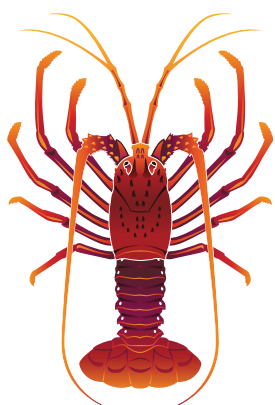


2020/2021 Annual Report



Western
**ROCK
LOBSTER**

World leading sustainable fishery



WA Fishery Map





Our Mission

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

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From the Chair

Déjà vu: The western rock lobster industry has another challenging year.



2020 will be remembered as an immensely difficult year for our industry. Its commencement of course tarred with the outbreak of COVID-19 which saw live and fresh export products significantly impacted due to a decline in both price and volume. The value of lobster exports declined by 45%, while live and fresh seafood exports overall declined in value by 32% compared with the five-year average for the same period.

Just when things looked like improving in the latter half of the year, our largest market, China, introduced a raft of trade measures against Australian commodities, including lobster. These trade sanctions hit in November 2020 and effectively closed our fishery for a period. The ability of the industry showed again as processors and fishers pivoted to the new reality of cooked and tails. This meant that there were limitations on days fished whilst processors ramped up their capacities. Our Back of Boat Sales allowed our fisher members to put lobsters on many West Australian plates over Christmas and New Year.

Collaboration amongst processors in the aftermath of the China shutdown has also helped set a course for our industry's market diversification policy. The move towards developing an industry policy platform for this issue arose out of a clear lesson from November's events, the lesson being that WRL must become more resilient in order to minimise the impacts of future changes to economic and market conditions. Building resilience in the western rock lobster industry will also assist with stability, generational sustainability, resource access security and social license to operate.

The new year 2021 presented us with an early state election and cabinet reshuffle which saw the Fisheries portfolio leave the Honourable Peter Tinley and handed to the Honourable Don Punch MLA. The industry had good relations with Minister Tinley and thanks him for his efforts during his ministership. The WRL Board, myself and the Executive have met with Minister Punch on a number of occasions. We look forward to building on this foundation over the next four years and collaborating with one another in WRL's drive for resource access security and the transition of our industry to the Aquatic Resources Management Act 2016 (WA) (ARMA). WRL and DPIRD have a joint working group to facilitate this change.

I extend my thanks to industry, the WRL Board, TACC Committee, processors, fishers, investors and associated businesses for once again working collaboratively in times of these unprecedented global events.

I thank the WRL Board for all their efforts and leadership through these times and acknowledge the work of retiring Director Clinton Moss for his contribution and dedication over his term. Our workload as an industry will not decrease over the coming year, as we deal with the many challenges ahead. It is in these times that I strongly urge all our members to work together and with Council to ensure our industry is one that will last for generations to come.

Terry Lissiman
Chairman

From the CEO



This year has been another difficult period for the western rock lobster industry but one where our resilience and adaptability has again been proven. Despite a halving of our gross value of production, the closure of our dominant market and need to find alternative markets during a global pandemic has resulted in only relatively low long-term impacts on fishery operations and our WRL membership.

In September 2020 and based on comprehensive member engagement, WRL produced a draft Strategy for security, independence and community connection (Strategy). The Strategy articulates industry's highest priority objectives to improve resource access security, create independence for WRL to increase capacity for co-management of the resource, establish a research network partnership and build community connection through industry promotion and back of boat sales.

Over the last year, WRL also produced new versions of our Strategic Plan to 2023 and Risk Register. These important documents, together with the Strategy, have guided the core activities of WRL. The Industry Partnership Agreement (IPA) with FRDC has also been used in combination to very effectively achieve strategic objectives and mitigate risks. The IPA is a balanced RD&E portfolio that has grown to around \$9 million in value with a common intent to provide maximum benefits back to WRL members, government and the community.

In the first half of 2021, WRL produced a digital transformation strategy for the western rock lobster industry. This uniquely encompassing digital strategy is a partnership between WRL, DPIRD and FRDC that will improve real-time data management and systems within the industry and government from catch to plate. The initial elements of industry covered by the digital strategy include catch and stock management,

fishing operations, traceability, entitlement management, OHS&E, monitoring and on-line reporting. Digital technology will assist industry to grow GVP, maintain market competitiveness and build social licence.

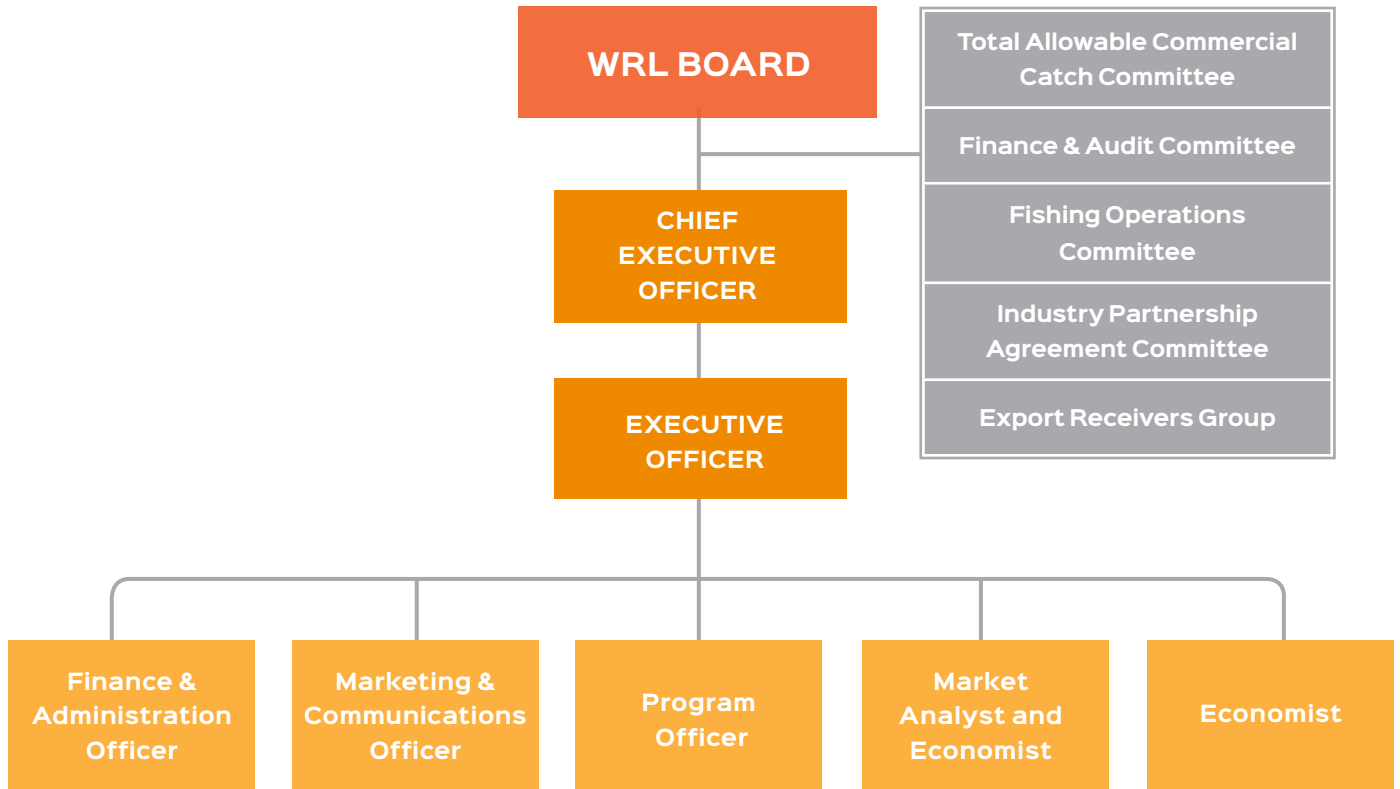
Over the last year, WRL has invested significant time and resources into industry promotion. WRL's flagship initiative is the Back of Boat (BOB) lobster sales mechanism that enables fishers to sell directly to the public, tourists and the hospitality sector. This highly successful direct sale of lobsters to the community creates a really valuable point of contact that allows our fishers to tell their story and promote the industry while increasing the availability and accessibility of western rock lobster on the local market.

All of WRL's success and achievements are made possible due to the committed effort and skills of the Executive and Board. We have an amazing and talented Executive team that I wish to sincerely thank for creating a brilliant workplace and an organisation that is highly respected, professional and productive in achieving the best outcomes for our members.

Matt Taylor

Chief Executive Officer

Organisational Structure



The Board



Terry Lissiman
Chair,
Northern Zone



Fedele Camarda
Deputy Chair,
Southern Zone



Justin Pirrottina
Director,
Northern Zone



Bruce Cockman
Director,
Northern Zone



Matthew Fong
Director,
Northern Zone



Brad Arnup
Director,
Southern Zone



Clinton Moss
Director,
Southern Zone



Roger King
Director,
Southern Zone



The Executive Team



Matt Taylor
Chief Executive Officer

Matt Taylor has a strong background in the fishing industry, including years as a commercial fisherman across numerous sectors. He completed a degree with first-class Honours in aquaculture and seafood science before working for the Commonwealth Scientific and Industrial Research Organisation (CSIRO) which included establishing and coordinating the national research flagship for water in WA.

As Chief Executive Officer, Matt has a primary responsibility for the delivery of WRL's strategic goals and objectives. He provides high level strategic and tactical advice on industry-related issues and coordinates the implementation of the Board's decisions.



Carey-Ann Harper
Executive Officer

Prior to joining WRL, Carey-Ann worked as a lawyer practising in commercial law, litigation and succession planning. Carey-Ann also has local government experience, having been elected as a Councillor for the City of Gosnells in 2017 for a four-year term.

As Executive Officer, Carey-Ann supports the development and delivery of WRL's strategic and operational objectives by working closely with our members and industry stakeholders, ultimately enabling WRL's continued strive towards whole industry representation and advocacy.



Katherine Chow
Finance & Administration Officer

Katherine holds a Bachelor of Science (Hons) in Business and Management Studies from the University of Bradford and she is an Affiliate Member of Governance Institute of Australia.

As Finance & Administration Officer, Katherine provides financial and administrative support for the overall strategic and operational objectives. This includes overarching general operations, oversight of governance arrangements and financial processes of reconciliation and compliance.



Natalia has a strong background and valuable experience in events management, marketing, and communications with a degree with Honours in Tourism and Hospitality Management from Universidad del Salvador and a graduate diploma in marketing at Universidad Católica Argentina.

As Marketing & Communications Officer, Natalia drives progress in the development and implementation of our communications strategy, including all internal and external communications, media relations, and community engagement.

Natalia Perez Haedo

*Marketing & Communications
Officer*



With experience in tertiary education, banking and professional services, Nicola is skilled in managing technology and organisational change projects, and holds a Master of Business Administration degree from Bond University and professional qualifications in project and change management.

As Program Officer, Nicola co-ordinates the delivery of the Council's strategic projects and programs, including the Industry Partnership Agreement, Marine Stewardship Council re-certification, and future enhancements to the Back of Boat lobster mechanism.

Nicola Hutchinson

Program Officer

Industry Research Programs



Chris's background is in applied economics and market analysis. He holds degrees in Economics with Honours and Commerce, and has worked in a variety of commercial, policy and research roles relating to Australian agriculture and fisheries.

As Market Analyst & Economist, Chris is responsible for the assembly and analysis of industry and market information. His work contributes to WRL's 'Understanding the Markets for Western Rock Lobster' initiative.

Chris Price

Market Analyst & Economist



Daniel has a background in agriculture and aquaculture economics, with degrees in Science and in Economics from University of Western Australia and a Master of Arts from Murdoch University.

In his role with WRL, Daniel drives delivery of the Understanding the Markets programme, supports the TACC Committee and conducts other economic research, analysis and reporting needs of WRL.

Daniel Fels

Economist



Strategic Plan 2020-2023

The Western Rock Lobster Strategic Plan concisely communicates our vision, mission and objectives so that our members, stakeholders and community can understand the future direction of WRL as an organisation and where we aim to guide our industry over the next years.

The WRL Strategic Plan enables our organisation to develop proactive strategies that will assist us to operate within changing environments and any associated risks. Consequently, underpinning the Strategic Plan is WRL's Risk Management Framework. This framework enables the organisation to document, manage, monitor, review and update strategic, corporate and project risk information in full alignment with the Strategic Plan.

Our Strategic Plan is reviewed and updated annually by the WRL Board, with WRL hosting workshops facilitated by an independent expert. In November 2020 the WRL Board undertook a comprehensive re-design of our Strategic Plan and established a revised purpose, objectives and priorities and key actions.

Our vision

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

Our mission

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

Our objectives

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



“

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

Our strategies

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

Our tactics

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

Strategy for Security, Independence and Community Connection

Stemming from the endorsement of our four strategic initiatives at the 2019 Annual Management Meetings and industry forums, 2021 has seen key components of our *'Strategy for Security, Independence and Community Connection'* (Strategy) continue to develop and be advocated for. The Strategy includes four key initiatives, namely resource access security, independent funding for WRL, a WA-based lobster research network and increasing the local supply of lobsters.

The evolution of the Strategy has reflected member feedback obtained through extensive and ongoing consultation with industry. In aid of transparency and to provide ease of access for members, the Strategy has been available on the WRL website since September 2020. The Strategy contains a one-page infographic of complete benefits, a two-page complete narrative, two-page summaries of each initiative and all the full reference documents and due diligence material as appendices so every reader can obtain the level of detail that interests them.

A key component of the Strategy is that of *resource security*, which relates to WRL's primary objective to obtain long-term security of access rights for all WA fisheries. In essence, these access rights that are being advocated for should be secure, indefinitely renewable, capable of being traded, leased, used as collateral, sub-divisible, and otherwise treated as akin to other forms of property.

WRL engaged Quinn Emanuel trial lawyers to produce proposed 'tracked changes' to the new *Aquatic Resources Management Act 2016* (WA) (ARMA) and the *Fisheries Adjustment Schemes Act 1987* that would achieve a level of resource access security supported by all WA fisheries. Those tracked changes were submitted to the government for their inquiry into private property rights. Flowing from this, the Strategy presented nine priority recommendations. A number of these recommendations included the proposed amendments to ARMA and the implementation of a statutory compensation scheme. Whilst our proposed amendments were strongly pursued



through increased meetings and consultations with the government sector, ARMA has now passed through Parliament without incorporating our requested amendments. We note that the government's explanatory memorandum on the Act states that:

“A key feature of the legislation is that it is based around the aquatic resource – rather than the traditional approach based on a fishery or fishing activity. This enables a structured approach to providing secure fishing access rights for all sectors, but with resource sustainability at its core”.

Whilst ARMA will be discussed more thoroughly later in this annual report, we are confident that the consultative process contained within the drafting of Aquatic Resource Management Strategy (ARMS) and Aquatic Resource Usage Plans (ARUP) presents additional opportunities for achieving greater resource access security. WRL has established an ARMA working group that is investigating these potential mechanisms collaboratively with DPIRD.

One key element of the Strategy, *Independence* and its associated initiative; development of WRL's independent Research Network (Network) has seen continual concept development in 2021 through its proposed partnership between WRL, DPIRD and FRDC in addition to extensive industry and stakeholder interviews. The Network's aim is to develop science and innovation to ensure sustainability, grow GVP and maintain market competitiveness. The Network itself presents an opportunity to conduct repetitive research, which is something that is not currently possible under our Industry Partnership Agreement (IPA). In addition to improved access to scientific processes, the Network is expected to enable

WRL to obtain enhanced leverage in terms of access to funding by third parties. Due diligence for the Network has featured the development of the Network's business case which in turn has included comprehensively analysing our industry's research priorities (based on the abovementioned interviews) and forecasting how these outcomes could be applied within and by our industry.

Underpinning all ongoing initiatives is our efforts to build Community Connection in the western rock lobster industry. A part of this initiative is to increase the availability and accessibility of western rock lobster to our local communities through our successful Back of Boat lobster sales (BoBS) system. This important industry promotion initiative has resulted in many ports and harbours along our coast now experiencing fishers selling lobsters directly to the community and sharing their fishing operations and stories in the process. In addition to the community connection that comes through BoBS, WRL have engaged with 7West Media for a twelve-month campaign to inform new audiences about our industry's story, performance and operations. This has resulted in a wonderful boost to industry promotion through many diverse articles and experiences about our industry being shared in *The West Australian*, the *Sunday Times* and through online content shared via social media.

As evidenced by the developments that occurred in 2021, our Strategy continues to evolve over time. WRL is committed to ensuring each component is built upon with industry's knowledge, support and collaboration. WRL would like to sincerely acknowledge the fundamental and valuable input of Mr Russell Barnett and Dr Peter Rogers in the development of the Strategy and all of the due diligence that underpins it.

Industry Digital Strategy

Our industry prides itself on being comprised of people who are early adopters of technology and strive to identify innovative ways to improve operations right throughout the supply chain.

Just as the 'internet of things' revolutionises industries across the world, the WRL Board through its strategic plans and risk registers, has long recognised that digital technology should be utilised to resolve challenges and create opportunities across the industry. Digital technology will assist industry to grow GVP, maintain market competitiveness and build social licence into the twenty-first century and beyond.

The Industry Digital Strategy brings the Board's thinking about digital opportunities across the supply chain and with government into a cohesive roadmap aimed at delivering inter-operable and adaptable technologies in a coordinated and flexible manner over five years. The Industry Digital Strategy will drive:

- GVP growth and resource access security for the industry;
- Increased co-management of the resource by industry;
- New technologies and targeted research and development;
- Governance, decision-making and process efficiencies; and
- Community engagement and advocacy.

The Industry Digital Strategy is a partnership between WRL, DPIRD and FRDC and has been endorsed by the WA Minister for Fisheries, who is also Minister for Innovation. Delivery of the first two years of the strategy has been approved under WRL's Industry Partnership Agreement with FRDC. The Industry Digital Strategy will provide industry with additional opportunities for national and regional programs including data, traceability and artificial intelligence to be applied to the western rock lobster industry.

The Industry Digital Strategy will improve real time data management and processes within the industry, including government. A new ordering and payment system for the Back of Boat lobster sales program is the first to be developed. This will improve the fisher and customer experience and allow more of their interaction time to be utilised for industry awareness and promotion.

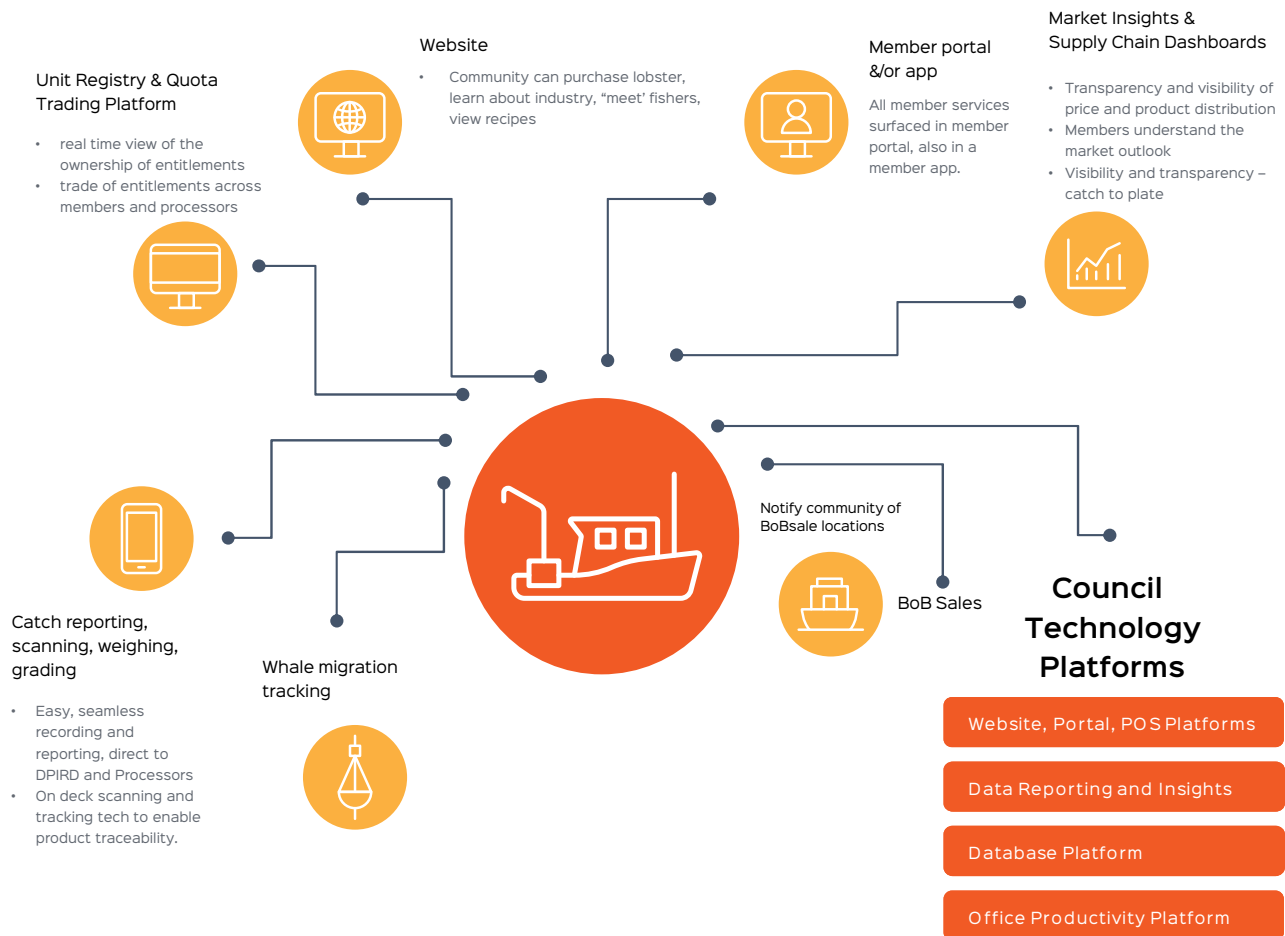


The themes in the Industry Digital Strategy include:

- **Catch and stock management** applications for real-time and on-board scanning to record catch and discards;
- **Monitoring** of gear, whale migrations and interaction behaviour;
- **Traceability** technology to track lobsters from catch to plate, enabling block chain and e-commerce while increasing market value by providing the provenance story to consumers;
- **Entitlement management** for real-time buying, selling and leasing entitlement;

- Digitised **workplace health and safety** training, records management and reporting;
- **Online reporting** to state and federal agencies, and other relevant parts of the supply chain, with the benefits of real time digital efficiency.

The industry's digital technologies will be underpinned by a data management ecosystem which is uncompromisingly secure, ensures member privacy and enables collaboration and real time decision-making across industry and government.



Western Rock Lobster

Risk Register Summary and

Industry Risk Management

The WRL Board meet twice a year to identify and discuss the risks currently being faced by the industry and any potential risks the industry may encounter in the foreseeable future. This allows the WRL Risk Management Framework to be updated and used to realise opportunities for growth within the industry while minimising any losses.

In identifying the industry risks, as well as the likelihood of those risks occurring and severity of the consequence to industry if those risks were to occur, WRL is able to manage those risks to ensure the strategic objectives of WRL are met. The mitigating of risks ensures the commercial viability and sustainability of the industry, including through providing the basis for continuous improvement of processes through innovation and improving stakeholder relationships.

In November 2020, WRL engaged Australian Institute of Company Directors independent expert Peter Fitzpatrick AM to facilitate a comprehensive review and update of its Risk Management Framework (Framework). This occurred consecutively with the review and update of the WRL Strategic Plan.

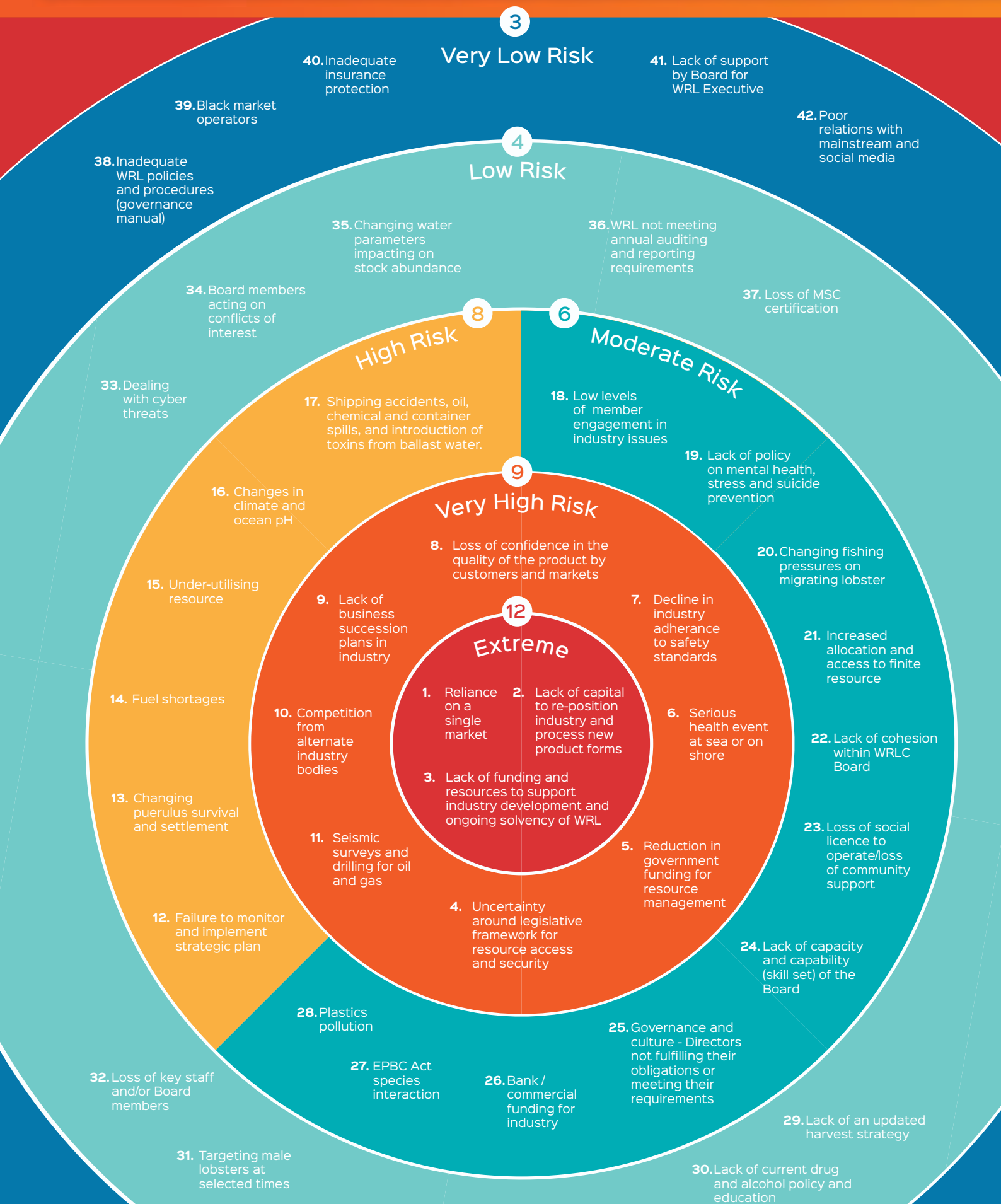
The risk workshop generated a first draft of the Framework which was further refined by the WRL Operations Committee in December 2020. In February 2021, the WRL Board resolved to endorse the Risk Register after the implementation of their amendments.

The WRL Board-identified current risks to the western rock lobster industry include reliance on a single market, lack of capital to re-position industry and process to new product forms, government relations, funding, a significant occupational health and safety event occurring and lack of business succession planning.

Recognition of these risks and the consequences that flow from those risks in the event they are realised has allowed WRL to identify and apply control and management strategies, such as the ongoing workshopping of market resilience strategies and activities, investment in strong, respectful and effective relationships with all levels of government, development of the digital OH&S platform SeSAFE and the improvement of social licence through initiatives such as BOB lobster sales.



Western Rock Lobster Risk Register Summary





The Top 11 Risks

1. Reliance on a single market

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

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

Risk Rating: **12**

Strategic

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

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

Risk Rating: **12**

Strategic

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

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

Risk Rating: **12**

Financial

4. Uncertainty around legislative framework for resource access and security

Continued uncertainty increases volatility with operators and financing sector.

Risk Rating: **9**

Strategic

5. Reduction in government funding for resource management

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

Risk Rating: **9**

Strategic

6. Serious health event at sea or on shore

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

Risk Rating: **9**

Safety

7. Decline in industry adherence to safety standards

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

Risk Rating: **9**

Safety

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

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

Risk Rating: **9**

Reputational

9. Lack of business succession plans in industry

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

Risk Rating: **9**

Operational

10. Competition from alternate industry bodies

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

Risk Rating: **9**

Operational

11. Seismic surveys and drilling for oil and gas

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

Risk Rating: **9**

Environmental

Research Development and Extension

Our Industry Partnership Agreement (IPA) with the Fisheries Research and Development Corporation (FRDC) enables WRL to collaborate with a range of private and public (State and National) research and development organisations to deliver a comprehensive, diverse and balanced portfolio of initiatives aimed at enhancing industry sustainability, value, efficiency and community connection.

The past year has witnessed a significant increase in commitment to investing in our Industry's research and development priorities.

Digital Transformation of the WRL Industry to Help Resolve Challenges and Leverage Opportunities to Grow GVP and Maintain Competitiveness

Partnering with FRDC and DPIRD, WRL will facilitate collaborations across the innovation ecosystem and with federal initiatives to deliver new, interoperable modularised digital technologies and systems with real time data connecting fishers to processors to government and all stakeholders from catch to plate. These increases in efficiencies and connectivity will create benefits across the industry, including fisheries management, research, fishing operations, member engagement and community connection.

Digitising the ordering and payment processes for back-of-boat lobster sales commenced this year to improve our members' experience and allow fishers to spend more of their contact time with consumers building a relationship by talking about their story and our industry.

Whale Entanglement Mitigation Program

Building on the mitigation measures industry has already successfully implemented over recent years, this program enables a deeper understanding of whale populations, migration patterns, behaviours, entanglement risks, disentanglement procedures and technologies, and feasible additional gear modifications.

Biology, Behaviour and Ecology Program

This program will strategically target research on *Panulirus cygnus* and its ecosystem to meet the needs of the WRL fishing industry and stakeholders. This program will initially create a central database of all existing knowledge followed by a series of projects to improve the understanding of the species, its movements, behaviours and impacts from the changing environment in which it lives.

Minimising Plastic in the Western Rock Lobster Industry Program

This program is identifying plastic usage across the supply chain, researching alternative fit-for-purpose materials and then testing cost-effective options under typical working conditions. Effective disposal and recycling methods will be researched where plastic alternatives aren't possible.

Research, Development and Extension (RD&E) Program

An annual program which ensures resources and processes to consolidate and coordinate WRL RD&E planning and funding so that overall RD&E outcomes are delivered in an efficient and cost-effective way.

Communications Program

Increasing community understanding, trust, and acceptance for the western rock lobster industry by showcasing the amazing western rock lobster story, the industry's performance, sustainability and operations to new audiences.

Understanding the Markets

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 achieve maximum economic yield and maintain sustainability. It and for the industry to be able to mitigate risks and realise opportunities.

This program is developing an innovative maximum economic yield model and provides important independent market intelligence which, together with the harvest strategy and stock assessment, guide the WRL Board in making total allowable commercial catch recommendations to the Minister for Fisheries for each season.

The program also publishes global lobster trade reports annually that are supplied to members with a comprehensive market dashboard currently in development to provide improved and interactive markets insights more frequently.

Other Projects

In addition to WRL's current IPA programs and projects, WRL also co-funds eight other projects with local and national research providers including developing a strong current warning system, assessing causes and implications of anomalous low catch rates, determining variation in catchability and predicting the likely impacts of change in habitat.

WRL's contribution to the FRDC's SeSAFE project will make safety training available to skippers and crew via mobile phone, tablet and PC, thus reducing the need for paper-based training materials. This year WRL has developed and tested training modules specific to western rock lobster fishing and generic modules of benefit to all fisheries.



Market Situation

The Western Rock Lobster market has been dominated by the effects of COVID-19 and market access constraint.

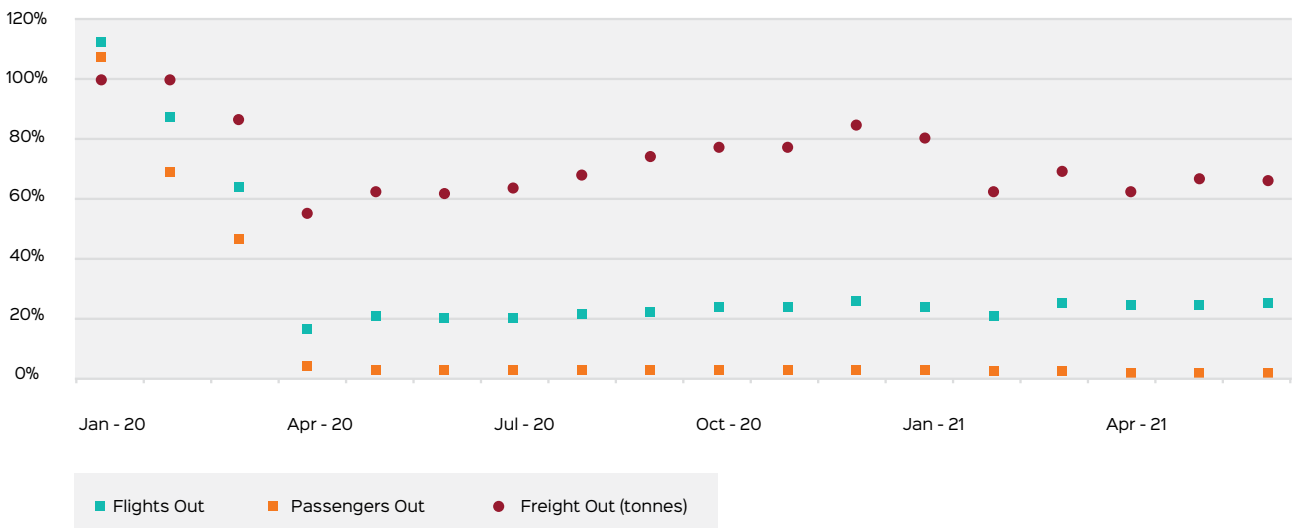
Market Demand

Every country has experienced significant disruption as a result of COVID-19. Our main markets have had their own domestic consumption patterns reduced and skewed, with social contact restrictions impacting the restaurant and banquet trade that historically underpins live lobster consumption. Lower demand has led to generally reduced prices.

Supply Chain

The preferred route to market for live lobster is as live air cargo, which has historically mainly been in the cargo holds of international passenger flights. The dramatic reduction in international air passenger movements into and out of Australia created an extremely challenging environment for air cargo. Less flights meant less cargo capacity; and for the flights that remained, passenger caps meant that airlines needed to charge more for freight to maintain revenue.

Monthly international Flights, Passengers and Freight tonnes from Australia, as proportion of 2019 levels (excludes NZ)



The International Freight Assistance Mechanism helped matters by underpinning a base level of capacity to assist primary industry exports, resulting in quite resilient export freight levels. However, freight rates remain persistently higher than pre-COVID levels. This situation can be expected to continue until at least mid to late 2022, as it is expected to take some time for international passenger flight frequency to recover once Australia's border controls are relaxed.

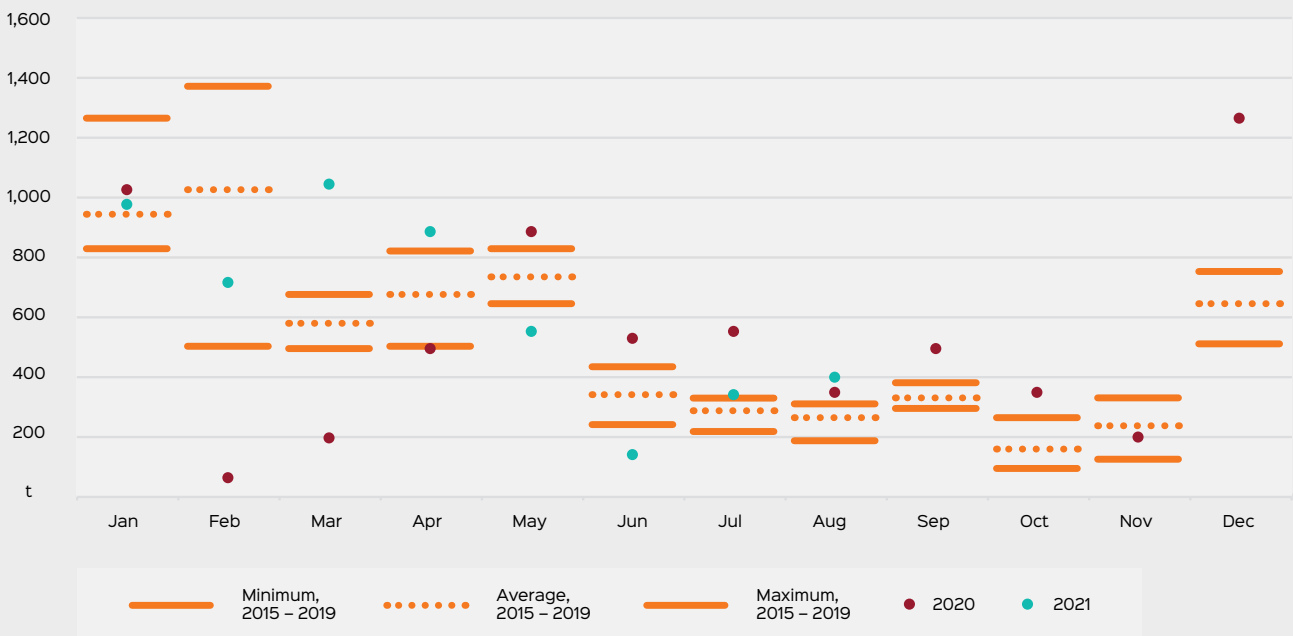
Compounding the effects of COVID-19, in late October 2020 the abrupt cessation of access to the direct live trade to China resulted in a significant and sustained reduction in beach prices paid to the fishers. Processors and exporters worked overtime to cope with the extra processing demand required to divert significant volumes of cooked and frozen product to the domestic market, while simultaneously working to open alternative export trade routes and markets.

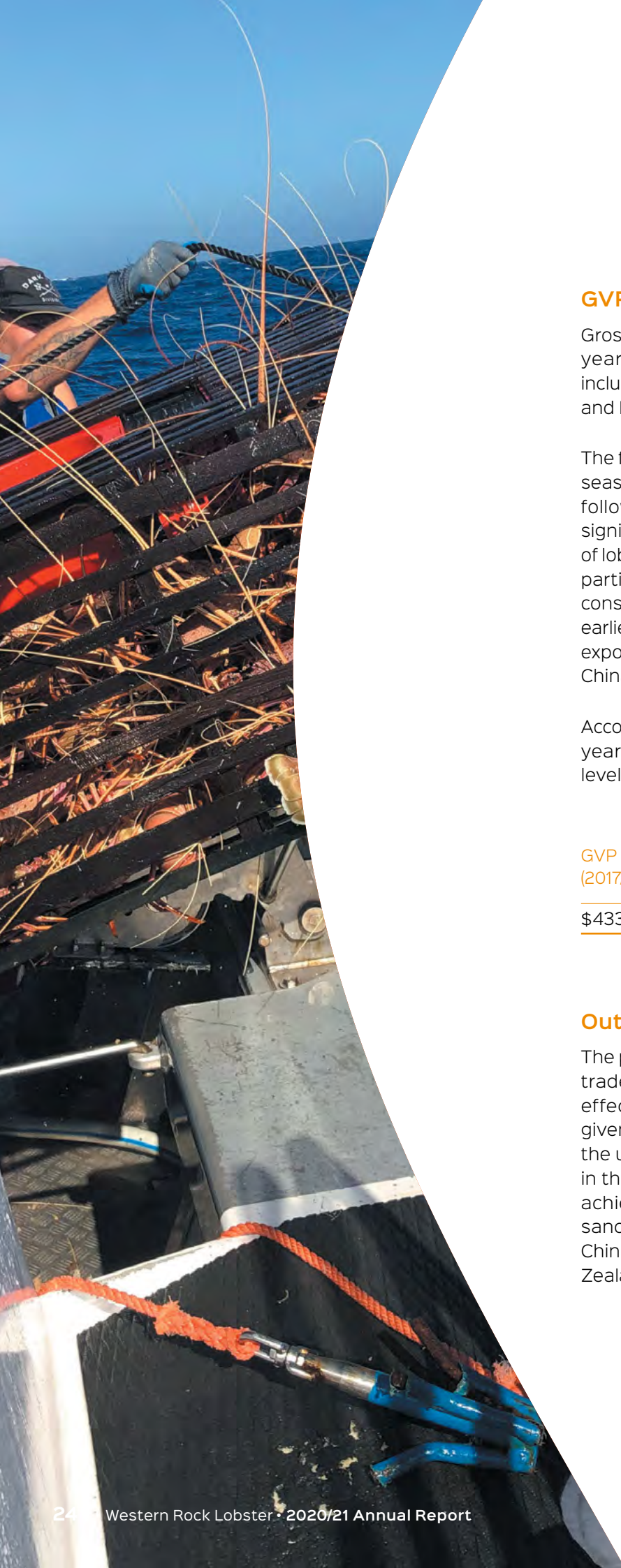
The low beach prices prevailed through to the end of the extended season in June 2021, with some signs of recovery apparent in the early stages of the current season.

Catches in March and April 2021 were substantially higher than five-year norms, driven by fishers pushing to catch their quota during the low-cost period before the mid-year finish of the extended 17.5-month season. This is an indication of how many fishers "left quota in the water" until quite late in the season, presumably in the hope of an improvement in prices.

The uncertainty around season price expectations for the current season also brought about change in the pot leasing market, with an increase in share fishing arrangements that share price risk more efficiently than fixed-price lease arrangements.

WCRLMF landed catch by month of calendar year





GVP

Gross Value of Product for the 2019/20 financial year was reduced due to COVID-19 effects, including almost no fishing effort around February and March 2020 at the onset of the pandemic.

The further 12 months to the end of the extended season in June 2021 saw the impacts of COVID-19 followed by market access constraints take a significant toll on export volumes. Large volumes of lobster were consumed in the domestic market, particularly over the Christmas period, at prices considerably lower than were the case 12 months earlier. Export prices were lower due to alternative export markets commanding lower prices than the China market, and increased supply chain costs.

Accordingly, industry GVP for the 2020/21 financial year is expected to have fallen from previous levels.

GVP (2017/18)	GVP (2018/19)	GVP (2019/20)	GVP (2020/21) (preliminary)
\$433m	\$405m	\$271m	\$225m

Outlook

The prospects for resumption of the direct China trade are unknown. Exporters have developed effective supply chains to alternative markets given the very challenging freight landscape but the unit prices achieved for all Australian lobster in these markets is considerably lower than was achieved in the Chinese market prior to trade sanctions, and lower than current prices in the Chinese market by our competitors such as New Zealand origin southern rock lobster.

ARMA

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

On 18 August 2021 the Legislative Council voted in favour of the Aquatic Resources Management Amendment Bill 2021 without any amendments. Therefore, the ARMA legislation has been approved by both houses of parliament and will replace the current legislation that regulates our industry, the Fish Resources Management Act 1995 (WA). This historic legislative transition is significant for our industry.

Under ARMA, aquatic resources will be managed by a framework comprising of an Aquatic Resource Management Strategy (ARMS) and an Aquatic Resource Use Plan (ARUP). ARMA provides that the Minister may declare that a specified aquatic resource is a 'managed aquatic resource'. It has not yet been determined how western rock lobsters will be managed as an aquatic resource. It could be that western rock lobsters are themselves specifically declared as the managed aquatic resource or they may be managed as part of a broader resource such as 'Deep Sea Crustaceans'.

An ARMS must be approved as soon as practicable after an aquatic resource is declared to be a 'managed aquatic resource'. An ARMS will set a high-level policy platform for the aquatic resource and identify what sectors need access to that resource. Additionally, the ARMS will set the proportion of the total allowable catch (TAC) and how the TAC is to be determined. It also identifies the number of shares in the resource that are to be made available under the ARUP for the resource. An ARUP is the operational document which will implement an ARMS. It is akin to the existing Management Plan.

As the ARMA will revoke the current legislation that regulates pearling activity, the pearling industry will be the first to be moved into the new ARMS and ARUP framework. This is expected to occur in 2023. There has been no decision yet as to the timing for the western rock lobster industry to transition to ARMA, which will be heavily contingent on appropriate ARMS/ARUPs being negotiated and drafted.

WRL appreciates the importance of proactively understanding ARMA and thoroughly investigating its risks and opportunities for our industry. The move away from 'quota' to 'shares' is a welcomed change in our efforts to obtain increased resource access security. On that basis, WRL have established an ARMA working group consisting of our CEO, Matt Taylor, our Executive Officer, Carey-Ann Harper and independent expert, Dr Peter Rogers. This working group will produce a report that identifies these risks and opportunities for industry as well as expected changes in how the resource is managed under the new legislation.

That valuable information will be used to create a set of recommendations to be presented to the WRL Board and members for consultation. Simultaneous to that process, the working group will be liaising collaboratively with DPIRD to understand government's perspective on the principles and proposals for the ARMS/ARUPS and the Harvest Strategy for the West Coast Rock Lobster Managed Fishery. We are confident that the valuable knowledge and expertise within the working group will result in a thorough analysis of ARMA that will produce the best outcomes for our industry and the community owned resource. WRL acknowledges the substantial contribution and industry knowledge that Dr Rogers provides to this working group in addition to WRL more generally over many years.

Sustainability

Marine Stewardship Council

The WRL fishery was the first fishery certified under the Marine Stewardship Council (MSC) program when it was launched 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 management and commercial fishing practices.

Third-party sustainability accreditation of the fishery is becoming increasingly important as it assists with social licence and differentiates products from others on the market for an increasingly discerning consumer public. 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.

In June 2020, the western rock lobster fishery underwent its third annual surveillance audit focusing on changes since the previous annual surveillance audit in 2019, and on monitoring continued compliance with the MSC Standards. Two bait related conditions were raised during the recertification of the fishery in 2017. Those two conditions are now presented as one condition which should be closed by the 4th Annual Surveillance Audit scheduled for the end of 2021, thanks to the collaborative efforts of industry.

In 2020 WRL invested in a pre-assessment against the new MSC Standards (2.1) to understand what aspects the industry may be vulnerable to incurring a condition upon transition and if there are any information gaps that will need to be resolved before transitioning to the new standards. The findings from the 2020 pre-assessment indicated that the fishery would likely pass and potentially achieve higher scores for some of the performance indicators under the new standards.

The western rock lobster fishery will be formally assessed for MSC re-certification for the fifth time towards the end of 2022.



Whale Entanglement Mitigation

The western rock lobster industry continues to explore and undertake new measures to maintain its record of low numbers of whale entanglements in commercial lobster gear. This commitment is in recognition of its core values of sustainable practices and low environmental impacts. Despite discussions proposing additional measures to minimise whale interactions being difficult and complex, industry has actively engaged with WRL in providing voluminous feedback for the WRL Board to consider. As a part of its commitment to sustainable practices, as well as the development of industry owned research, the WRL Board also recently resolved to progress several industry suggestions, including to develop a dedicated whale research program that will collect and analyse data to better understand whale migration movements and investigate new technologies including future gear modifications with an aim to avoid interactions.

Plastics

Every year around 8 million metric tonnes of plastic are dumped into the ocean. If this trajectory continues, it is estimated that within the next decade there will be more plastic in the ocean than fish. The seafood industry is directly dependent on the health of the marine environment and sustainable fish stocks. Reducing the use of plastic within industry and diverting plastic away from landfill strengthens our commitment to environmental responsibility, increases our contribution to protecting global fishery resources, and improves our social license to operate.

There are leaders in industry demonstrating some unique innovation in this space and we need to encourage them to share their story and develop an industry action plan to curb the use of plastics.

The WRL Board initiated a program to reduce plastic use in the industry, and WRL is collaborating with the FRDC, local and national researchers to find trial, cost-effective alternatives to plastics and ensure that those plastics which cannot be replaced are responsibly recycled or disposed.

2021 Annual Member and Stakeholder Survey

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

September 2021 was the fourth time WRL conducted its Annual Member and Stakeholder Survey. The survey assists our organisation measure our industry's attitude regarding economic confidence, investment appetite and membership satisfaction. The annual survey also allows WRL to collect data about the views of its members and stakeholders on the current management of corporate affairs, communications and governance as well as future priorities of the western rock lobster industry. Repeating this survey annually allows WRL to assess changes in sentiment over time and react to emerging areas of concern or opportunity.

A key objective for WRL is to proactively manage industry risk, reputation and development. In order to build an ongoing indicator, the survey asked respondents to rate the effectiveness of a range of industry management activities including representation, communications and interaction.

This year's survey reflects that industry confidence in WRL to proactively manage industry risk, reputation and development is a dependable 70.4%, which is essentially the same as previous years.

The western rock lobster industry's ability to attract and retain investment is identified in WRL's strategic plan. As in previous years, the questions surveyed our members' short and medium-term levels of confidence in the economic outlook of our industry. The results found that members' confidence is slightly raised at 55.8%, increasing from 48% last year, but notably still approximately one third lower than pre COVID years.

Not surprisingly and echoing trends recorded last year, member investment intentions are relatively low in terms of equipment investment and very low for the likelihood of employing additional staff in the next 12 months.

The three highest rated priority tactics for maintaining a strong economic outlook are ensuring the resource remains Australian owned (Australian ownership), ensuring a strong working relationship between government and industry (government relations) and maintaining a well-managed quota (quota management). The same three tactics were the highest rated late year although government relations and quota management were reversed order. Australian ownership remains the number one priority for our members and stakeholders.

2021 Communications Strategy

WRL undertook a review of its integrated communications strategy developed in 2017, to take into account WRL's achievements, and our communications maturing more broadly to adapt to the significantly changed economic, social and market conditions.

The review was undertaken by an expert public relations firm, CGM Communications, informed by significant consultation with the WRL Board, executive, members and external stakeholders.

The objective of the updated strategy is to strengthen industry's connection with our stakeholders and the community to enhance our social licence to operate.

Through this, the strategy will work to secure resource access rights, extend the industry's strong record on sustainable resource management, grow local demand for western rock lobster and achieve regulatory change that enables WRL to become a financially independent industry representative body to enable greater resource co-management responsibilities.

To achieve this, the strategy outlines a range of initiatives designed to build community awareness and understanding of our industry. The contribution the industry makes to the community is central to our messaging, focusing

on the jobs and business opportunities created, as well as the support members provide to local community groups. Our performance as custodian in delivering sustainable resource management will also be highlighted, as well as the costs and challenges faced by our members.

The strategy will seek to strengthen member communications and engagement, so that we can best reflect our members interests in the work that we do and be responsive to members' needs. We will also provide support to our members to be active in the community, in the media and on social media, talking to the contribution of our industry and the challenges and opportunities we take on.

The strategy focusses on broadening our political networks of people at the federal, state and local government levels who understand our industry and can positively influence government decision making, now and in the future.



Development Education Capacity Knowledge (DECK) Program

WRL continues its commitment to the education and professional development for industry's next generation of leaders.

The DECK Program began in 2018 as a peak body initiative to give younger lobstermen and women the tools they need to become advocates for their fishery and to gain the understanding and confidence to step into positions of leadership.

The program's interactive sessions provided the opportunity for participants to strengthen their knowledge and skills around resource management, representing industry and operating small businesses. The DECK Program also fostered new relationships and networks including through a relaxing dinner held between the two half-day sessions.

"I decided to attend the DECK Program because I'm a third-generation fisher and wanted to meet more young fishers up and down the coast and learn about the industry. The DECK course spelled out a lot of things I have never quite understood. The wide range of presenters made it

interesting and easy to understand the concepts and issues raised. There were great speakers who spoke throughout the two days which touched on many different things being within the industry and out. The dinner function was a great opportunity to network with other participants."
- Brendan Cockman, 2020 DECK Program participant.

Designed for the industry's next-generation, the DECK Program offered a variety of education sessions and workshops led by subject matter experts from across Australia. The two-day program covered a range of topics including technology, markets, governance, safety, and industry management in addition to business-related topics such as office administration, business structure, financing and succession planning. The forums also provided an opportunity for participants to discuss key challenges in the industry from their perspective.





The 2020 DECK Program was held at the Geraldton Multipurpose Centre in Geraldton on Thursday 29th and Friday 30th of October. WRL was particularly proud of the efforts to engage the younger members of the western rock lobster industry, with 25 participants attending the sessions.

Almost 80 per cent were under 30 years old. WRL welcomed participants from up and down the coast: Mandurah, Lancelin, Cervantes, Dongara, and Port Gregory. Overall, the feedback received was overwhelmingly positive, with 100 per cent of participants saying they would recommend the DECK Program to others, and 94 per cent affirming they were very or extremely likely to attend a similar event again in the future.

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.

At the time of drafting, WRL is working hard on delivering its third DECK Program in Fremantle on the 13th and 14th of October 2021. The 2021 Program builds on the success of the previous editions and offering additional professional development opportunities, such as participating in courses and workshops available to participants and who wish to deepen their knowledge in specific subjects that will be discussed during the two-day event.





Communications and Engagement

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

Coastal Tour

In March 2021 WRL conducted a coastal tour in which members and stakeholders received briefings from the Chair and the executive team. These key port meetings between Kalbarri and Fremantle allowed WRL members, fishers and stakeholders to be updated, ask questions, discuss ideas and provide feedback on a wide range of industry-related topics including WRL's key strategic documents, markets and production, resource management, fishing operations, industry research and industry promotion.

Representatives from DPIRD lobster management, AMSA and UWA Research also attended the coastal tour meetings to provide their advice, expertise and updates relevant to members' interests and operations. This was of great value as WRL members were able to have their government related questions answered immediately and their feedback acknowledged or responded to.

2021 Annual Management Meetings

The 2021 West Coast Rock Lobster Annual Management Meetings (AMMs) were held on 23 August 2021 in Fremantle and 25 August 2021 in Geraldton. Both meetings were productive and allowed for participation in discussions on many important issues relevant to the western rock lobster fishery, including science, management, safety and WRL strategic plans and activities.

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

Proceedings were divided into two sessions with the morning program focused on DPIRD presentations. This included presentations on the latest research and science, management and compliance. DPIRD also provided an update on the transition to the Aquatic Resources Management Act 2016 (ARMA).

The industry forum in the afternoon was equally informative with presentations on WRL's strategic directions, MSC certification, TACC setting, BoB sales, industry promotion, professional development opportunities and a general business period allowing for any topic to be discussed.

WRL Photo Competition and Calendar

In 2020, WRL hosted a photo competition and produced its first fishery-themed photo calendar to inspire and build a community of advocates for the western rock lobster industry. The contest aimed to award those photographs that better represent the aspects of being a lobster fisher and the way of life the fishery represents creatively.

Over 100 images were submitted, with the most representative and evocative being selected to be featured in the high-quality wall calendar. Ahead of the holiday season, one thousand calendars were distributed to restaurants, chefs, seafood retail shops, Back of Boat lobsters' customers, farmers markets, community centres, tourism offices and stakeholders including every member of WA Parliament and representatives of the tourism, hospitality and banking sectors.

The initiative was well received with people commenting on the amazing images and the high-quality design of the calendar. WRL will repeat the successful initiative in 2021 with a competition open to the wider community to produce a desk calendar featuring the 12 winning photographs.

Community Events

WRL was one of the major partners and supporters of the inaugural Shore Leave Festival. The event took place in Geraldton from 24-27 September 2021 and one of its main objectives was to celebrate and promote the premium regional produce including the iconic western rock lobster.

One of the flagship events at the Shore Leave festival was the Abrolhos Long Table Lunch. WRL was the exclusive sponsor of the Long Table Lunch, which was a truly unique and incredible dining experience at the Abrolhos Islands. WRL also supported the Beach Price Markets (seafood markets which included a Back of Boat sales activation area), Blessing of the Fleet and the AFL Grand Final screening with lobster BBQ.

Since the launch of the Back of Boat Lobsters mechanism in September 2020, WRL has been hosting, participating and promoting multiple Back of Boat sales events such as the Christmas sales series at the Fremantle Fishing Boat Harbour, Coogee Live, and WA Day at Hillarys Boat Harbour. These events received an enthusiastic response from the locals who arrived early with their eskys to buy their freshly caught lobsters from one of their local fishermen.

WA's Best Lobster Restaurant Competition

In June 2021, WRL held its inaugural WA's Best Lobster Dish competition titled Make WA Day Cray Day. This contest had two key objectives: establishing WA Day as a Cray Day, promoting consumption of local lobster for the holiday's celebrations, as well as to encourage WA restaurants to feature western rock lobster on their menus.

To enter the competition, participants were asked to nominate the restaurant that has their favourite lobster dish for a chance to win a prize. WRL supported the contest with editorial and marketing promotion including print and digital ads in community newspapers, social media platforms and e-newsletters. The competition winner was awarded two tickets to the Abrolhos Long Table Lunch with two nights accommodation in Geraldton.

Buy West Eat Best



WRL has joined in the Buy West Eat Best initiative that encourages consumer support of locally sourced produce.

Buy West Eat Best is a food and beverage labelling program that promotes products grown, farmed, fished and processed right here in Western Australia. The program is managed by DPIRD and requires stringent criteria for local content and quality to be met to ensure the integrity of the logo's use.

Seven West Media



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

The first phase of this comprehensive and successful campaign incorporated a wide range of activities including a series of articles published in the Sunday Times telling the stories of pioneering families across the fishing regions, social media videos with food editor Rob Broadfield and wine expert Erin Larkin featuring western rock lobster, as well as the promotion of the WA's Best Lobster Dish Competition and regular ads communicating key messages run across multiple channels including print, digital and social media.

Back of Boat Lobsters

WRL continues to support increasing the accessibility and availability of western rock lobster for local consumption to build and strengthen industry's connection with local communities and tourism.

Historically western rock lobster fishers were able to sell some of their catch from the back of the boat to the public. However, the introduction of the successful fishery quota system in 2010 removed authorisation for direct boat sales which constrained direct lobster supply to the West Australian market.

In recent years, the WA Government, Minister for Fisheries and hospitality, tourism and retail sectors as well as local communities have indicated a desire for more availability and accessibility of western rock lobster on the local market. As a core element of its social licence to operate, the western rock lobster industry has made a commitment to meeting local demand at fair market prices.

Trials over the last few years of the Local Lobster Program (LLP) to supply tagged lobster during the peak local demand periods of Christmas and Easter were successful although they were inflexible, small scale, not able to provide continuous year-round supply, and did not come under the Total Allowable Commercial Catch. Since then, WRL has been working with government on a more permanent solution to increase the availability and accessibility of western rock lobster for the local market.

In early 2020 and as part of the COVID-19 response package, WRL recommended a simple mechanism for active fishers to use entitlement for local sales including from the back of boat. This recommendation was accepted by the WA Minister for Fisheries and the Back of Boat (BoB) lobster sales mechanism was collaboratively designed by WRL and DPIRD and implemented through a management plan amendment introduced in September 2020.

Back of Boat authorised the fishery's fleet of 235 boats to land up to 100 lobsters each fishing trip to sell directly to consumers, providing a significant increase in supply to the WA community who have overwhelmingly embraced the new live purchase option. This has also allowed restaurants and tourists to purchase fresh lobster easily and consistently throughout the year which has provided a valuable community connection for industry promotion.

During the first 12 months of Back of Boat sales, a total of 83 different vessels have landed over 50 tons of lobsters at 19 ports along the WA coast from Kalbarri to Fremantle.

Back of Boat Lobsters has been designed to enhance the western rock lobster fishery's position as a trusted, sustainable and successful industry. BoBs has given industry a way to engage directly with the community and to demonstrate its values and practices. It serves as a platform to educate the community on industry's management, operations and regulations via storytelling and transparency.





INDUSTRY PROMOTION AND INCREASING AVAILABILITY AND ACCESSIBILITY OF WESTERN ROCK LOBSTER FOR DOMESTIC CONSUMPTION IN WA IS AT THE HEART OF THE BACK OF BOAT LOBSTERS INITIATIVE.

Financial Reports



For the year ended 30 June 2021

Financial Reports

For the year ended 30 June 2021

Director's Declaration

The Director has 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:

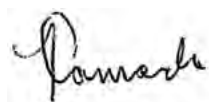
1. The financial statements and notes present fairly the Council's financial position as at 30 June 2021 and its performance for the year ended on that date in accordance with the accounting policies described in Note 2 to the financial statements; and
2. In the Director's opinion, there are reasonable 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.



Western Rock Lobster Council Inc. Chair

Terry Lissiman



Finance and Audit Committee Chair

Fedele Camarda

Dated this 21 September 2021

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 2021 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 2021 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 18th Day of August 2021.

Statement of Comprehensive Income

For the year ended 30 June 2021

		2021	2020
	Note	\$	\$
INCOME			
WAFIC - General		719,646	709,633
FRDC Income - 2014 - 406 RD&E		95,320	-
Other Income		-	100
2020 - 059 RD&E (New)		120,000	-
FRDC - IPA Project Funding		391,186	128,000
Industry Levy	3	196,800	-
		1,522,952	837,733
GROSS SURPLUS			
		1,522,952	837,733
OTHER INCOME			
Interest Received		2,617	4,929
Government Subsidies		54,000	24,000
Capital Government Subsidy		64,716	35,284
Profit on Sale of Non-current Assets		-	6,004
		121,333	70,217
		1,644,285	907,950

**EXPENDITURE**

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

		2021	2020
Note		\$	\$
4		50,000	40,000
		32,589	23,359
		523,054	374,244
5		135,915	118,965
6		253,484	262,429
7		508,582	184,614
		1,503,624	1,003,611
		140,661	(95,661)

NET SURPLUS (DEFICIT)

Statement of Financial Position

As at 30 June 2021

		2021	2020
	Note	\$	\$
RESERVES			
Retained earnings	13	1,399,976	1,259,316
RESERVES		1,399,976	1,259,316
Represented by:			
ASSETS			
CURRENT ASSETS			
ANZ Cheque Account (Internal Funds)		104,630	107,335
ANZ Online Saver (Internal Funds)		135,471	59,686
ANZ FRDC Fund (External Funds)		71,266	1,114
ANZ Business Online Saver (External Funds)		216,672	2,856
ANZ WRLC 1916 (External Funds)		7,654	10,834
Industry Fighting Fund Savings		23	23
Industry Fighting Fund Trans		13	13
Trade Debtors - Internal		38,500	-
ANZ Term Deposit #1 April 2020		-	200,000
ANZ Term Deposit #2 April 2020		-	800,000
Term Deposit #1 May 2021		400,000	-
Term Deposit #2 May 2021		400,000	-
GST - Internal		1,290	8,385
GST - External		9,540	9,697
TOTAL CURRENT ASSETS		1,385,059	1,199,943
NON CURRENT ASSETS			
Fixed Assets			
Property Improvements	11	98,162	98,162
Less: Accumulated Depreciation		(46,2172)	(33,2312)
		51,945	64,931
Plant & Equipment		44,522	37,319
Less: Accumulated Depreciation		(44,522)	(37,319)
		-	-
Motor Vehicles		50,322	50,322
Less: Accumulated Depreciation		(13,124)	(724)
		37,198	49,598



	2021	2020
Note	\$	\$
Total Fixed Assets	89,143	114,529
TOTAL NON-CURRENT LIABILITIES	89,143	114,529
NET ASSETS	1,474,202	1,314,472
LIABILITIES		
CURRENT LIABILITIES		
Superannuation Payable	3,719	2,884
Trade Creditors	-	1,230
ANZ Credit Card	1,870	4,244
Amounts Withheld	12,296	9,956
Provision for Leave - External	19,276	10,808
Superannuation Payable - External	804	585
Provision for Leave	36,261	25,449
TOTAL CURRENT LIABILITIES	74,226	55,156
TOTAL LIABILITIES	74,226	55,156
NET ASSETS	1,399,976	1,259,316

Notes to the Financial Statements

For the year ended 30 June 2021

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

Western Rock Lobster Council Inc. is a not-for-profit association incorporated in Western Australia under the Associations Incorporation Act (WA) 2015 ('the Act').

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The Council 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

a. 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.

b. Depreciation

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

c. Financial Instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that council becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

d. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The council's trade and most other receivables fall into this category of financial instruments.

In some circumstances, the council renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the council does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Notes to the Financial Statements

For the year ended 30 June 2021

e. Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets or which have been designated in this category. The council's available-for-sale financial assets comprise listed securities.

Purchases and sales of available-for-sale investments are recognised on settlement date.

Available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

f. Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

g. Impairment of Non-Financial Assets

At the end of each reporting period the council 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 cashgenerating 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 cashgenerating 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.



h. Employee Benefits

Provision is made for the council'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.

i. Provisions

Provisions are recognised when the council 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.

j. 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.

Notes to the Financial Statements

For the year ended 30 June 2021

k. Revenue and Other Income

Revenue is recognised when the council 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 council is entitled to it.

l. 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.

m. Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

n. Income tax

The association is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

Notes to the Financial Statements

For the year ended 30 June 2021

3 Income

Industry Levy

2021	2020
\$	\$
196,800	-

The Industry Levy income of \$196,800 reflected in this report is the delayed monies received for the 2020 fishing season. There was no levy collected for the FY 2020/21 due to there being no licence renewal during that period for the 18-month 2021/23 fishing season. This resulted in WRL foregoing this financial year Industry levy funding due to only two licensing cycles (seasons) in a three-year fishing period.

4 Chair, Directors and Independent Directors

Current

Chair Honorarium
Directors' Fees

15,000	15,000
35,000	25,000
50,000	40,000

5 Industry Levy

Advertising Promotion, Media and Communications
MSC Audit
Management & Projects

30,981	52,738
30,000	9,900
74,934	56,327
135,915	118,965



6 Operating Expenses Breakdown

	2021	2020
	\$	\$
Accountancy Fees & Audit	6,250	6,870
Bank Charges	531	601
Consultancy Fees	-	16,333
Communications Strategy	7,797	8,305
Fringe Benefits Tax	5,240	4,840
Gifts	2,246	1,063
Insurance	11,789	9,478
Legal Costs	-	702
Motor Vehicle Expenses	6,893	5,788
Office Equipment & IT	17,167	23,005
Postage	2,230	1,261
Printing & Stationery	6,615	6,585
Rent	61,753	57,216
Meeting Expenses	27,493	25,333
Mileage	2,010	3,381
Sponsorship & Promotions	16,700	15,063
Seminars & Conferences	-	464
Subscriptions - Software	34,800	25,372
Strategic Plan Priorities/Seed Funds	13,475	10,619
Telephone	4,608	3,465
Training	5,951	13,533
Travel & Accommodation	19,936	23,152
	253,484	262,429

Notes to the Financial Statements

For the year ended 30 June 2021

7 IPA Project Expenses

	2021	2020
	\$	\$
Project - 12th ICWL	-	40,000
Project - Bursary	-	558
Projects - Understanding the markets for Western Rock Lobster	124,519	87,707
Project - Director Professional Development	14,534	11,120
Project - 2014-406 RD&E	-	10,475
Project - WA Institute Spiny Lobster Biz Plan	43,441	14,620
Project - Understanding the Markets (Phase 1)	3,553	20,134
Project - Communications	272,094	-
Project - Digitising the Western Rock Lobster Industry	50,441	-
	508,582	184,614

8 Cash and Cash Equivalents

ANZ Cheque Account (Internal Funds)	104,630	107,335
ANZ Online Saver (Internal Funds)	135,471	59,686
ANZ FRDC Fund (External Funds)	71,266	1,114
ANZ Business Online Saver (External Funds)	216,672	2,856
ANZ WRLC 1916 (External Funds)	7,654	10,834
Industry Fighting Fund Savings	23	23
Industry Fighting Fund Trans	13	13
ANZ Term Deposit #1 April 2020	-	200,000
ANZ Term Deposit #2 April 2020	-	800,000
Term Deposit# 1 May 2021	400,000	-
Term Deposit #2 May 2021	400,000	-
	1,335,729	1,181,861

9 Trade and Other Receivables

Current

GST - Internal	1,290	8,385
GST - External	9,540	9,697
Trade Debtors	38,500	-
	49,330	18,082



10 Trade and Other Payables

Current

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

	2021	2020
	\$	\$
	4,523	2,884
	-	1,230
	1,870	4,244
	12,296	9,956
	19,276	10,808
	37,965	29,122

11 Property, plant and equipment

Land and Buildings

Property Improvements	
Less: Accumulated Depreciation	

Total Land and Buildings

Plant & Equipment	
Less: Accumulated Depreciation	

Motor Vehicles	
Less: Accumulated Depreciation	

Total Plant and Equipment

Total Property, Plant and Equipment

	98,162	98,162
	(46,217)	(33,231)
	51,945	64,931
	51,945	64,931
	44,522	37,319
	(44,522)	(37,319)
	-	-
	50,322	50,322
	(13,124)	(724)
	37,198	49,598
	37,198	49,598
	89,143	114,529

Notes to the Financial Statements

For the year ended 30 June 2021

12 Provisions

Current

Provision for Leave

	2021	2020
	\$	\$
	36,261	25,449

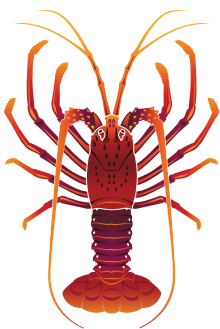
13 Retained Earnings

Retained earnings at the beginning of the financial year

Net Surplus (Net Deficit)

Retained earnings at the end of the financial year

	1,259,315	1,354,977
	140,661	(95,661)
	1,399,976	1,259,316



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