 1000 members of the community voted for their favourite restaurant. Significant media coverage of the campaign was achieved, including a feature story with very positive feedback in the Sunday Times, WA Day Weekend edition.

WRL 2021 photo competition and calendar

Launched in 2020, the WRL photo competition and calendar is an engagement initiative that encourages fishers and the local community to express their connection to industry in a creative manner. The inaugural competition was hosted in 2020 with over 100 images submitted (largely by industry members) with the most representative and evocative being selected to be featured in the high-quality wall calendar.

In 2021, WRL opened the photo competition to the wider community, further enhancing community engagement. To reach a broader audience, the initiative was launched with an editorial story in the Outdoor Explorer in The Sunday Times, followed by multiple plugs on media outlets to further encourage community members to take part. The winning photographs were announced with an article in this publication.

In this second edition, over 200 images were submitted and a desk calendar featuring the 12 winning photographs was produced. The winners also received a \$150 voucher to a seafood restaurant serving western rock lobster of their choice.

Calendars were distributed to stakeholders including every member of WA Parliament (together with an Annual Report) and representatives of the tourism, hospitality, and banking sectors.

Mixed media communications project: Our Lobster

Between 2020-21, WRL worked with video expert VAM Media to produce a creative mixed media kit titled 'Our Lobster', telling stories from the iconic western rock lobster industry to educate, engage and enlighten a broad community audience through a diverse range of characters, places and anecdotes.

The primary objective of this initiative is to create engaging and versatile content. This is done by:

- showcasing the western rock lobster as a world leading sustainable fishery;
- associating the fishing of western rock lobster with being 'West Australian',
- educating the community on how the commercial fishing industry operates.

The culmination of this content resulted in increased community awareness, respect and trust in the western rock lobster commercial fishery.

The 'Our Lobster' project includes a six-part short documentary series, 11 informative social media videos and an album of compelling still photographs which will be distributed through YouTube, social media platforms including Facebook and Instagram, sponsored articles on relevant websites, streaming services, industry presentations and community events.

Our State on A Plate

WRL engaged Guru Productions to produce a 3-minute Our State on A Plate story for series 7. The story features western rock lobster, with Bib & Tucker Executive Chef Scott Bridger demonstrating how to humanely dispatch, prepare and cook fresh lobsters at home. The story has been broadcast on the Nine Network and is available on YouTube and 9Now.



Industry Professional Development

The Western Rock Lobster Council is committed to supporting the professional development of its members through its investment in their on-going training and development.

Australian Institute of Company Directors (AICD)

At the end of 2021, the WRL Board resolved to require “all current and future directors who have not completed the AICD Company Directors Course to successfully complete the five-day course...” It is envisaged by the end of 2022, all sitting directors will have completed the 5-day intensive course. The AICD Course will improve governance by providing an in-depth look at the responsibilities and expectations of directors, including:

- Further understanding director’s roles, legal responsibilities and community expectations;
- Improving financial literacy and understanding of the strategic and financial levers that can help drive performance and sustainable value in an organisation;
- Exploring the tensions between short and long-term priorities and diverse stakeholder interests;
- Enhancing directors’ judgement and decision-making skills;
- Deepening understanding of boardroom dynamics.

National Seafood Industry Program

The National Seafood Industry Leadership Program (NSILP) is the only national seafood industry specific leadership program and was initially designed in consultation with seafood industry people through the work of the Australian Fisheries Academy. The program focuses on developing skills that participants can apply at three levels— personal, business and industry.

Ms Onika Basile, a fourth-generation fisher from the Abrolhos Islands, was granted a WRL bursary to attend NSILP 2022, from June to December, which included three residential sessions in Fremantle, Hobart and Canberra.

The NSILP equips future leaders with skills, networks, and a whole-of-industry perspective, giving them the opportunity to represent their industry and contribute at a national level in the future. The program comprises three residential sessions over 6 months with participants making a commitment to undertake a significant industry project during that time. The NSILP design focuses on creating effective linkages between current industry leaders and participants through mentoring, industry information sessions and participation at program dinners.

Development Education Capacity Knowledge (DECK) Program



In 2021 WRL conducted its third edition of the DECK Program, WRL's annual event designed to deliver quality professional development and learning opportunities for the industry's next generation of leaders.

The DECK Program's interactive sessions provide the opportunity for participants to strengthen their knowledge and skills around resource management, representing industry and operating small businesses. The DECK Program also provides an opportunity for participants to meet and network with likeminded people up and down the coast in various types of industry operations, and to share ideas, knowledge and interests.

The 2021 DECK Program was held at Little Creatures in Fremantle from 13 – 14 October. WRL is proud to have brought together a great group of expert presenters from diverse backgrounds and experiences to share their knowledge and perspectives around key topics ranging from industry leadership and marketing strategies, science and research, to business structure and succession planning.

Overall, the feedback received was extremely positive, with 100 per cent of participants saying they would recommend the DECK Program to others, and all of them affirming they were very or extremely likely to attend a similar event again in the future.

A highlight of the forum was the attendance of Hon Don Punch MLA, Minister for Fisheries, and Ralph Addis, former Director General of DPIRD, who joined the group for the DECK dinner. This was a rare opportunity that allowed DECK participants to meet the Minister and Director General in an informal setting.

“Best of all [was being able] to associate with the people who run the industry: Minister, Director of fisheries and WRL directors. I feel I would have the confidence to approach any with an issue or query”

- Stephen Weldon, 2021 DECK Program participant.



2022 Annual Member and Stakeholder Survey

Our Annual Member and Stakeholder Survey helps our organisation monitor progress under our strategic plan, ensuring that we are maintaining confidence, sustainability and good governance in the western rock lobster industry.

In September this year WRL conducted its fifth Annual Member and Stakeholder Survey. The survey assists our organisation measure our industry's attitude regarding economic confidence, investment appetite and membership satisfaction. The annual survey also allows WRL to collect data about the views of its members and stakeholders on the current management of corporate affairs, communications and governance as well as future priorities of the western rock lobster industry. Repeating this survey annually allows WRL to assess changes in sentiment over time and react to emerging areas of concern or opportunity.

A key objective for WRL is to proactively manage industry risk, reputation and development. In order to build an ongoing indicator, the survey asked respondents to rate the effectiveness of a range of industry management activities including representation, communications and interaction. This year's survey reflects that industry confidence in WRL to proactively manage industry risk, reputation and development is a dependable 70.9%. This result is essentially the same as previous years.

The western rock lobster industry's ability to attract and retain investment is identified in WRL's strategic plan. As in previous years, the questions surveyed our members' short and medium-term levels of confidence in the economic outlook of our industry. The results found that members' confidence is slightly lower at 52.3%, reducing from 55.8% last year and notably still approximately one third lower than pre COVID years. Not surprisingly and echoing trends recorded last year, member investment intentions remain relatively low in terms of equipment investment however some improvement was recorded towards intentions of employing additional staff in the next 12 months.

The survey results indicate that industry's highest priority for maintaining a strong economic outlook is ensuring a strong working relationship between government and industry (government relations). This is closely followed by ensuring the resource remains Australian owned (Australian ownership) and then maintaining a well-managed quota (quota management). These three tactics were also the highest rated last year, although this is the first-time government relations was top.



Back of Boat Lobsters

WRL is growing the Back of Boat program to increase the availability and accessibility of western rock lobster for local consumption to build and strengthen industry's connection with local communities and tourism.

Since 2020, the WA community has been able to buy the freshest lobster directly from the back of fishing boats up and down the coast through the Back of Boat (BoBs) initiative, collaboratively designed by WRL and DPIRD.

Back of Boat allows the fishery's fleet of 235 boats to land a limited number of lobsters each fishing trip to sell directly to consumers, providing a significant increase in supply directly to the WA community who have overwhelmingly embraced the new live purchase option.

A maximum limit of 100 lobsters per landing was originally applied to the initiative however due to demand, industry requested that this standard limit be doubled to 200 lobsters per landing and up to 400 lobsters on any December day.

Since the program began, a total of 92 different vessels have landed over 95,000 kgs of lobsters at 20 ports along the WA coast from Kalbarri to Fremantle.

There is growing member support for the BoB initiative, as well as growing public and local government enthusiasm and buy-in for the program since its introduction. This is evidenced on the ground, through increased community engagement, as well as online, with the continuous growth of the Back of Boat Facebook page.

WRL has commenced developing a community connection Back of Boat website that will allow consumers to more efficiently and effectively connect with participating fishers directly and have all of the transaction elements digitally automated. The new website will contain all the necessary information about lobster handling, preparation and recipes along with strategic messaging on sustainability and other industry related topics of interest to the community.

WRL's new Communications Strategy 2022-25 guides the enhancement and further development of the BoBs initiative as a public facing brand for the industry with its own identity and sees this as a central part of establishing genuine relationships with the community, strengthening connection to the fishery and building a sense of identity and pride in the world class premium seafood product.

Back of Boat has given industry an invaluable opportunity to engage directly with the community and to demonstrate its values and practices. It serves as a platform to educate the community on industry's management, operations and regulations via storytelling and transparency.

www.backofboat.com





Communications and Engagement Strategy 2022-2025

In 2021-22 Western Rock Lobster Council (WRL) undertook a review of its 2017 integrated communications strategy, to take into account WRL's achievements and our communications maturing more broadly, to adapt to the significantly changed economic, social and market conditions.

To assist in developing a new communications strategy, WRL engaged with CGM Communications, a leading community, government and media relations consultancy. The new strategy draws together contributions from across multiple internal and external stakeholders. It includes five key objectives that will drive WRL communications activities for the next three years.

Our communications objectives:

- Increase the participation by internal stakeholders in WRL activities, to best enable WRL to represent the industry to government and other stakeholders.
- Broaden and deepen relationships with external stakeholders from government and other industries to make WRL and the industry more resilient.
- Build awareness of the significant contribution the industry continues to make to coastal communities, and the state.
- Increase community awareness of the availability and accessibility of western rock lobster.
- Ensure the industry is getting maximum social licence benefits from its Marine Stewardship Council certification as a sustainable fishery.

There are several audiences that need to be engaged, from fishing industry members and stakeholders to the WA community and government. The tourism, hospitality and trade sectors are also key audiences under this strategy with the media and influencers being crucial intermediaries in reaching all audiences. Different audiences with different key messages require different communication channels. From online to face-to-face interactions, WRL will draw on the widest possible range of channels with robust assessment of their impact, as laid out in the new document. WRL has also developed specific messaging for each target audience.

The Communications and Engagement Strategy 2022-2025 is first and foremost a framework to guide the activities of WRL's core communications. The Communications Strategy is underpinned by WRL's strategic goals (laid out in the Strategic Plan 2020-2023). The ultimate goals are to engage industry in WRL's activities and to ensure our social licence to operate is supported by government, community and industry.



Financial Reports



Western Rock Lobster Council Inc

Financial Reports

For the year ended 30 June 2022

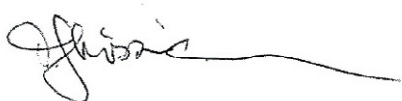
Director's Declaration

The director(s) have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The director(s) of the company declare that:

1. The financial statements and notes, present fairly the company's financial position as at 30 June 2022 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
2. In the director(s)' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Western Rock Lobster Council Inc. Chair

Terry Lissiman



Finance and Audit Committee Chair

Fedele Camarda

Dated 21 September 2022

Independent Auditor's Report

For the year ended 30 June 2022

We have audited the financial report of Western Rock Lobster Council Inc. ('the Association'), which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, appropriation statement and statement of cash flows for the year 30 June 2022 then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the financial report of Western Rock Lobster Council Inc. has been prepared in accordance with the *Associations Incorporation Act (WA) 2015*, including:

- (a) giving a true and fair view of the Association's financial position as at 30 June 2022 and of its financial performance for the year [period] then ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, and the *Associations Incorporation Act (WA) 2015*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the registered entity's financial reporting responsibilities under the *Associations Incorporation Act (WA) 2015*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibility of the Responsible Entities for the Financial Report

The directors of the Association are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Associations Incorporation Act (WA) 2015* and the needs of the members. The Associations' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the financial report, the directors are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so. The directors are responsible for overseeing the Association's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.
- Conclude on the appropriateness of responsible entities' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with responsible entities regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Name of Firm: Stirling Auditors
Name of Principal: En Khong
Address: Suite 5, 216 Stirling Highway,
Claremont WA 6010
Dated: 31 August 2022

Statement of Financial Performance

For the year ended 30 June 2022

		2022	2021
	Note	\$	\$
INCOME			
WAFIC - General		647,086	719,646
FRDC Income - 2014 - 406 RD&E		-	95,320
2020 - 059 RD&E (New)		100,000	120,000
FRDC - IPA Project Funding		822,668	391,186
Industry Levy		203,700	196,800
TOTAL INCOME		1,773,454	1,522,952
OTHER INCOME			
Interest Income		2,118	2,617
Government Subsidies		-	54,000
Capital Government Subsidy		-	64,716
TOTAL OTHER INCOME		2,118	121,333
TOTAL INCOME		1,775,572	1,644,285
EXPENSES			
Chair, Directors and Independent Director Fees	2	57,500	50,000
Depreciation		21,234	32,589
Employment Expenses		482,127	523,054
Industry Levy Expenses	3	278,081	135,915
Operating Expenses	4	259,586	253,484
IPA Project Expenses	5	738,915	508,582
TOTAL EXPENSES		1,837,442	1,503,624
OPERATING SURPLUS/ (DEFICIT)		(61,870)	140,661

Statement of Financial Position

As at 30 June 2022

		2022	2021
	Note	\$	\$
RESERVES			
Retained earnings		1,339,243	1,399,976
Total Reserves		1,339,243	1,399,976
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	6	1,244,607	1,335,729
Reimbursement		83,950	-
Trade and Other Receivables	7	18,263	49,330
TOTAL CURRENT ASSETS		1,346,820	1,385,059
NON CURRENT ASSETS			
Property, Plant and Equipment	9	69,455	89,143
TOTAL NON-CURRENT LIABILITIES		69,455	89,143
TOTAL ASSETS		1,416,275	1,474,202
LIABILITIES			
CURRENT LIABILITIES			
Provisions	10	50,873	55,537
Trade and Other Payables	8	26,160	18,689
TOTAL CURRENT LIABILITIES		77,032	74,226
TOTAL LIABILITIES		77,032	74,226
NET ASSETS		1,339,243	1,399,976

Appropriation Statement

For the year ended 30 June 2022

		2022	2021
	Note	\$	\$
RETAINED EARNINGS AFTER APPROPRIATION			
Retained Earnings at Start of Year	11	1,401,113	1,259,315
Operating Surplus/(Deficit)		(61,870)	140,661
Retained Earnings After Appropriation		1,339,243	1,399,976

Statement of Cash Flows - Direct Method

For the year ended 30 June 2022

	2022	2021
Note	\$	\$
OPERATING ACTIVITIES		
GST	(4,400)	(1,290)
Cash receipts from other operating activities	1,775,572	1,644,285
Cash payments from other operating activities	(1,837,442)	(1,503,624)
NET CASH FLOWS FROM OPERATING ACTIVITIES	(66,270)	139,371
INVESTING ACTIVITIES		
Other cash items from investing activities	(54,230)	(1,221,401)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(54,230)	(1,221,401)
FINANCING ACTIVITIES		
Other cash items from financing activities	15,688	1,322,131
NET CASH FLOWS FROM FINANCING ACTIVITIES	15,688	1,322,131
NET CASH FLOWS	(104,813)	240,101
CURRENT LIABILITIES		
Cash and cash equivalents at beginning of period	240,101	-
Net change in cash for period	(104,813)	240,101
Cash and cash equivalents at end of period	135,288	240,101



3 Industry levy

Promotion, Media and Communications
 MSC Audit
 Management and Projects
TOTAL INDUSTRY LEVY

	2022	2021
	\$	\$
Promotion, Media and Communications	188,319	30,981
MSC Audit	24,400	30,000
Management and Projects	65,363	74,934
TOTAL INDUSTRY LEVY	278,081	135,915

4 Operating Expense Breakdown

CURRENT

Accounting/Audit
 Bank Charges
 Consultancy Fees
 Communications Strategy
 Fringe Benefits Tax
 FBT Instalments Payable
 Gifts
 Insurance
 Legal Costs
 Motor Vehicle Expenses
 Office Equipment and IT
 Postage
 Printing and Stationery
 Rent
 Meeting Expenses
 Mileage
 Sponsorship & Promotions
 Subscriptions- Software
 Strategic Plan Priorities/Seed Funds
 Telephone
 Training
 Travel & Accommodation
TOTAL CURRENT
TOTAL OPERATING EXPENSE BREAKDOWN

Accounting/Audit	6,170	6,250
Bank Charges	664	531
Consultancy Fees	26,600	-
Communications Strategy	6,472	7,797
Fringe Benefits Tax	5,239	5,240
FBT Instalments Payable	1,302	-
Gifts	843	2,246
Insurance	13,423	11,789
Legal Costs	15,880	-
Motor Vehicle Expenses	7,964	6,893
Office Equipment and IT	11,631	17,167
Postage	440	2,230
Printing and Stationery	10,435	6,615
Rent	64,870	61,753
Meeting Expenses	15,373	27,493
Mileage	924	2,010
Sponsorship & Promotions	10,901	16,700
Subscriptions- Software	32,985	34,800
Strategic Plan Priorities/Seed Funds	-	13,475
Telephone	5,416	4,608
Training	6,108	5,951
Travel & Accommodation	15,944	19,936
TOTAL CURRENT	259,586	253,484
TOTAL OPERATING EXPENSE BREAKDOWN	259,586	253,484

Notes to the Financial Statements

For the year ended 30 June 2022

5 IPA Project Expenses

	2022	2021
	\$	\$
Project - 12th ICWL	581	-
Project- Understanding the market for Western Rock Lobster	160,803	124,519
Project - Director Professional Development	-	14,534
Project - WA Institute Spiny Lobster Biz Plan	26,110	43,441
Project - Understanding the Markets (Phase 1)	-	3,553
Project - Communications	278,244	272,094
Project - Digitising the Western Rock Lobster Industry	168,205	50,441
Project - 2020-059 RD&E	47,942	-
Project 2020-060 WRL Professional Industry Development	52,983	-
Project 2020-063 Minimising Plastic (Phase 2)	135	-
Project 2021-030 Digital Transformation	2,450	-
Project 2020-062 Minimising Plastic (Phase 1)	1,460	-
TOTAL IPA PROJECT EXPENSES	738,915	508,582

6 Cash and Cash Equivalents

ANZ Cheque Account (Internal Funds)	79,943	104,630
ANZ Online Saver (Internal Funds)	55,346	135,471
ANZ FRDC Fund (External Funds)	51,629	71,266
ANZ Business Online Saver (External Funds)	243,907	216,672
ANZ WRLC 1916 (External Funds)	11,748	7,654
Industry Fighting Fund Savings	23	23
Industry Fighting Fund Trans	13	13
Term Deposit #1 May 2021	401,000	400,000
Term Deposit #2 May 2021	401,000	400,000
TOTAL CASH AND CASH EQUIVALENTS	1,244,607	1,335,729



7 Trade and Other Receivables

CURRENT

GST Internal

GST External

Trade Debtors (Internal)

TOTAL CURRENT

TOTAL CASH AND CASH EQUIVALENTS

	2022	2021
	\$	\$
	5,690	1,290
	(548)	9,540
	13,121	38,500
TOTAL CURRENT	18,263	49,330
TOTAL CASH AND CASH EQUIVALENTS	18,263	49,330

8 Trade and Other Payables

CURRENT

Trade Creditors

Superannuation Payable

ANZ Credit Card

Amounts Withheld

TOTAL CURRENT

TOTAL TRADE AND OTHER PAYABLES

	3,355	-
	6,231	4,523
	214	1,870
	16,360	12,296
TOTAL CURRENT	26,160	18,689
TOTAL TRADE AND OTHER PAYABLES	26,160	18,689

9 Property, plant and equipment

PROPERTY IMPROVEMENTS

Property Improvements

Accum. Depr Property Improvements

TOTAL TRADE AND OTHER PAYABLES

OFFICE EQUIPMENT

Office Equipment At Cost

Accum. Depr. Office Equipment

TOTAL OFFICE EQUIPMENT

MOTOR VEHICLES

Motor Vehicles At Cost

Accum. Depr. Motor Vehicles

TOTAL MOTOR VEHICLES

TOTAL PROPERTY, PLANT AND EQUIPMENT

	98,162	98,162
	(56,606)	(46,217)
TOTAL TRADE AND OTHER PAYABLES	26,160	18,689
	46,067	44,522
	(46,067)	(44,522)
TOTAL OFFICE EQUIPMENT	-	-
	50,323	50,322
	(22,424)	(13,124)
TOTAL MOTOR VEHICLES	27,899	37,198
TOTAL PROPERTY, PLANT AND EQUIPMENT	69,455	89,143

Notes to the Financial Statements

For the year ended 30 June 2022

10 Provisions

Provision for Leave (Internal)
Provision for Leave (External)

TOTAL CURRENT

TOTAL PROVISIONS

	2022	2021
	\$	\$
	37,067	36,261
	13,806	19,276
TOTAL CURRENT	50,873	55,537
TOTAL PROVISIONS	50,873	55,537

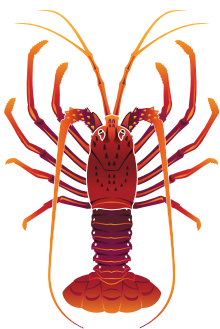
11 Retained Earnings

Retained Earnings

TOTAL RETAINED EARNINGS

	1,401,113	1,259,315
TOTAL RETAINED EARNINGS	1,401,113	1,259,315





Western
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