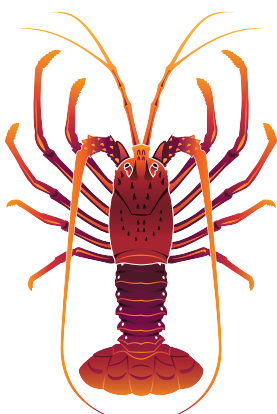


2017/2018 Annual Report



Western
**ROCK
LOBSTER**

World leading sustainable fishery



WA Fishery Map





Our Mission

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

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From the Chair

Firstly, I would like to thank our 643 members for their continued support during what has been a challenging and busy year for Western Rock Lobster (WRL).



WRL has adopted an industry Gross Value of Production (GVP) target of \$1 billion by 2028. While ambitious, a doubling of the gross value of production of our iconic western rock lobster industry is achievable and will create new jobs, support regional development and boost the WA economy. It is critically important to have a target to work towards and determine the steps to get there.

During the past year, the WRL Board has been proactive in developing and refining its Risk Analysis that is used as a basis for the WRL Strategic Plan which is the document that drives the organisation.

Matt Taylor has been in the CEO position for just over 12 months and has provided strong leadership to the WRL Executive and is a passionate advocate for our industry.

WRL's second Independent Director Karen Brown joined the Board in October 2017. Karen is the National Director for Perth-based strategic communications consultancy, Cannings Purple and adds great value to the WRL Board in strategic communications and public relations.

The 2017 Economic Contribution Report formally assessed and quantified the economic contribution of the western rock lobster industry to the West Australian economy. The outcome of the report was extremely positive, with the

industry currently contributing \$505m, comparable to other WA primary industries such as wool, meat and milk.

In addition, the first annual member and stakeholder survey investigated the short and medium-term levels of confidence in the economic outlook of the industry and found members and stakeholders hold a very confident outlook for the year ahead with a future economic confidence level indicator sitting at 72 per cent. Furthermore, the industry management confidence Index of 71 per cent indicates WRL is effectively representing industry, contributing to the management of the fishery and communicating with its members and stakeholders. WRL will continue to track member and stakeholder industry perceptions annually in order to better inform and improve on our performance.

The implementation of the Chinese Australian Free Trade Agreement (ChAFTA) has seen a strong movement of live Australian lobster product direct into China during 2018, which is expected to continue. ChAFTA is opening up more direct access to consumption regions in China as well as new markets which have not traditionally consumed western rock lobster.

In July 2018, the new WRL Rules of Association was unanimously adopted. Key changes to the Rules of Association include the election by ballot

and the capacity for Members to cast their ballot by electronic or other forms specified by the WRL Board.

The Industry Levy funds contributed by our members continue to achieve great things. In the past 12 months, levy funds were invested in many initiatives including the scoping study for a WA-based Institute for Spiny Lobster Research, the purchase of 10 whale entanglement tracking buoys and the re-brand of the organisation, including improved communications, new website and social media platforms.

The new office location is the start of another chapter in our history. The facility provides a modern and professional working environment and gives our team great access to local fishers.

I would like to thank the WRL Board for their commitment and contribution over the past 12 months and in particular Nic Sofoulis, who is retiring from the Board in September 2018. Nic has been a conscientious and valuable member of the Board over his tenure.

WRL continues to evolve into a relevant, professional and well managed organisation that works hard to inform, support and secure WRL members' long-term future in an industry that is confronting many challenges and opportunities in an ever-changing world.

Kim Colero

Chairman



From the CEO

The past year has seen WRL complete a full rebranding, including improved communications and online presence with a new website and social media platforms. Communications and engagement with members, stakeholders and the community remain a top priority for WRL and continue to improve.



This year, with the assistance of WRL, ABC's Landline ran a feature story promoting our iconic western rock lobster industry. The story illustrated fishing businesses, tourism, Australia's free trade agreement (FTA) with China and other industry issues. The positive promotion was a real boost to the profile of the industry across a broad new audience and highlighted the importance of our industry to regional communities and the Western Australian economy.

WRL also continued to build a strong collaborative relationship with the Department of Primary Industries and Regional Development (DPIRD) as it underwent a major restructure and as we continue to push for increasing co-management of our industry.

In mid-2018, WRL welcomed a new Executive Assistant to the team. The appointment of Kessley O'Halloran adds organisational capacity and great value to WRL's strategic objectives to professionally represent and manage the industry.

I would like to thank the Board for their investment into my attending the Australian Institute of Company Directors course which demonstrates increased governance and employee investment within WRL.

WRL and the industry are going through an exciting growth phase and our professionalism

and representation has increased significantly in the past 18 months, including an industry research and development program that is now almost 10 times larger. As a result, this year WRL relocated into larger office premises with its own independent identity on the wharf in the Fremantle Fishing Boat Harbour. The new location, where lobster boats unload and refuel, is convenient for all members to drop in and discuss industry issues, concerns and activities. Importantly, the new office is a professional space where WRL can proudly represent its members and industry when meeting with stakeholders and visitors.

WRL's objective for the year ahead will be to continue to develop a WA-based Institute for Spiny Lobster Research that will be focused across the whole value chain to drive GVP growth. WRL wants to adopt a strategic, coordinated approach to develop and commercialise new knowledge and technologies in order to overcome industry challenges and maximise opportunities in an increasingly competitive international market.

I would like to thank Clare, Katherine and Kessley for all their hard work and dedication in creating such a professional, productive and capable organisation.

Matt Taylor
Chief Executive Officer

The Board



Kim Colero
Chair, Zone C



Terry Lissiman
Deputy Chair,
Zone A



Peter Bailey
Director, Zone A



Clay Bass
Director, Zone B



Robbie Glass
Director, Zone B



Nic Sofoulis
Director, Zone C



Linda Williams
Director, Zone C



Peter Hammond
Director, Zone C



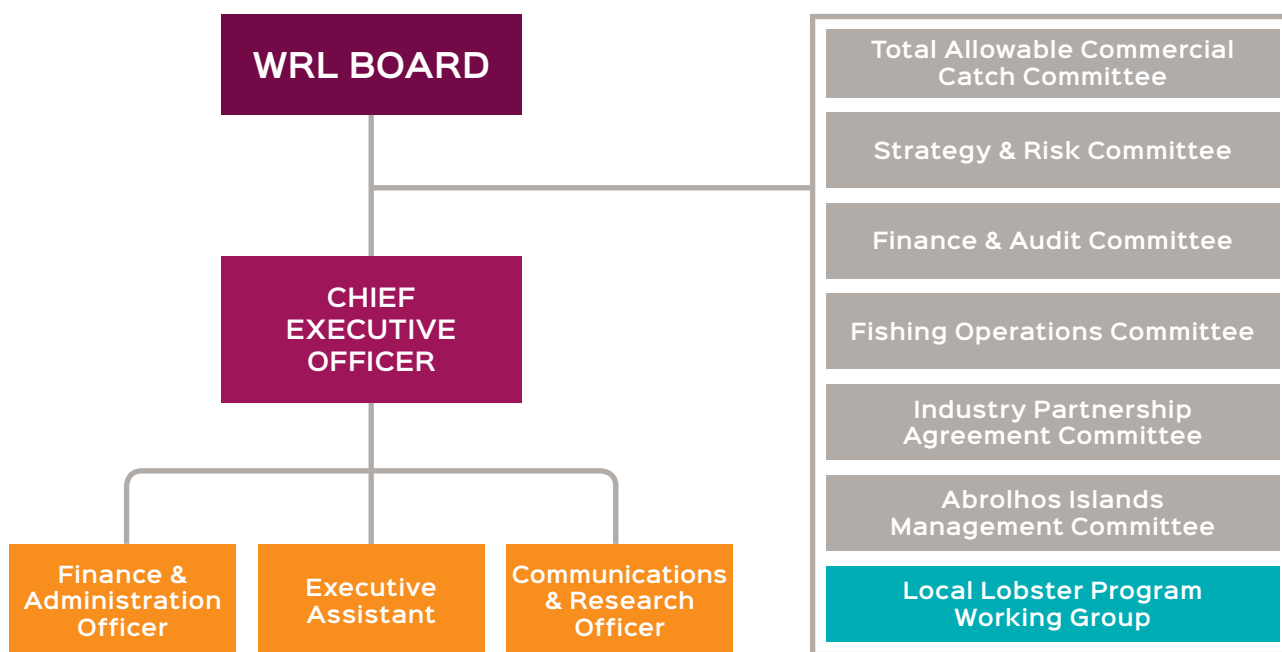
Peter Cooke
Independent
Director



Karen Brown
Independent
Director



Organisational Structure



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THE WRL BOARD HAS BEEN PROACTIVE IN DEVELOPING AND REFINING ITS RISK ANALYSIS THAT IS USED AS A BASIS FOR THE WRL STRATEGIC PLAN WHICH DRIVES THE ORGANISATION.”

Total Allowable Commercial Catch Committee

In 2016, WRL formed the Total Allowable Commercial Catch (TACC) Committee to conduct the due diligence necessary to underpin sound advice on future TACC settings for the western rock lobster commercial sector fishery. Chaired by WRL Chair Kim Colero, the TACC Committee brings together representatives from across the western rock lobster industry value chain including fishers, processors, international marketers, scientists, managers and Dr Peter Rogers as the author of the TACC review report completed in 2016. Its formation represents a major step forward for the industry.

Strategy and Risk Committee

Chaired by WRL's Independent Director, Peter Cooke, the purpose of the Strategy and Risk Committee (SRC) is to provide advice on future strategic directions of the organisation and the western rock lobster industry. It is the Committee's responsibility to develop, monitor and advise on the strategic direction of WRL's communications plan and initiatives as well as review WRL's Industry Risk Dashboard and Strategic Plan.

Finance and Audit Committee

Chaired by WRL Director, Peter Hammond, the Finance and Audit (F&A) Committee undertakes the corporate governance and oversight responsibilities relating to WRL's financial accounting practices. The Committee meets at least three times a year, to review the system of internal control and management of any financial risks.

Fishing Operations Committee

The WRL Board resolved to establish a joint Fishing Operations Committee (FOC) with DPIRD to work collaboratively on improving the operational aspects of the western rock lobster fishery when it transitions across to the new *Aquatic Resource Management Act* in January 2019.

Chaired by WRL Director, Clay Bass, the purpose of the FOC is to provide expert advice to the WRL Board on the operational aspects of the western rock lobster fishery. The active skippers selected for the FOC represent the different regions and fishing practices of the fishery. The WRL Board intentionally sought younger, active skippers because in addition to their intimate knowledge of fishing rules, they are the most invested in decisions that affect the future of the industry.

Industry Partnership Agreement Committee

Formed in 2014 and chaired by WRL's CEO, the Industry Partnership Agreement (IPA) Committee drives the progress of industry research projects undertaken through WRL's IPA with the Fisheries Research and Development Corporation (FRDC).

Abrolhos Islands Management Committee

Established in 2017, the Abrolhos Islands Management (AIM) Committee works collaboratively with DPIRD and the Department of Biodiversity, Conservation and Attractions (DBCA) to provide outcomes which benefit commercial and recreational fisheries, tourism and are environmentally sustainable.

The AIM Committee provides professional advice and recommendations on the management and future strategic directions of the Abrolhos Islands to improve current arrangements, allow more flexibility and manage specific issues.

Local Lobster Program Working Group

The Local Lobster Program (LLP) Working Group drives the design, development and monitoring of the LLP. Consisting of WRL Directors and DPIRD Management and Scientists, the LLP Working Group ensures the program is an effective vehicle for delivering our iconic western rock lobster to the domestic market, builds community support and is managed in an equitable manner.



Strategic Plan 2018-2021

WRL's Risk Management Framework enables the organisation to document, manage, monitor, review and update strategic, corporate and project risk information in alignment with the strategic plan. The Risk Register is reviewed and updated by the Strategy and Risk Committee bi-annually (March and September), with a summary informing mitigation action.

Driven by the Risk Management Framework, the WRL Strategic Plan communicates our Vision, Mission and Objectives so our members, stakeholders and community can understand our priorities and direction as an organisation over the next four years.

The WRL Strategic Plan is reviewed and updated annually by the Strategy and Risk Committee. This year, WRL developed and applied Key Performance Indicators (KPIs) to each objective.

Our vision

The western rock lobster fishery is an iconic global leader in sustainable fisheries management.

Our mission

The western rock lobster industry will be confident, sustainable and well respected.

Our objectives

WRL has set the following strategic objectives for 2018-2021 that build on our past achievements and support our vision:

1. The WRL industry is professionally managed to achieve an economic contribution of \$1billion GVP to the WA economy by 2028.
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.



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WRL HAS SET STRATEGIC OBJECTIVES FOR 2018- 2021 THAT BUILD ON OUR PAST ACHIEVEMENTS AND WILL SUPPORT FULFILLING OUR VISION.”

Our strategies

These four strategies are the drivers for WRL's activities for the next four years. Our four strategies give us direction and enable us to deliver on our objectives.

1. **Securing resource access.** Manage industry advocacy to secure resource access through a strong social licence to operate.
2. **Research and development for resource security.** Collaborate and invest in targeted R&D, development and technology to drive GVP growth for future resource security.
3. **Delivering optimum value for the asset.** Scope industry structure and development to deliver optimum value for the asset.
4. **Industry leadership.** Manage the WRL Council as the peak policy and leadership body for the industry.

Our tactics

WRL has produced a range of tactics, which during the next four years will enable us to achieve our four strategies, our objectives and our overall vision. Our priority tactics for 2018 are:

1. Proactively manage internal industry and external community communications and stakeholder relationships.
2. Manage professional advocacy and representation for the WRLF to government and stakeholder groups.
3. Invest in building human capacity and improving professionalism, to sustain industry advocacy and leadership.
4. Establish the National Institute for Spiny Lobster Research in WA, with recurrent funding mechanisms.
5. Collaborate across other fishing sectors to develop a high standard of marine and occupational health and safety.
6. Professionally manage the WRL harvest strategy and TACC by accessing scientific, economic and industry expertise.

2017 Economic Contribution

A 2016-17 initiative undertaken by WRL in the past 12 months was determining the 2017 economic contribution of the western rock lobster industry. This research revealed the industry is a major contributor to economic growth and job creation in Western Australia, and a serious player amongst other primary industries.

Launched in December 2017 by Fisheries Minister, the Hon Dave Kelly MLA, the economic contribution report prepared by ACIL Allen reveals the western rock lobster industry contributed \$505 million and supported more than 2,400 direct and indirect jobs across the State in 2016-17. Of this, the Perth metropolitan region – spanning from Two Rocks to Mandurah – contributed more than \$300 million, supported 1,260 jobs and generated approximately 34 per cent of the total annual catch of western rock lobsters.

The fishery creates major local employment opportunities across the broader supply chain including the managed fishery, processed seafood manufacturing, boat building and tourism. After more than half a century of growth for this industry, we are finally able to quantify the true value of our iconic fishery for the very first time.

Our industry's economic contribution is comparable to other primary industries in Western Australia, including sheep meat and wool, and we are a market leader contributing almost 60 per cent of Australia's lobster exports.

The industry was started by passionate fishers and their families in the early 1950s. Today it is an important, sophisticated and sustainable industry that continues to contribute significant value for WA. In particular, the industry continues to underpin economic prosperity and social development within our regional towns and coastal communities.

Our industry has been a constant generator of stability, job creation, and economic output for many years and we believe it has the capacity to become a \$1 billion industry within the next decade. The report confirms the western rock lobster fishery is the most valuable fishery in Australia, and we can now promote its positive and tangible impact on our State. Importantly, as an industry we are always looking to the future and this report signals our intent to continue to build our industry.

Contributes more than
half a billion dollars
to the WA economy

(\$505M)



Generates more than **2,400**
direct and indirect full-time jobs
across the State

Contributes to the
economic prosperity
and **social fabric** of WA
coastal communities



Economic Contribution of the Western Rock Lobster Industry by Location

KEY

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



The industry generates almost **\$50 million** for the Geraldton economy, accounting for **24%** of the total economic activity in the city.

The industry generates almost **\$25 million** for the Cervantes economy, accounting for **75%** of the total economic activity in the town.

TACC Setting Process

In July 2018, the TACC Committee completed its first cycle of works and, based on independent market research, provided its report and TACC recommendations to the WRL Board. In addition, the report was sent to all WRL members and presented at the 2018 Management Meetings held in July 2018, in which members and stakeholders were invited to participate in discussions on a number of important issues, such as the TACC for the 2019/2020 season and beyond.

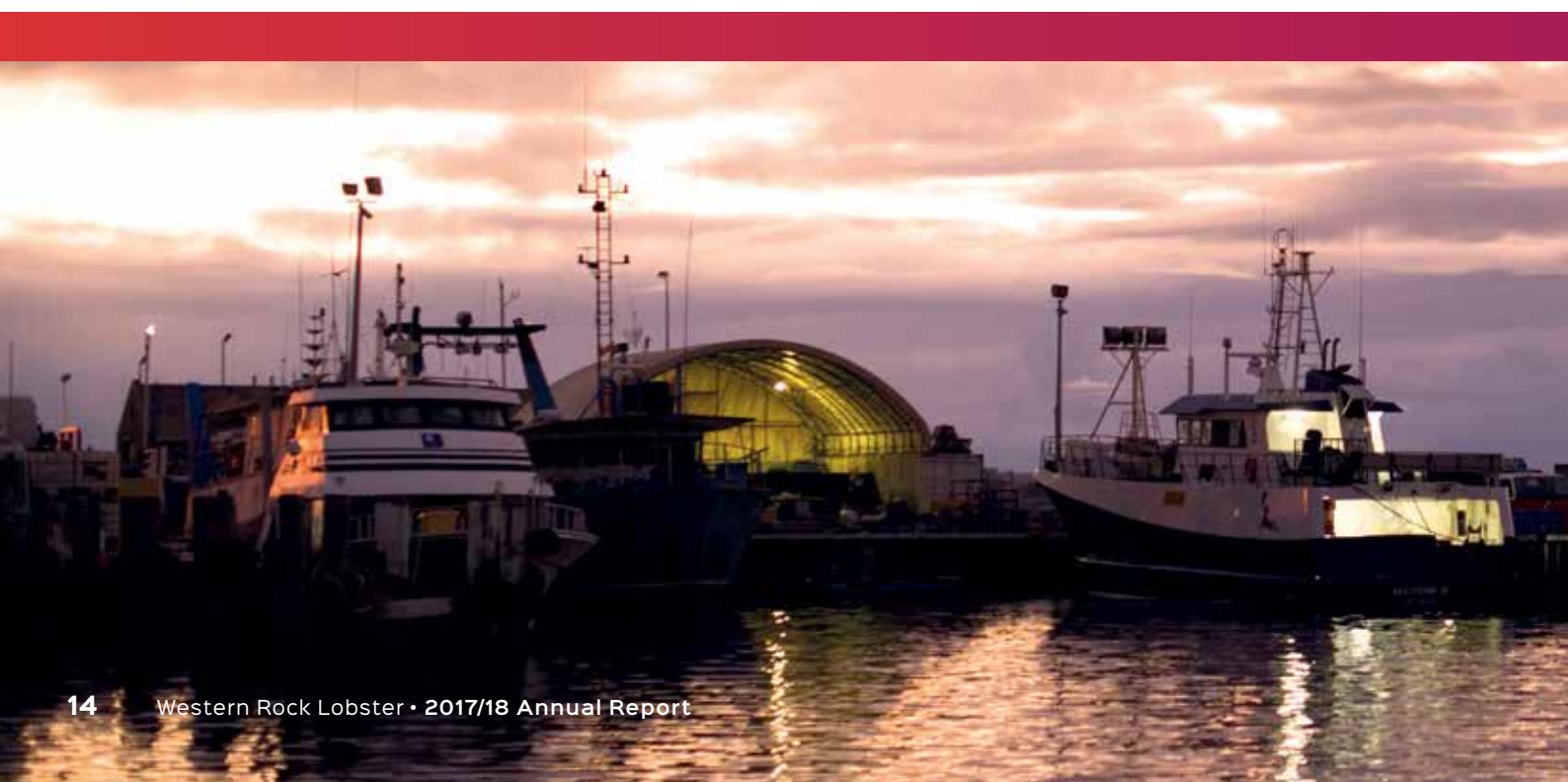
Following the Management Meetings, and as part of the TACC setting process and consultation, WRL requested comments and feedback from its members in order to assist the WRL Board in making an informed decision and final recommendation to the Minister for Fisheries for the TACC 2019/2020 season. The 2018 Annual Member Survey also sought member feedback on the 2018 Management Meetings in order to improve these in the future.

The survey revealed that three quarters of respondents rated the establishment of the TACC Committee as the most important initiative undertaken by WRL in the past 12 months. In addition, the 2018 TACC Member Survey showed the majority of respondents read the TACC

Committee report and recommendations and of these 42 per cent found it to be very valuable in providing them with information on the western rock lobster market and TACC setting. Overall, 60 per cent of respondents believed there should be an increase in TACC for the 2019/20 season.

At the August 2018 Board meeting, the Board considered both of the member survey reports, as well as the TACC Committee report, stock assessment report, independent peer review of the western rock lobster model and science report and other industry submissions.

Following this due diligence and consideration, the WRL Board resolved its TACC recommendation to the Minister for Fisheries, the Hon. Dave Kelly, for the 2019/20 season.



WA-based Institute for Spiny Lobster Research

In April 2018, WRL commissioned an independent consultancy to provide a concept study report on establishing a WA-based Institute for Spiny Lobster Research. The report provided a factual basis for transitioning funding to a new WA-based institute for spiny lobster research. It will produce far superior R&D, innovation, institutional funding, grant funding and return on investment across the entire value chain that will drive GVP growth and create new jobs, especially if coupled with tourism and possibly outsourced retail opportunities.

The concept study identified that while international demand for lobster is increasing, overseas competitors are building market share. The institute will provide a focus for the specific WA lobster related research needs in science, economics and product development.

Industry must adopt a coordinated approach to develop and commercialise new knowledge and technologies to tackle industry challenges, especially as we compete on an international level. WA leads the way in lobster research expertise, particularly in fisheries management and stock forecasting and WRL wants to build on this strong foundation.

To achieve the best research outcomes, WRL will work collaboratively with a range of key stakeholders such as fishers, processors, regulators, retailers, sector advocates, international lobster research bodies, Australian universities, Australian Institute of Marine Science, CSIRO and other Commonwealth and State-based departments.

WRL is now progressing with the Business Plan for the institute and aims to have the institute established by 2020.

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THE INSTITUTE WILL
PROVIDE A FOCUS FOR THE
SPECIFIC WA LOBSTER
RELATED RESEARCH NEEDS
IN SCIENCE, ECONOMIC
AND PRODUCT
DEVELOPMENT.”

Research and Development

In July 2018, two research program proposals to the value of \$1 million were approved through WRL's Industry Partnership Agreement (IPA) with the Fisheries Research and Development Corporation (FRDC).

The 'Digitising the Western Rock Lobster Industry' and 'Understanding the Markets for Western Rock Lobster' research programs will deliver significant benefits to industry over the next three years and beyond. WRL expect that these R&D programs will transition to the WA-based Institute for Spiny Lobster Research once it's established.

Digitising the Western Rock Lobster Industry

Industry needs to adopt new digital technology to benefit from the digital economy and ensure industry is efficient, highly productive and world-leading in all its management practices and policies. This is fundamental to achieving the WRL Strategic Plan objectives and aims to develop the western rock lobster industry's competitiveness in digital technologies and ensure the industry can draw the full benefits from digital innovation.

WRL needs to scope what other fisheries and non-fishing industries are doing nationally and internationally in relation to collecting data and using it in new and innovative ways to improve operations, management, policy, science and decision making.

An exciting project within this program is to scope and assess existing real time quota trading applications and potential new providers to identify the best service provider to create a quota trading application for the WRL industry. A real time quota trading platform will assist commercial decision making in the industry and ease current stress associated with annual leasing, transfers and end of season quota balancing.

Other equally exciting projects include working with AMSA to create new digitised Occupational Health and Safety standards and automatic on-line reporting that will make it easier for operators and improve industry safety. Lobster traceability from catch to plate will assist with the Local Lobster Program and reduce black market lobster while preventing substitution of WRL in international markets. It will provide consumers with smartphone scanning ability to tell the industry story behind the lobster they are eating.

Understanding the Markets for Western Rock Lobster

With the China Free Trade Agreement (ChAFTA) resulting in a zero per cent tariff by January 2019, WRL is committed to collating independent market intelligence for our industry and members which will allow them to be better informed about the global markets and the impact on price of supply and demand. There is a clear understanding by WRL that it needs to have market intelligence and understanding if our industry is to remain economically sustainable, reduce its risk and improve overall income and profitability.

WRL will engage a market analyst to collect and analyse data to determine where marketing effort by the industry would best be directed to expand markets and grow the industry's GVP. This includes competition and opportunity such as broad market (high end / alternative) indicators within key markets, understanding consumer behaviour and understanding overall food market directions. The program will also identify current lobster decision drivers (price, culture, fashion, brand) for the general markets.



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WRL IS COMMITTED TO
COLLATING INDEPENDENT
MARKET INTELLIGENCE FOR
OUR INDUSTRY AND MEMBERS
WHICH WILL ALLOW THEM TO
BE BETTER INFORMED ABOUT
THE GLOBAL MARKETS AND
THE IMPACT ON PRICE OF
SUPPLY AND DEMAND.”

Data gathered under this program is primarily for the use of the TACC Committee. An output of this program is an in-depth examination of the final demand for western rock lobsters and the identification of important market trends to help inform the TACC setting process and to help the broader industry predict and prepare for the future.

An exciting aspect of this program is that WRL will use the data gathered to create

a comprehensive market dashboard.

This market dashboard will provide members with market information including current trends in as close to real time as possible, providing them with information critical for their operations.

As a result, industry will have a far greater understanding of the markets for western rock lobster and the risks and opportunities associated with each market.

2018 Annual Member and Stakeholder Survey

WRL has set objectives under its strategic plan which aim to ensure the western rock lobster industry is confident, sustainable and well managed.

In June 2018, WRL conducted its first Annual Member and Stakeholder Survey to gauge sentiment 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 and future priorities of the western rock lobster industry. Repeating this survey annually will allow WRL to assess changes in sentiment over time and react to emerging areas of concern or opportunity.



A key Objective for the WRL Council 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. The survey reflects that Industry confidence in WRL to proactively manage industry risk, reputation and development is a very creditable 71 per cent.

In addition, WRL's strategic plan identifies the need to have long term and sustainable confidence in the WRL industry to attract and retain investment. The survey investigated the short and medium-term levels of confidence in the economic outlook and found members and stakeholders held a very confident outlook for the year ahead, with a future economic confidence level indicator sitting at 72 per cent.

Interestingly, while economic confidence levels are high, the levels are dampened a little by member and stakeholder's investment intentions which are only moderate for equipment investment and relatively low for the likelihood of employing additional staff in the next 12 months indicating that the balance of employment and capital expenditure is on track.

The three highest rated priority tactics for maintaining a strong economic outlook are ensuring the resource remains Australian owned, maintaining a well-managed quota and ensuring a strong working relationship between government and industry.

Industry Professional Development

Bursaries

In July 2017 WRL opened its first round of bursary applications. Bursaries are aimed at future leaders of the western rock lobster industry and are targeted to (but not limited to) those actively engaged in fishing operations.

Reece Newbold, Rhys Towers and Ryan Labruyere were acknowledged as future leaders of our industry and we are pleased to have been able to assist them in attending the 10th Trans-Tasman Rock Lobster Congress in Hobart in September 2017.

Attending the congress allowed our bursary winners to network with rock lobster fishers, managers and scientists from across Australia and New Zealand and engage in current industry discussions and debate.

All bursary winners agreed that the most valuable part of attending the congress was that it gave them the opportunity to network with others in the rock lobster industry. WRL is excited to be able to offer more opportunities like this to young industry leaders in coming years.



2017 Trans Tasman Congress bursary winners (l-r): Reece Newbold, Ryan Labruyere and Rhys Towers.

DECK Program

WRL recognises the need to start to invest in the human resource in our industry. In August this year, WRL launched the DECK Program with the first workshop to be held in October 2018. The focus of the DECK Program is to deliver quality professional learning to the western rock lobster sector.



The DECK Program interactive forums, hosted by WRL, will provide professional development opportunities for anyone in the western rock lobster industry seeking to strengthen knowledge and skills, foster relationships and networks, and be inspired by industry innovations.

The DECK Program will invest in building people's skills and capacity, and provide individuals with a broader understanding of the industry as a whole to ensure they can create more informed decisions and opinions about their industry career paths, fishing operations and business management. The forums also provide an opportunity for participants to discuss key challenges in the industry.

Aimed at the industry's next generation, the DECK Program will provide a variety of interactive presentations and workshops covering a range of skills development from office efficiencies, industry innovation and technology to managing your business and the people who work with you.

As well as professional development, the DECK Program will also provide an opportunity for those in the western rock lobster industry to meet likeminded people up and down the coast, in various types of industry operations, and share ideas, knowledge and interests.

Sustainability

Independent Peer Review of the western rock lobster model and science

In early 2018, WRL asked to work collaboratively with DPIRD to undertake an independent peer review of the science and modelling associated with the West Coast Rock Lobster Managed Fishery.

In order to review the modelling of the western rock lobster resource, a two-phase process was adopted. The first was a science review that collected observations and concerns of the fishers, which was then followed by a review of the stock assessment modelling that focused on the fisher concerns.

While the fishery has annual reviews of the stock assessment and associated annual indices as part of its Marine Stewardship Council (MSC) certification and harvest strategy, the last review of the stock assessment modelling was conducted in 2011, just after the change in management from input to output controls.

Since this time, the fishery has settled into its new quota management system and has seen an increase in the biomass of lobsters. This increase has resulted in pressure to raise the Total Allowable Commercial Catch (TACC). While the TACC setting is not a part of this independent peer review, the stock assessment modelling will eventually form the basis of these calculations and confidence in the science and modelling resulting from the peer review will assist in TACC decision making.

Following two comprehensive workshops held in April and May-June 2018, the independent peer reviewers provided their final report and recommendations to DPIRD and WRL. DPIRD and WRL will continue to work together to address the recommendations of the report.



Whale tracking buoys

Using industry Levy funds, WRL is supporting new technology designed to reduce whale entanglements for commercial and recreational fishers along the Western Australian coast. The introduction of whale tracking buoys is a joint initiative by WRL, DPIRD and the Department of Biodiversity, Conservation and Attractions (DBCA).

This new technology is a great example of our dedication to maintaining a sustainable lobster fishery and the initiative demonstrates WRL's commitment to the reduction of whale entanglements.

In 2017, a whale tracking buoy prototype was used to track an entangled whale. The whale was successfully freed from fishing gear as a direct result of the device's ability to send real-time information via satellites to DPIRD's disentanglement team.

This new technology tracks a whale's movements and enables DPIRD's trained team of professionals to monitor any whale which has become entangled and safely deal with the situation. Once the buoys are deployed,



the whale disentanglement team can take a more considered approach in the rescue of whales by determining the best time of day, weather conditions and the complexity of the entanglement.

The buoys will have a significant, positive impact on the fishing industry and the industry should be proud to be a part of this great initiative that has already gained attention from Canada and New Zealand.

Marine Stewardship Council certification

WRL used Industry Levy funds for the Marine Stewardship Council (MSC) recertification in 2017 whereby the fishery was recertified for a fourth time. This is a world first achievement to be proud of and the MSC certification showcases the fishery's commitment to sustainable practices.

Third-party accreditation is becoming increasingly important in our industry as it differentiates our product from others in the market. The fishery has adapted and evolved to face new and existing challenges and demonstrates willingness to mitigate against negative environmental interactions. Using the MSC Framework, our fishery continues to monitor, respond and innovate.



Communications and Engagement

A major objective for WRL during the past 12 months was to improve engagement and communication activities to ensure members and stakeholders are better informed, have a capacity to engage with industry and be aware of key issues and activities.

WRL has undergone a complete brand refresh including a new logo, new website and social media platforms during the past 12 months. We have also raised the profile of our iconic industry through various television reports and industry events and have committed to twice yearly Coastal Tours as well as annual member and stakeholder surveys.

The 2018 Annual Member and Stakeholder Survey revealed that overall, the majority of respondents believe WRL's communications and interactions with WRL Directors and staff in providing important updates and addressing industry questions and concerns were very effective.

2018 Management Meetings

The 2018 West Coast Rock Lobster Management Meetings (MMS), facilitated by the Industry Consultation Unit (ICU), were held on 17 July 2018 in Fremantle and 19 July 2018 in Geraldton.

Proceedings were divided into two sessions with the morning program focused on DPIRD presentations. This included presentations on the latest research and science, including the outcomes from the independent peer review of the model and science. DPIRD also provided information on the latest management issues relevant to the western rock lobster fishery, including the transition to the Aquatic Resources Management Act in 2019 (ARMA).

AMSA's Liaison Officer, Chris Battel, provided a detailed presentation highlighting that in June 2018 key activities previously provided by state and territory marine safety agencies transferred to a national system administrated by AMSA.

The afternoon program was dedicated to the important work WRL has been undertaking

across several areas. WRL Chairman, Kim Colero, provided an overview of WRL's key achievements during the past 12 months, including how industry levy funds are being spent across a diverse range of activities.

In addition, WRL CEO Matt Taylor described the evolution of the organisational structure of WRL including the work undertaken by the various committees and working groups. Mr Taylor also provided an update on the establishment of a WA-based Institute for Spiny Lobster Research and how it will benefit industry. The TACC Committee report and recommendations were presented by Dr Peter Rogers followed by an extensive open forum on the TACC setting.

Overall, the meetings were a valuable opportunity to engage with our many members and stakeholders to discuss important issues relevant to the western rock lobster fishery, including science, management, safety and WRL activities.

Coastal Tours

WRL held Coastal Tours in December 2017 and March 2018. The meetings allowed for WRL members, fishers and stakeholders to discuss a wide range of industry-related topics. Representatives from DPIRD joined WRL on these tours and their presence allowed members and stakeholders to ask questions and get to know the new DPIRD rock lobster management team. In addition, Dr Simon de Lestang, Principal Research Scientist from DPIRD, attended to address science specific questions raised during the meeting. This collaboration in attendance, presentation and responses were beneficial to members and fishers and we aim to continue this for future coastal tours.

Local Lobster Program

A joint initiative from WRL and DPIRD, the Local Lobster Program (LLP) allowed western rock lobster fishers to provide additional lobsters direct to the local market during Christmas 2017 and Easter 2018. The LLP is designed to put more local lobsters in WA restaurants and on local plates and ensure more Western Australians have the opportunity to enjoy fresh WA lobster during the festive periods.

The most recent LLP results and key findings presented by DPIRD at the 2018 Management Meetings in July 2018 show that between LLP Phase 1 (conducted Dec 2016 to April 2017) and Phase 3 (April to May 2018):

- Personal consumption decreased from 27% to 12%
- Restaurant sales increased from 27% to 35%
- Fish retailer sales increased from 5% to 12%
- Prices ranged from \$31-\$34/kg

The 2018 WRL Annual Member and Stakeholder Survey showed that the majority of respondents rated the LLP initiative as important and half believe the LLP has improved the connection between industry and the Western Australian community.

Television

ABC Landline

With the assistance of WRL, ABC's Landline featured a comprehensive report on our iconic western rock lobster industry. The story illustrated fishing businesses, tourism, Australia's free trade agreement (FTA) with China and other industry issues. The coverage profiled the industry to a broad audience and highlighted the importance of our industry to regional communities and the Western Australian economy.



Today Tonight

To combat the dangers of snagged fishing gear, Recfishwest and WRL launched the 'Snag It? Tag It!' safety initiative in May 2018. Today Tonight featured a story on the program which is supported by both the recreational and commercial sector.

The initiative arms recreational fishers with waterproof caution tags to tie to ropes and floats if they accidentally snag fishing gear on a lobster line or pot. This will mean deckhands on commercial fishing vessels face less risk of injury when pulling in pots at high speed.

Recfishwest, the Australian Anglers Association (WA Division) and WRL printed 4000 caution tags which have been distributed to local tackle outlets along Western Australia's coastline. The partnership with Recfishwest to deliver the caution tags to WA fishers is important to the lobster industry and is a great opportunity for recreational and commercial fishers to work together to keep each other safe.

“
WE ARE
ENCOURAGED BY
THE INTEREST
AND LEADERSHIP
SHOWN BY OUR
YOUNGER INDUSTRY
MEMBERS.”

The Executive Team



Matt Taylor
CEO

As Chief Executive Officer, Mr Taylor has a primary responsibility for the delivery of WRL's strategic goals and objectives. He is the conduit between WRL's Board of Directors, industry, government and the broader community.

Mr Taylor has a strong background in the fishing industry, including years as a commercial fisherman across numerous sectors. He then completed a degree in aquaculture and seafood science before being awarded first class Honours in 2000. He then worked for the Commonwealth Scientific and Industrial Research Organisation (CSIRO) for six years, including establishing and coordinating the national research flagship for water.

Mr Taylor was elected to the 39th Parliament as the Member for Bateman on 9 March 2013. He was promoted to Parliamentary Secretary to the Deputy Premier before becoming the Parliamentary Secretary to the Minister for State Development; Transport; and Innovation. He was a very strong advocate for the fishing and aquaculture industries during his time as a Member of Parliament and has developed knowledge and networks that are valuable to his role as CEO.

Mr Taylor provides high level strategic and tactical advice on industry-related issues and coordinates the implementation of the Board's decisions. He also has ultimate responsibility for the corporate governance and financial accountability of WRL and for the management and leadership of its staff.



Clare Robinson
Communications &
Research Officer

As Communications and Research Officer, Ms Robinson drives progress in the development and implementation of our communications strategy and industry research projects.

Ms Robinson has an Honours qualification in Bioscience (Conservation Biology and Ecology) from the University of Exeter and has experience of working in Australian and overseas regional areas and with community groups. She has considerable research, analysis and report writing skills and is also experienced in meeting organisation and management.

Before working at WRL, Ms Robinson volunteered with various UK-based wildlife NGOs, managed emergency hospital clinics, worked as a watersports and SCUBA instructor in Mexico and Europe, and spent a year as a fencing contractor on remote cattle stations in Northern Territory and East Kimberley. Ms Robinson brings a diverse set of skills to her role at WRL.



Katherine Chow
**Finance &
Administration Officer**

As Finance and Administration Officer, Ms Chow provides financial and administrative support to the CEO, including overarching general operations, oversight of governance arrangements and financial processes of reconciliation and compliance.

Ms Chow holds a Bachelor of Science (Hons) in Business and Management Studies from the University of Bradford. She started her career in a management and business development role in supply chain solutions and the automotive sector in Europe, Oceania and Asia Pacific.

Ms Chow is originally from Singapore and moved to Perth with her family in 2014. She joined WRL in November 2014 as a part time employee and commenced her role full time in January 2018.



Kessley O'Halloran
Executive Assistant

Ms O'Halloran is a skilled and dedicated Executive Assistant with more than 12 years experience coordinating, planning and supporting operational and administrative functions.

Her previous work includes more than 8 years' with mining contractor, NRW Holdings, and she has also held various executive positions at Water Corporation, in aged care and most recently in property development. She is adept in providing meeting support and research as well as document, report and presentation development.

Appointed in June 2018, Ms O'Halloran's extensive experience provides WRL with a comprehensive skill set that will greatly assist in supporting the CEO and Executive.



Financial Reports



Western Rock Lobster Council Inc.

Financial Report

For the year ended 30 June 2018

Director's Declaration

The Directors 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 described in Note 2 to the financial statements.

The Directors of the council declare that:

1. The financial statements and notes present fairly the Council's financial position as at 30 June 2018 and its performance for the year ended on that date in accordance with the accounting policies described in Note 2 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 and is signed for an on behalf of the Board by:



Western Rock Lobster Council Inc. Chair
Kim Colero



Finance and Audit Committee Chair
Peter Hammond

Dated this 29th day of August 2018

Independent Auditor's Report

to the Members of the Western Rock Lobster Council Inc.

We have audited the accompanying financial report, being a special purpose financial report, of Western Rock Lobster Council Inc. (the council), which comprises the statement of financial position as at 30 June 2018 and the statement of comprehensive income, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the council are responsible for the preparation of the financial report, and have determined that the accounting policies described in Note 1 to the financial report are appropriate to meet the requirements of the council's constitution and are appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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



Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.

Opinion

In our opinion, the financial report presents fairly, in all material respects the financial position of Western Rock Lobster Council Inc. as of 30 June 2018 and of its financial performance for the period then ended in accordance with the accounting policies described in Note 1 to the financial report.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting obligations under the council's constitution and also to satisfy the requirements of the FRDC in providing funds to the WRLC under the industry Partnership Agreement for approved research projects. As a result, the financial report may not be suitable for another purpose.

Name of Firm: Giglia & Associates
Name of Principal: Filippo Leone Giglia
Address: 52 Knutsford Street, Fremantle WA 6160
Dated this 23rd day of August 2018

Statement of Comprehensive Income

For the year ended 30 June 2018

		2018	2017
	Note	\$	\$
INCOME			
Income From GVP – WAFIC		633,020	377,500
WAFIC – Ex Gratia & Additional		-	191,250
FRDC – IPA Project Funding	3	257,000	57,666
IPA Administration	4	123,735	105,681
Industry Levy	5	375,000	-
Other Income		-	5,000
		1,388,755	737,097
GROSS SURPLUS			
		1,388,755	737,097
OTHER INCOME			
Interest Received		9,781	5,319
Reimbursements		5,000	9,911
Profit on Sale of Non-current Assets		2,137	-
		16,918	15,230
		1,405,673	752,327

**EXPENDITURE**

Chair, Director and Independent Director Fees
Depreciation
Employment Expenses
Industry Levy Expenses
Operating Expenses
IPA Project Expenses

		2018	2017
Note		\$	\$
6		82,500	50,000
		30,286	8,446
		312,529	254,781
7		81,632	72,960
8		250,889	132,917
9		162,575	113,446
		920,411	632,550
		485,262	119,777

NET SURPLUS

Statement of Financial Position

As at 30 June 2018

		2018	2017
	Note	\$	\$
RESERVES			
Retained earnings	13	1,342,031	856,768
RESERVES		1,342,031	856,768
Represented by:			
ASSETS			
CURRENT ASSETS			
ANZ Cheque Account (Internal Funds)	2	52,029	30,861
ANZ Online Saver (Internal Funds)		379,471	417,899
ANZ FRDC Fund (External Funds)		209,787	253,225
ANZ Business Online Saver (External Funds)		712,251	85,812
ANZ WRLC 1916 (External Funds)		2,625	1,277
Reimbursement	10	11	-
Trade Debtors – External		-	60,000
Input Tax Credits		-	14,357
GST – Internal		13,433	-
TOTAL CURRENT ASSETS		1,369,607	863,431
NON CURRENT ASSETS			
Fixed Assets			
Plant & Equipment	11	23,969	4,599
Less: Accumulated Depreciation		(23,969)	(4,599)
		-	-
Motor Vehicles		46,212	35,114
Less: Accumulated Depreciation		(10,603)	(18,756)
		35,609	16,358
Total Fixed Assets		35,609	16,358
TOTAL NON CURRENT ASSETS		35,609	16,358
TOTAL ASSETS		1,405,216	879,789



LIABILITIES

CURRENT LIABILITIES

Superannuation Payable
 Trade Creditors
 Trade Creditors – External
 ANZ Credit Card
 Amounts Withheld
 GST Payable
 GST – External
 Provision for Leave
 Provision for Wages

TOTAL CURRENT LIABILITIES

TOTAL LIABILITIES

NET ASSETS

		2018	2017
	Note	\$	\$
	12		
		3,058	887
		24,279	94
		-	135
		3,603	3,236
		6,701	1,467
		-	7,324
		13,613	-
		11,931	6,688
		-	3,190
		63,185	23,021
		63,185	23,021
		1,342,031	856,768

Notes to the Financial Statements

For the year ended 30 June 2018

The financial statements cover the business of Western Rock Lobster Council Inc. and have been prepared to meet the needs of stakeholders.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The Company is non reporting since there are unlikely to be any users who would rely on the general purpose financial statements.

The special purpose financial statements have been prepared in accordance with the significant accounting policies described below and do not comply with any Australian Accounting Standards unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

Depreciation

Property, plant and equipment excluding freehold land is depreciated on a straight line basis over the assets useful life to the company, commencing when the asset is ready for use.

Impairment of Non-Financial Assets

At the end of each reporting period the company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.



Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Revenue and Other Income

Revenue is recognised when the business is entitled to it.

All revenue is stated net of the amount of goods and services tax (GST).

Sale of goods

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue

Interest revenue is recognised using the effective interest rate method.

Other income

Other income is recognised on an accruals basis when the company is entitled to it.

3 FRDC – IPA Project Funding

IPA Project Funding are income received from FRDC for the Approved Projects.

4 FRDC – IPA Administration

IPA Administration Project Funding for managing and administering the Industry Partnership Agreement (Project No. 2014 – 406). This includes salaries and IPA Related expenses such as travel, congresses and the IPA Committee.

5 Industry Levy

Income recognised under these line items consist of \$184,500 relating to the 2017 Season (received in August 2017) and \$190,500 relating to the 2018 season (received in April 2018).

Notes to the Financial Statements

For the year ended 30 June 2018

6 Chair, Director and Independent Director Fees

Chair Honorarium

Director's Fees

Director's Fees – Independent

	2018	2017
	\$	\$
	26,250	-
	30,000	35,000
	26,250	15,000
	82,500	50,000

Please note the Chair Honorarium of \$26,250 (YTD) includes the payments to the Chair for the year 2017 total sitting fees of \$15,000 (paid in full in August 2017) and the year 2018 payments of \$11,250 (three payments so far) based on a quarterly basis. No amount was claimed in the 2016/17 financial year.

7 Industry Levy Expenses

Communications

Scoping Study for an Australian Institute for Spiny Lobster Research

Scoping Study for Statutory Management Authority (SMA)

MSC Audit

Sponsorship

	11,082	-
	33,850	-
	5,000	-
	11,700	72,960
	20,000	-
	81,632	72,960

Please note the Sponsorship of \$20,000 is the expense incurred for the whale satellite buoys.



8 Operating Expenses Breakdown

	2018	2017
	\$	\$
Accountancy Fees	5,125	6,360
Advertising	-	270
Bank Charges	58	133
Bookkeeping	828	12,955
Computer Expenses	-	1,400
Communications Strategy	75,571	-
Consultancy Fees	22,990	33,548
Entertainment Expenses	2,342	2,835
Fringe Benefits Tax	4,514	3,925
Gifts	307	-
Insurance	5,375	3,116
Legal Costs	7,874	2,415
Memberships & Subscriptions	1,104	-
Motor Vehicle Expenses	5,389	5,231
Office Equipment & IT	15,027	-
Postage	545	1,379
Printing & Stationery	3,649	3,086
Professional Fees	2,310	-
Rent	28,693	12,379
Meeting Expenses	14,074	15,698
Mileage	576	-
Seminars & Conferences	972	-
Sponsorship & Promotions	16,416	-
Subscriptions – Software	2,380	1,752
Telephone	2,952	1,929
Training	10,472	1,498
Travel & Accommodation	17,834	17,553
Website	3,512	5,455
	250,889	132,917

Notes to the Financial Statements

For the year ended 30 June 2018

9 IPA Project Expenses

IPA Coordinator	13,475	7,725
Project – Risk Analysis	-	33,292
Project – TACC	-	48,182
Project – 12th ICWL	701	24,247
Project – Economic Contribution	74,100	-
Project – Bursary	7,500	-
Project – Director Professional Development	4,969	-
Project – 2014-406 RD&E	20,921	-
Project – Understanding the Markets (Phase 1)	40,909	-

	2018	2017
	\$	\$
	13,475	7,725
	-	33,292
	-	48,182
	701	24,247
	74,100	-
	7,500	-
	4,969	-
	20,921	-
	40,909	-
	162,575	113,446

Please note the projects concerning 'Risk Analysis' and 'TACC' are completed.

10 IPA Project Expenses

Current

Reimbursement	11	-
Input Tax Credits	-	14,357
GST – Internal	13,433	-
Trade Debtors – External	-	60,000

	11	-
	-	14,357
	13,433	-
	-	60,000
	13,444	74,357
	13,444	74,357

11 Property, Plant and Equipment

Plant & Equipment	23,969	4,599
Less: Accumulated Depreciation	(23,969)	(4,599)

Motor Vehicles	46,212	35,114
Less: Accumulated Depreciation	(10,603)	(18,756)

Total Plant and Equipment

Total Property, Plant and Equipment

	23,969	4,599
	(23,969)	(4,599)
	-	-
	46,212	35,114
	(10,603)	(18,756)
	35,609	16,358
	35,609	16,358
	35,609	16,358



12 Trade and Other Payables

Current

Superannuation Payable

Trade Creditors

Trade Creditors – External

ANZ Credit Card

GST Payable

GST – External

Amounts Withheld

Provision for Leave

Provision for Wages

	2018	2017
	\$	\$
	3,058	887
	24,279	94
	-	135
	3,603	3,236
	-	7,324
	13,613	-
	6,701	1,467
	11,931	6,688
	-	3,190
	63,185	23,021

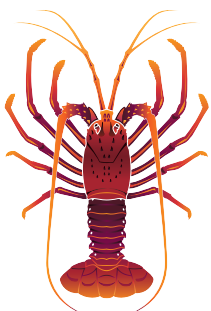
13 Retained Earnings

Retained earnings at the beginning of the financial year

Net Surplus

Retained earnings at the end of the financial year

	856,769	736,991
	485,262	119,777
	1,342,031	856,768



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