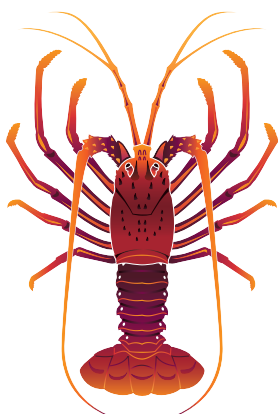


2018/2019 Annual Report



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

This has been a tumultuous year for the Western Rock Lobster industry. WRL had been travelling well until November 2018.



We had been working to our core five-year strategic plan, the \$2M Industry Partnership Agreement that funds our research, development and extension was progressing and our first Development Education Capacity Knowledge (DECK) Program for industry professional development was a great success. Our annual members and stakeholders survey indicated industry support and confidence were both high and the fishery was being well managed. The expert Total Allowable Commercial Catch (TACC) Committee recommended a 5% increase to the quota to better align with maximum economic yield (MEY) and increase the benefits to the Western Australian community.

Then in December 2018, following brief confidential discussions with WRL representatives, Minister Kelly announced the Government was nationalising 17.3% of the Western Rock Lobster industry!

The public campaign against this policy by all of industry, particularly by Fishing Families WA, resulted in the Government withdrawing the policy on February 8th 2019. Instead, negotiations started over a new government policy to increase local supply of lobsters by 315 tonnes.

The two independent Directors, Peter Cooke and Karen Brown resigned in February 2019 which also led to the resignation of Director and Chair Kim Colero.

The Board elected myself as Chair, Fedele Camarda as Deputy Chair and nominated Nino Paratore to fill the vacant C Zone Director position.

Following the four months of upheaval, WRL has been back doing its core business of ensuring that our members interests are protected. We are endeavouring to enhance our members access rights and prepare for the challenges ahead.

We are expanding our investment in professional development with an emphasis on the younger generation coming through. WRL provided bursaries to allow ten participants to attend the 2019 Trans-Tasman conference in New Zealand to expand their knowledge. The DECK program is on again in October and further bursaries are being investigated for a broad range of capacity building courses.

I would like to thank the WRL Board for all their efforts through what has been a very challenging year. Peter Hammond is retiring from the Board in October and along with Kim, Peter and Karen, I wish them well for the future.

Kim led the Council for four years and together with Peter Cooke significantly improved the professionalism and governance of our industry body.

This is a fantastic industry built up by generations of fishers' hard work and sacrifice. There are many challenges ahead and I urge all our members to be involved and work together to ensure a sophisticated, sustainable and shared future for generations to come.

Terry Lissiman

Chairman



From the CEO

The last year has been a period of significant change for the Western Rock Lobster (WRL) Council. Our relationship with the Department of Primary Industries and Regional Development (DPIRD) was severely tested as the WA Government sought to create its own 17.3% shareholding in Australia's most valuable wild fishery, at zero cost.



Ultimately that policy was defeated with the support of the WA Legislative Council, however the campaign significantly impacted industry's sovereign risk, social license, confidence, trust and co-management. Since then, WRL has been completely focussed on restoring business as usual and a sense of normality to the management of the fishery and engagement with government.

Political challenges aside, the western rock lobster fishery outlook remains positive. The stocks are healthy and sustainable due to a long-term conservative commercial catch below maximum economic yield. This has also resulted in relatively lower environmental impacts for the fishery due to increased catchability combined with lower bait and fuel usage. The long-run prospects of our markets remain positive with relatively high export prices realised despite a moderate slowdown of economic growth in China having some effect on demand.

WRL continues to support increasing the accessibility and availability of western rock lobster for local consumption.

This year, WRL re-submitted our January 2018 proposal to make permanent, extend to year-round and initially quadruple the size of the Local Lobster Program, given back-of-boat sales delivers the lowest cost lobsters to the local market.

The WRL Executive team reduced by one this year and Clare Cane made the difficult decision to move on. Clare had built a wonderful reputation across industry as a highly capable, productive and personable member of the team. On behalf of industry I would like to thank Clare for her service and wish her all the best for her new life in the Kimberley. Clare was replaced by James Cowe who has started well in the role of WRL Communications Officer.

I would like to thank Katherine, Clare, James and Chris for all their hard work and dedication in maintaining such a professional, productive and capable organisation, especially under the difficult circumstances this past year has produced.

Matt Taylor
Chief Executive Officer

The Board



Terry Lissiman
Chair,
Zone A



Fedele Camarda
Deputy Chair,
Zone C



Peter Bailey
Director, Zone A



Clay Bass
Director, Zone B



Robbie Glass
Director, Zone B



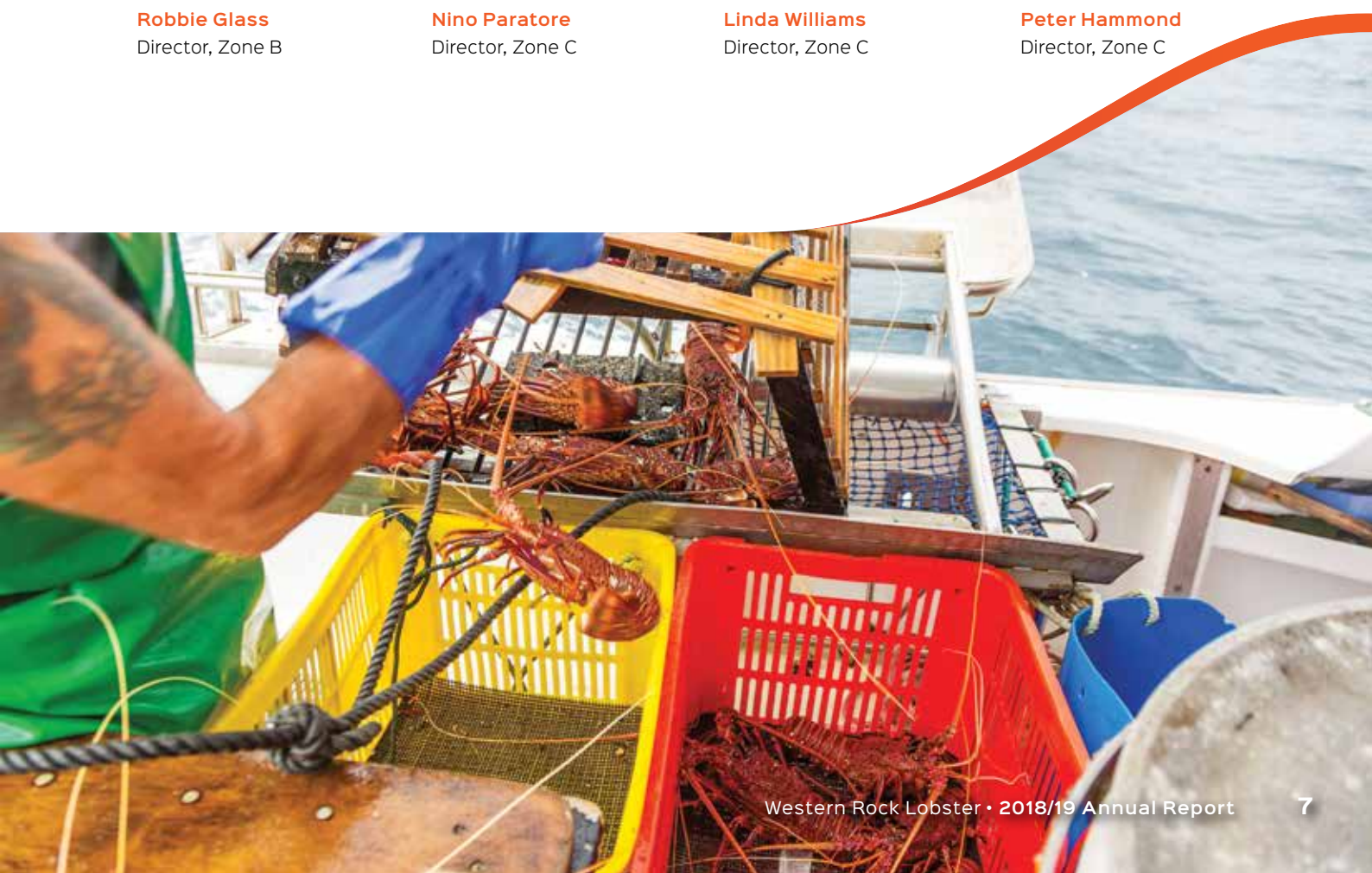
Nino Paratore
Director, Zone C



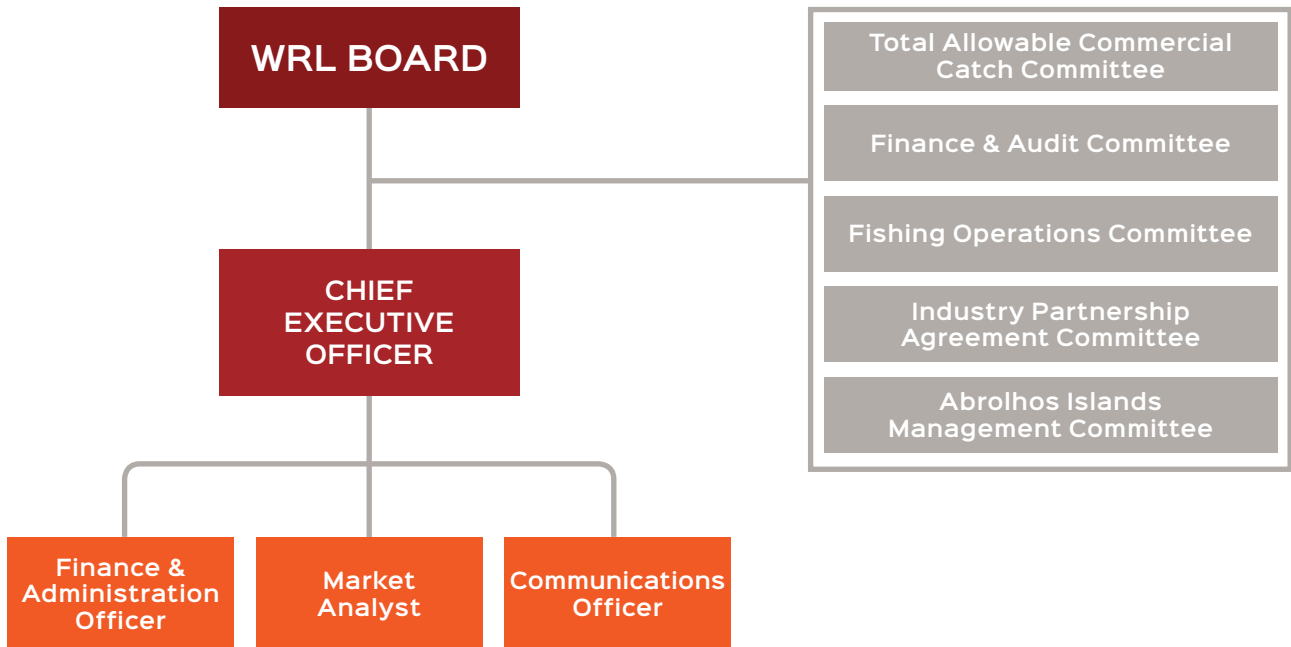
Linda Williams
Director, Zone C



Peter Hammond
Director, Zone C



Organisational Structure



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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...”

Total Allowable Commercial Catch Committee

The Total Allowable Commercial Catch (TACC) Committee considers a wide variety of biological and economic data in order to provide expert, evidence-based advice to the WRL Board regarding future TACC settings for the western rock lobster commercial fishery. The Committee also acts as the steering group for WRL's continuing efforts on the development of a rigorous approach to assessing maximum economic yield in the fishery.

Chaired by WRL Chair Terry Lissiman, the TACC Committee brings together representatives from across the western rock lobster industry value chain, including fishers, processors, international marketers, scientists and managers. Dr Peter Rogers sits on the Committee as an independent expert

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. This role becomes increasingly important in the lead up to when the fishery transitions across to the new *Aquatic Resource Management Act*, now expected to commence in 2020.

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).

The IPA Committee comprises senior representatives from WRL, FRDC and DPIRD who make recommendations to the WRL Board.

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 (DBCAs) to provide environmentally sustainable outcomes that benefit commercial and recreational fisheries in addition to tourism and other key stakeholders.

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.



Strategic Plan 2019-2021

WRL's risk management framework enables WRL 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 WRL Board bi-annually (March and September), with a summary presented as the risk dashboard.

Driven by the risk management framework, the WRL Strategic Plan communicates our Vision, Mission and Objectives so that our members, stakeholders and community can understand our future direction as an organisation and know what actions to expect from WRL over the next four years.

The WRL Strategic Plan is reviewed and updated annually by the WRL Board. 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 2019-2021 that build on our past achievements and will support fulfilling our vision going forward:

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.



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WRL HAS PRODUCED A RANGE OF TACTICS, WHICH OVER THE NEXT FOUR YEARS WILL ENABLE US TO ACHIEVE OUR FOUR STRATEGIES, OUR OBJECTIVES AND OUR OVERALL VISION.”

Our strategies

These four strategies are high priority 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 GDP 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 over the next four years will enable us to achieve our four strategies, our objectives and our overall vision. Our priority tactics for 2019 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.

Government Policy to Nationalise the Western Rock Lobster Industry

Late in 2018, the WA Government attempted to create at 17.3% ownership of the industry in the government's name at zero cost. These State owned units were then intended to compete with the current industry in both the sale and lease markets.

WRL and a newly formed action group Fishing Families WA successfully ran dual legal, media and political campaigns to defeat the Government's intended policy. This policy shock on one of the world's best managed primary industries negatively impacted on industry confidence and significantly damaged the trust and relationship between industry and government.

Following the six months of chaos and damage created by the government's attempted nationalisation policy, WRL has sought to return to business as usual for the peak body and resume standard functions and engagement in order to restore some stability, confidence and certainty to industry and the way it is managed.

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WRL AND WAFIC
COLLABORATED TO
REFINE EACH OF
THEIR SUBMISSIONS TO
ENSURE THEY WERE
COMPLIMENTARY.”

Property Rights

In July 2019, the Legislative Council of Western Australia under the Standing Committee on Public Administration commenced an inquiry into Private Property Rights. WRL contracted Dr Peter Rogers to research and draft a submission in collaboration with WRL on behalf of the western rock lobster industry to the Standing Committee inquiry.

WRL's submission on property rights referenced eight key recommendations to the Standing Committee together with proposed actions to amend the new *Aquatic Resource Management Act* (ARMA).

The full submission can be found on the WRL website. WRL and WAFIC collaborated to refine each of their submissions to ensure they were complimentary and both addressed industry's need for resource access rights and security.

Economic Contribution

Contributes more than **half a billion dollars** to the WA economy **(\$505M)**

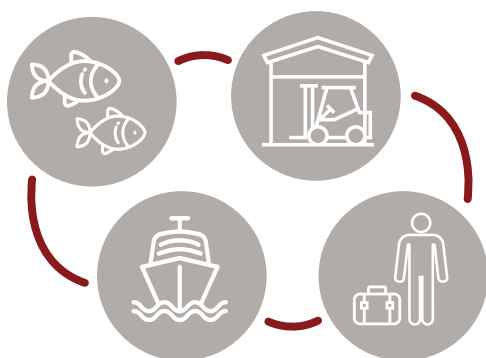


Contributes to the **economic prosperity** and **social fabric** of WA coastal communities



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

The value of production is comparable to **other WA primary industries** including wool, sheep meat and milk



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

- Managed Fishery
- Processed Seafood Manufacturing
- 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



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.

Market Situation

China is the market of choice for live lobster, including western rock lobster and other spiny lobster from Australia and New Zealand. This is because China is the largest and highest-paying market. Relatively few western rock lobsters are sold in other conditions or to other markets, given the differences in price and margin.

While a moderate slowdown of economic growth in China has had some effect on the international demand for western rock lobster, prices have still been relatively attractive and the long-run prospects remain very positive. Some contributors to China’s demand for (imported) lobster include continued economic growth and urbanisation, improving logistical infrastructure, and distrust of locally-produced seafood.

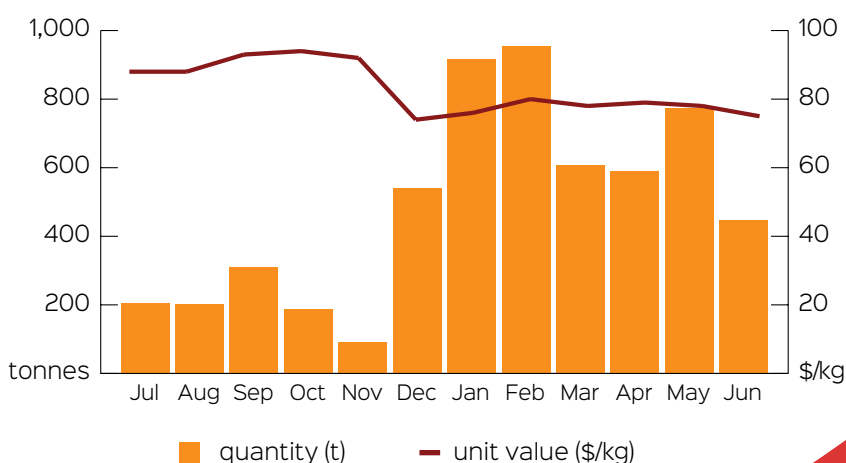
The potential for increasing supplies of spiny lobster from Australia and New Zealand appears to be limited other than through an increase in the supply of western rock lobster.

The staged reduction and then elimination of tariffs on Australian lobster, under the China–Australia Free Trade Agreement (ChAFTA), has resulted in a significant increase of direct trade into China. Lobster from Australia is now treated consistently with that from New Zealand, in not being subject to a tariff.

A major competitor for live lobster from Australia and New Zealand appears to be Caribbean-sourced spiny lobster (*Panulirus argus*). How quickly and significantly live supplies from this region can increase will depend on a range of within-country processing, transport, infrastructure and regulatory constraints, as well as quality and species-specific issues. Export trends of Caribbean-sourced spiny lobster require ongoing monitoring, as do developments in aquaculture practices for lobsters.

It also needs noting that increasing exports of live American lobster (*Homarus americanus*) to China provides opportunity for some consumers to substitute live spiny lobster with this lower-priced alternative. The degree of substitutability has its limits, however, and substantial price premiums will continue to apply to live spiny lobster from Australian and New Zealand.

Exports of live, fresh or chilled rock lobster, Western Australia, 2018–19 financial year



Source: Australian Bureau of Statistics

Research and Development

WRL's Industry Partnership Agreement (IPA) with the Fisheries Research and Development Corporation (FRDC) provides a valuable source of funds for industry research, development and extension projects. The diverse portfolio of initiatives supported by the WRL IPA helps mitigate risks and create opportunities for the fishery, and in doing so provides a strong foundation for the sustainability and growth of the industry.

Progress on some of these initiatives was disrupted during the year due to industry being completely focussed on defeating the government's intended policy to create new units in its own name at zero cost. However, WRL has now returned to business as usual and is advancing its IPA projects.

Digitising the Western Rock Lobster Industry

This objective of this program is to develop the western rock lobster industry's competitiveness in digital technologies and to ensure that the industry can fully realise the benefits from digital innovation. There is a need to identify and implement new digital applications that improve industry efficiency and assist fishers, managers, scientists, regulators and key stakeholders to make more informed and better decisions in real time wherever possible.

WRL is investigating the way in which data are collected and new and innovative ways of using data in fisheries and non-fishing industries across Australia and around the world.

As part of this project, WRL will be conducting an assessment of existing real-time quota trading applications and considering the feasibility of creating such an application for the western rock lobster industry. A real-time quota trading platform would assist decision making in the industry and would avoid the stress that is currently associated with the transfer of quota and end-of-season quota balancing.

WRL is also working with the Australian Maritime Safety Authority (AMSA) to create new digitised occupational health and safety (OHS) standards with automatic online reporting. This will increase safety in the industry, increase the effectiveness of safety training and reduce the compliance burden of OHS regulations.

Another aspect of this project will be the investigation of options for digitised traceability from catch to plate, potentially including the development of lobster scanning technology. Such an initiative may assist with the Local Lobster Program and reduce illegal sales of lobster, as well as provide overseas consumers with the provenance and story behind the lobster they are eating.

Understanding the Markets for Western Rock Lobster

WRL recognises that it is necessary to have independent market intelligence and an understanding of the economic factors affecting our industry, if the fishery is to remain economically sustainable and for the industry to be able to mitigate risks and seize opportunities.

This project involves the collection and analysis of data from a diverse range of sources, leading to an in-depth examination of the demand for western rock lobster and the identification of important market trends and significant risks and opportunities. WRL is also establishing a baseline economic dataset for the fishery and is developing a new assessment of the fishery's maximum economic yield.

The work undertaken as part of this project will assist the TACC Committee and the WRL Board in the process of reaching an annual recommendation for the Total Allowable Commercial Catch (TACC). More broadly, the insights gained will inform WRL's strategic planning.

WRL will be creating a comprehensive market dashboard for members, providing timely and relevant information for the critical decisions being made within industry. The publication of reports summarising research outcomes will help WRL members and industry predict and prepare for the future.

Professional Development – Directors and Office Bearers

This project funded a 'performance and competencies' evaluation of the WRL Board during late-2018 and early-2019. WRL has since been responding to the recommendations from this review. Funding is also available for Board professional development opportunities such as courses through the Australian Institute of Company Directors.

Professional Development – Industry Bursaries

The bursaries provided through this project are aimed at future leaders of the western rock lobster industry, with a particular focus on those actively engaged in fishing operations. Bursaries awarded to date have supported attendance at the Trans-Tasman Rock Lobster Congress 2017 in Hobart and the Trans-Tasman Rock Lobster Conference 2019 in Queenstown. Attending these events provided opportunities for bursary winners to network with rock lobster fishers, managers and scientists from across Australia and New Zealand, and to engage in industry discussions and debate.

International Conference and Workshop on Lobster Biology and Management (ICWL)

WRL and the Department of Primary Industries and Regional Development (DPIRD) are pleased to be hosting the 12th International Conference and Workshop on Lobster Biology and Management (ICWL) in Fremantle, Western Australia on 18–23 October 2020. The program is full of fascinating scientific presentations from around the world.

It will also include an industry day as an integral component of the proceedings. IPA funding supported the initial feasibility assessment for hosting the ICWL and further funding has been provided to underwrite and sponsor the ICWL in 2020.

Other Projects

The WRL IPA continues to support a range of research projects being undertaken by external parties:

- 'Determining variation in catchability of western rock lobsters to standardise important abundance indices used for stock assessment', initiated by DPIRD
- 'Assess causes and implications of anomalous low lobster catch rates in the shallow water areas near the centre of the Western Rock Lobster fishery', initiated by the University of Western Australia (UWA)
- 'Develop a strong current warning system and inform knowledge of the nearshore current regime influencing the Western Rock Lobster fishery', initiated by UWA.

The WRL Board recently endorsed two new projects:

- 'Investigation of the direct and indirect role of freshwater discharge and groundwater seeps on western rock lobster settlement processes: with consideration of the potential role of contaminants', initiated by UWA
- 'Predicting the likely impacts throughout the western rock lobster fishery of change in habitat composition', initiated by UWA

WRL, Recfishwest and DPIRD have agreed to work together using IPA funding to explore different methodologies and technologies for more accurately estimating and accounting for the recreational catch of western rock lobster. This project is designed to better understand the needs of the three key resource stakeholders before assessing methods or technology options that best meet those needs. It is expected this project will be of value across Australia as most jurisdictions seek best practice for allocation and management of resources involving commercial and recreational sectors.

Total Allowable Commercial Catch (TACC) Setting Process

In July 2019, the TACC Committee completed its annual cycle of deliberations and prepared its TACC recommendations for the WRL Board. In reaching its recommendations, the Committee took into account WRL's strategic plan to grow the fishery for the benefit of the State and industry participants, the risks of under or over utilising the resource, and importance of retaining community support for the fishery. Through all of this, consideration of the sustainability of the resource was paramount.

During late July 2019, WRL conducted a survey of its members regarding their views on a TACC recommendation for the 2020/21 season. The TACC Committee's recommendation for an increase of 5% was endorsed by 81% of respondents.

At the August 2019 meeting of the WRL Board, the Board considered the recommendations of the TACC Committee and responses from the member survey in addition to the latest stock assessment information and industry advice provided directly to Directors. Based on this due diligence and consideration, the WRL Board resolved the following TACC recommendations to the Minister for Fisheries, the Hon. Dave Kelly:

- The WRL Board unanimously support the recommendation of the TACC Committee for a 5% increase in TACC for the 2020/21 season to 6,615 tonnes (exclusive of water loss factor)
- A further increase of between zero and 5% should be considered for the 2021/2022 season, subject to an assessment of the impact of the earlier increase, as well as consideration of any material change in economic or environmental conditions.
- TACC recommendations should continue to be reviewed annually, with the ultimate goal of reaching a point approximating maximum economic yield (MEY). WRL continues to invest in the development of a reliable MEY model and associated market research to underpin future TACC recommendations.

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TACC RECOMMENDATIONS SHOULD CONTINUE TO BE REVIEWED ANNUALLY, WITH THE ULTIMATE GOAL OF REACHING A POINT APPROXIMATING MAXIMUM ECONOMIC YIELD (MEY).”

2019 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 August 2019, Western Rock Lobster conducted its second 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 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. The survey reflects that industry confidence in WRL to proactively manage industry risk, reputation and development is a very creditable 81 per cent. This is up 10% from last year which is very positive given the monumental challenge that WRL helped navigated industry through this year.

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 86 per cent. This is up 14% from last year.

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 2019 WRL opened its second round of bursary applications. Bursaries are aimed at future leaders of the western rock lobster industry and are targeted for (but not limited to) those actively engaged in fishing operations.

Kurt Glass, Chris Williams, Lance Dawe, Michael Butcher, Eddie Fernandes, James Camarda, Radley Woodcock, Stephen Minutillo, Frank Rodriguez and Ashley Cole all submitted excellent applications and were acknowledged as future leaders of our industry. WRL is pleased to have been able to assist them to attend the 11th Trans-Tasman Rock Lobster Congress in Queenstown, New Zealand in August 2019.

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 networking with others in the rock lobster industry was the most valuable part of attending the congress. WRL is fully committed to offering more opportunities like these bursaries to other young industry leaders over the coming years.

We look forward to working with the bursary winners further and helping to grow the positive impact our young future leaders will have on our State's iconic western rock lobster industry.

The bursaries have been funded by WRL through its Industry Partnership Agreement with the Fisheries Research and Development Corporation (FRDC).



DECK Program

WRL is strongly committed to investing in human resource development for our industry. In August 2018, WRL launched the DECK Program (Development Education Capacity Knowledge). The focus of the DECK Program is to deliver quality professional development learning to the western rock lobster industry. The DECK Program aims to provide similar opportunities for the western rock lobster industry as are available in comparative primary industries such as agriculture.

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

The DECK Program utilises current knowledge and skills of experts from across Australia to invest in building the capability and capacity of participants. In addition, the program also provides individuals with a broader understanding of the industry to ensure they can make 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 from their perspective.



Aimed at the industry's next generation, the DECK Program provides a variety of interactive presentations and workshops covering a range of skills development covering industry subjects like technology, markets, governance, safety and industry management in addition to business related topics like office administration, managing people and succession planning. 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. The first DECK Program was held at the Aquarium of Western Australia in Hillary's on the 11th and 12th of October 2018. Twenty-six participants travelled from across the fishery to attend the program. The program also provided a unique opportunity for participants to help shape the future of what the DECK Program should deliver, ensuring the program remains relevant and valuable to their businesses and the industry. WRL is excited about hosting the second annual DECK Program in Geraldton on the 14th and 15th of October 2019.

Sustainability

Whale tracking buoys

Using industry levy funds collected from every Managed Fishery License (MFL) holder, WRL continues to support 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 not just lobster fishing gear but also gear from other fisheries.

After the success of the initial prototype in 2017, WRL committed to purchasing 10 whale tracking buoys in 2018 and followed up with a further four in 2019. This new technology attaches to entangled gear so a whale's movements can be tracked and enables more time for DPIRD's trained team of professionals to monitor any whale 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 western rock lobster industry should be proud to provide leadership as part of this great initiative that has already gained attention from Canada and New Zealand.

Marine Stewardship Council certification

The WRL fishery was the first fishery certified sustainable under the Marine Stewardship Council (MSC) in 2000 and the first fishery to be re-certified for the fourth time in June 2017. The MSC recertification showcases the fishery's commitment to sustainable practices. Third-party accreditation is becoming increasingly important in our industry as it assists with social license and differentiates our product from others on 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, the western rock lobster fishery continues to monitor, respond and innovate. MSC authorised the continued use of the MSC certificate through to the next surveillance audit of the fishery in 2020.



Communications and Engagement

WRL continuously strive to provide effective engagement, representation and communications to ensure members and stakeholders are informed, have the capacity to engage and are aware of key issues and activities.

WRL held coastal tours in December 2018, April 2019 and September 2019. These key port meetings allowed WRL members, fishers and stakeholders to discuss a wide range of industry-related topics. Representatives from DPIRD, the banking sector and other stakeholders have joined WRL on these tours. Their presence allowed members to ask questions and network with different stakeholders. This collaboration in attendance, presentation and responses were beneficial to members and fishers so we aim to continue this for future coastal tours.

The 2019 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. WRL is proud and pleased to be meeting its primary objectives around professional engagement with our members and representation of their interests.

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...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.”



The Executive Team



Matt Taylor
CEO

As Chief Executive

Officer, 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.



James Cowe
Communications Officer

As Communications Officer, Mr Cowe drives progress in the development and implementation of our communications strategy and industry research projects.

Mr Cowe has a strong background in marketing, communications and social media strategy with a degree in Business (Economics & Marketing) from Murdoch University. James has considerable research, analysis and content writing skills and is also experienced in the creation of digital content across a variety of platforms.

Before working at WRL, Mr Cowe held similar positions within the engineering and education sectors. Mr Cowe's most recent role saw him working for Monadelphous Engineering and before that Christchurch Grammar School as Marketing & Communications Specialists. Mr Cowe brings a diverse set of skills and experience to his 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.



Chris Price
Market Analyst

As Market Analyst, Mr Price is responsible for the assembly and analysis of industry and market information. His key responsibilities include providing analysis and assistance to the TACC Committee, preparing internal reports and presentations, and developing and maintaining an industry market dashboard. This work supports the vital decision making that will affect the business of our members. Mr Price also crucially leads Western Rock Lobster's "Understanding the Markets" project and is responsible for the developing of Western Rock Lobsters MEY modelling.

Mr Price has a strong background in applied economics and market analysis, with experience across a range of industries and markets. He joins WRL after several years working at the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES). His professional experience also includes a variety of commercial, policy and research roles with organisations including GrainCorp, GrainGrowers and the Reserve Bank of Australia. Mr Price holds a Bachelor of Commerce, Majoring in Finance & Banking, and a Bachelor of Economics (Honours) from Murdoch University.

Financial Reports



Western Rock Lobster Council Inc.

Financial Report

For the year ended 30 June 2019

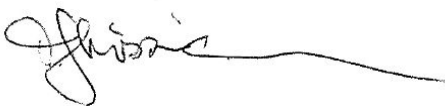
Director's Declaration

The Directors have determined that the council 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 declares that:

1. The financial statements and notes present fairly the Council's financial position as at 30 June 2019 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 council 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.



Western Rock Lobster Council Inc. Chair
Terry Lissiman



Finance and Audit Committee Chair
Peter Hammond

Dated this 3rd day of September 2019.

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 2019 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 2019 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 3rd day of September 2019.

Statement of Comprehensive Income

For the year ended 30 June 2019

		2019	2018
	Note	\$	\$
INCOME			
WAFIC – General		678,249	633,020
FRDC Income – 2014 – 406 RD&E		9,524	-
Donation	3	10,000	-
FRDC – IPA Project Funding		298,000	380,735
Industry Levy		195,600	375,000
		1,191,373	1,388,755
GROSS SURPLUS			
		1,191,373	1,388,755
OTHER INCOME			
Interest Received		14,865	9,781
Reimbursements		-	5,000
Profit on Sale of Non-current Assets		-	2137
		14,865	16,918
		1,206,238	1,405,673

**EXPENDITURE**

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

		2019	2018
Note		\$	\$
4		74,167	82,500
		39,195	30,286
		444,263	312,529
5		135,134	81,632
6		413,570	250,889
7		86,963	162,575
		1,193,292	920,411
		12,946	485,262

NET SURPLUS

Statement of Financial Position

As at 30 June 2019

		2019	2018
	Note	\$	\$
RESERVES			
Retained earnings	12	1,354,977	1,342,031
RESERVES		1,354,977	1,342,031
Represented by:			
ASSETS			
CURRENT ASSETS			
ANZ Cheque Account (Internal Funds)		60,655	52,029
ANZ Online Saver (Internal Funds)		83,332	379,471
ANZ FRDC Fund (External Funds)		333,530	209,787
ANZ Business Online Saver (External Funds)		608,237	712,251
ANZ WRLC 1916 (External Funds)		2,615	2,625
Industry Fighting Fund Savings		23	-
Industry Fighting Fund Trans		13	-
Reimbursement		-	11
Trade Debtors – External	8	195,600	-
GST – Internal		7,580	13,433
TOTAL CURRENT ASSETS		1,291,585	1,369,607
NON CURRENT ASSETS			
Fixed Assets			
Property Improvements	9	98,162	-
Less: Accumulated Depreciation		(16,943)	-
		81,219	-
Plant & Equipment		37,319	23,969
Less: Accumulated Depreciation		(37,319)	(23,969)
		-	-
Motor Vehicles		46,212	46,212
Less: Accumulated Depreciation		(19,505)	(10,603)
		26,707	35,609
Total Fixed Assets		107,926	35,609



		2019	2018
	Note	\$	\$
TOTAL NON CURRENT ASSETS		107,926	35,609
TOTAL ASSETS		1,399,511	1,405,216
LIABILITIES			
CURRENT LIABILITIES			
Superannuation Payable	10	2,601	3,058
Trade Creditors		-	24,279
ANZ Credit Card		3,269	3,603
Amounts Withheld		10,134	6,701
GST – External		5,655	13,613
Provision for Leave – External		4,406	-
Superannuation Payable – External	11	585	-
Provision for Leave		17,884	11,931
TOTAL CURRENT LIABILITIES		44,534	63,185
TOTAL LIABILITIES		44,534	63,185
NET ASSETS		1,354,977	1,342,031

Notes to the Financial Statements

For the year ended 30 June 2019

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

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 or fair value 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.



Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cash flows. Changes in the measurement of the liability are recognised in profit or loss.

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.

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.

Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

Notes to the Financial Statements

For the year ended 30 June 2019

3 Donation

\$10,000 is contributed from Peter Hammond

	2019	2018
	\$	\$
	10,000	-
	10,000	-

4 Chair, Director and Independent Director

Chair Honorarium

Director Fees

Director's Fees – Independent

	20,000	26,250
	35,417	30,000
	18,750	26,250
	74,167	82,500

5 Industry Levy

Advertising

Communications

Scoping study for an Australian Institute for Spiny Lobster Research

Scoping Study for Statutory Management Authority (SMA)

MSC Audit

Promotion, Media and Communications

Management & Projects

Sponsorship

	100,000	-
	-	11,082
	-	-
	-	33,850
	-	5,000
	12,156	11,700
	1,080	-
	12,807	-
	9,091	20,000
	135,134	81,632

Please note that the advertising fees of \$100,000 are the promotion in the West Australian newspaper and digital media; Management & Projects include the expenditure for the DECK program held on October 2018.



6 Donation

	2019	2018
	\$	\$
Accountancy Fees & Audit	5,310	5,125
Advertising	100,000	-
Bank Charges	721	58
Bookkeeping	-	828
Consultancy Fees	10,698	22,990
Entertainment Expenses	-	2,342
Communications Strategy	49,376	75,571
Fringe Benefits Tax	4,840	4,514
Gifts	4,714	307
Insurance	7,275	5,375
Legal Fees	19,697	7,874
Memberships & Subscriptions	-	1,104
Motor Vehicle Expenses	6,319	5,389
Office Equipment & IT	21,688	15,027
Postage	1,128	545
Printing & Stationery	5,790	3,649
Professional Fees	-	2,310
Rent	63,045	28,693
Website	-	3,512
Meeting Expenses	17,413	14,074
Sponsorship & Promotions	7,500	16,416
Seminars & Conferences	776	972
Subscriptions – Software	26,490	2,380
Mileage	454	576
Strategic Plan Priorities / Seed Funds	27,403	-
Telephone	3,435	2,952
Training	12,125	10,472
Travel & Accommodation	17,373	17,834
	413,570	250,889

Notes to the Financial Statements

For the year ended 30 June 2018

7 IPA Project Expenses

	2019	2018
	\$	\$
IPA Coordinator	-	13,475
Project – 12th ICWL	20,158	701
Project – Economic Contribution	-	74,100
Project – Bursary	30,000	7,500
Project – Understanding the Markets for Western Rock Lobster	1,925	-
Project – Director Professional Development	11,300	4,969
Project – 2014-406 RD&E	5,133	20,921
Project – Understanding the Market Phase 1	18,447	40,909
	86,963	162,575

8 Trade and Other Receivables

Current

Reimbursement	-	11
GST – Internal	7,580	13,433
Trade Debtors – External	195,600	-
	203,180	13,444

9 Property, Plant and Equipment

Land and Buildings

Property Improvements	98,162	-
Less: Accumulated Depreciation	(16,943)	-
	81,219	-
Total Land and Buildings	81,219	-

Plant & Equipment	37,319	23,969
Less: Accumulated Depreciation	(37,319)	(23,969)
	-	-

Motor Vehicles	46,212	46,212
Less: Accumulated Depreciation	(19,505)	(10,603)
	26,707	35,609

Total Plant and Equipment	26,707	35,609
Total Property, Plant and Equipment	107,926	35,609



10 Trade and Other Payables

Current

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

	2019	2018
	\$	\$
	2,601	3,058
	-	24,279
	3,269	3,603
	5,655	13,613
	10,134	6,701
	4,406	-
	26,065	51,254

11 Borrowings

Current

Superannuation Payable – External	
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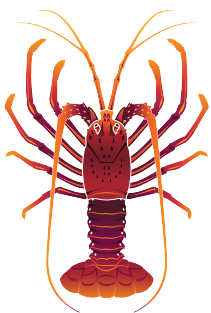
Total borrowings

	585	-
	585	-

12 Retained Earnings

Retained earnings at the beginning of the financial year	
Net Surplus	
Retained earnings at the end of the financial year	

	1,342,031	856,769
	12,946	485,262
	1,354,977	1,342,031



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