

**Southern
Rocklobster**



Southern Rocklobster Limited
2018 | 2019 ANNUAL REPORT

Chairman's Report

I am pleased to present the Annual Report for the 2018/19 financial year.

This year marks the 15th anniversary since the incorporation of Southern Rocklobster Limited, the peak body servicing the lobster fisheries across our three states. The most recent fisheries and aquaculture statistics (ABARES 2018) once again show that Southern Rock Lobster is the most significant wild caught fishery in each of our key jurisdictions. However, as predicted last year, tonnage and value decreased in South Australia (1,559t; \$120m) and Tasmania (1,083t; \$83m) and Victoria (262t; \$22m) due to minor quota adjustments and a weaker price in our major export markets.

We are indeed proud of this milestone in our history and the support we have been given by fishers across the SE region.

SRL financial statements for the year ending 30 June 2019 show that the organisation remains on a sound financial footing, recording a surplus of \$405,222. The statement of cash flow shows a net increase in cash at the end of the financial year.

Our success is largely attributed to our Industry Partnership Agreement with the Fisheries Research and Development Corporation (FRDC). Our research portfolio provides a vital support to industry and it is pleasing to note further growth in our research portfolio. We thank our various research partners, especially the South Australian Research and Development Institute (SARDI) and the Institute for Marine and Antarctic Studies (IMAS) for their contributions to the program.

In the marketplace the China-Australia free trade agreement (ChAFTA) has brought our two countries closer together. With a number of direct flights to Chinese cities we continue to explore opportunities to develop and grow SRL trade with China and are proud to deliver our product – premium live southern rocklobster – to Chinese consumers.

The digitisation of the Clean Green Program is progressing well and it was pleasing to note interest from other sectors at the recent Trans-Tasman Rock Lobster Congress held in Queenstown. Safety at sea and sustainable fishing practices are the key drivers behind this benchmark responsible fishing program, and full participation by all fishers in our sector remains our primary goal.

On behalf of the Board I would like to thank our member organisations, South Australian Rock Lobster Advisory Council (SARLAC), the Tasmanian Rock Lobster Fishermen's Association (TRLFA) and the Victorian Rock Lobster Association (VRLA) for their support during the year. Our thanks also go to the state representatives on the RD&E Committee and to the FRDC for their ongoing support of SRL. Finally a special word of thanks to our Executive Officer, Tom Cosentino, for his enthusiasm and energy in representing the interests of our members.



Professor Colin Buxton
October 2019

Executive Officer's Report

The 2018-19 financial year has been eventful for Southern Rocklobster Limited. The Board and Executive have overseen a large increase in activity in both the research and industry spaces. My report will provide detail into the major components of this activity.

The Company has enjoyed a full financial year of stability in its Board and Executive which has allowed it to pursue strategic goals with consistency and focus.

Our mission is threefold:

- To engage and lead stakeholders through integration and innovation.
- To plan for and leverage industry opportunities through selected RD&E investments that create economic contribution and demonstrate industry value.
- To promote Australian Southern Rock Lobster products to consumers, customers, trade partners and communities.

The SRL Board and Research, Development & Extension Committee each met on three occasions during the reporting period to progress our strategic agenda. This agenda is supported by 15 research and business development projects which are mentioned in more detail in this report.

The 2019 financial year has seen a significant increase in activity driven by several in-house projects. Annual turnover increased nearly four-fold from \$248,062 in 2018 to \$830,682 in 2019. This is largely attributable to the Clean Green Digitisation and Extension project conducted by Ross Hodge and Justin Phillips, which is now nearing completion. The finished product will be effective and advanced in its field and will no doubt continue to help maintain the Clean Green Program's status as an industry leading safety and responsible fishing framework.

Other projects include hosting a workshop on the consequences of increasing corporatisation in the fishery, research into digital and emerging Chinese markets and bursary opportunities for eight young industry leaders to attend the Trans-Tasman Lobster Congress in Queenstown in August 2019. The Australia–China Agricultural Cooperation Agreement also provided \$12,500 for a delegation of SRL directors to attend the China Fisheries & Seafood Expo in Qingdao in November 2019.

Year in Review

Our industry faced several challenges during the financial year - some old and some new. Amongst these challenges, several opportunities have arisen and it is our intent to capitalise on these to continue to build an environmentally and economically sustainable industry.

Seismic

Consultation with oil and gas exploration companies continues to occupy much of the Executive's focus. While the impacts of seismic airgun testing on lobster populations and recruitment is not fully understood, IMAS research shows that it has physiological impacts on several capacities of the Southern rock lobster.

During the year the following seismic testing and drilling activities were reviewed:

Victoria

- Otway Geophysical and Geotechnical Seabed Assessment - Lattice Energy Ltd
- Otway Deep Marine Seismic Survey - Spectrum Geo Australia Pty Ltd
- VIC/P70 Exploration Drilling - Esso Deepwater Gippsland Pty Ltd
- CarbonNet Offshore Appraisal Well - The Crown in right of the State of Victoria
- CGG Gippsland Marine Seismic Survey - CGG Services (Australia) Pty Ltd
- Otway Basin Exploration Drilling - Cooper Energy (CH) Pty. Ltd.
- Otway Basin Marine Seismic Survey - Schlumberger Australia Pty Ltd

Tasmania

- Dorrigo 3D Marine Seismic Survey - 3D Oil T49P Pty Ltd
- BassGas Offshore - Origin Energy Resources Limited

South Australia

- Stromlo-1 Exploration Drilling Program - Equinor Australia B.V.
- Duntroon Multi-client 3D and 2D Marine Seismic Survey - PGS Australia Pty Ltd
- Nerites Season 2 Multi Client 3D Marine Seismic Survey - TGS-NOPEC Geophysical Company Pty Ltd

We have found the consultation processes to be reasonable, albeit challenging and frustrating at times due to the size and scale of the proponents and their operations. Notably, the volume of the workload and engagement that is required to achieve consistent positive results for the fishing industry is difficult to maintain. In some instances, our industry was able to negotiate more compatible timeframes and smaller testing areas. I would like to thank Nathan Kimber (SARLAC, SEPFA), Jonathan Davey (SIV) and Markus Nolle (SIV, VRLA, SRL) for their intelligent input when it was required. Based on feedback from fishermen and processors, it is clear that our work on oil and gas consultation is greatly appreciated, albeit not public.

Bio-toxin risk mitigation

Mitigation of bio-toxin risk maintains its position as a top priority area of investment. Based on changing climate conditions, and observing other Australian fisheries, it is our belief that our investment and focus now on bio-toxins will pay dividends at a later date in regards to trade market access and public health. These are important pillars of our industry, and we should continue to be vigilant in our bio-toxin agenda.

Property Rights

In December 2018, the McGowan Government (Western Australia) made an unprecedented decision to allocate itself 1385 tonnes of WRL quota in a move to secure supply to the domestic market. The decision brought about questions relating to fundamental property rights in fishing licences and the sovereignty of those rights. As a result, in June 2019 the Western Australian Legislative Council referred an Inquiry into Private Property Rights to the Standing Committee on Public Administration, including Commercial Fishing Rights. Our industry awaits the findings of this inquiry as learnings to bolster the rights of fishermen in the SRL industry.

PIRSA began a consultation process on the operation of the Fisheries Management Act 2007 (SA), under which SRL will make a submission jointly with the State commercial fishing peak body and an independent legal firm to make recommendations that safeguard the property rights in fishing licences.

Our Clean Green Brand

On 1 January 2019, I took on the responsibility of managing Clean Green Program from Ross Hodge who, after a decade with the seafood industry, will be retiring at the completion of the digitisation project. His guidance and ability will be missed by all but his legacy leaves the Program in good stead.

The Clean Green program achieves a great deal relative to the modest investment that it requires to operate. It is widely considered to be amongst the leading Australian and International industry owned and operated vessel safety and responsible fishing programs. Its global status was recognised by the government on Nova Scotia, Canada resulting in an invitation to Ross Hodge and I to attend the Minister's Conference in Halifax in February 2019. Ross Hodge presented on the merits of the Clean Green program at the conference which was well received, particularly by industry stakeholders.

The Clean Green program has 181 current registrants. It is financially self-sustaining and is highly regarded throughout the wider domestic industry, and internationally as a result of the Minister's Conference in Canada.

Clean Green audits were carried out in October and November 2018 across South Australia's South-East and Tasmania. It is expected that the 2019 audits will occur on King Island and in



SRL Executive Officer Tom Cosentino, Nova Scotia Minister for Fisheries & Aquaculture Keith Colwell, Clean Green Digitisation Project Investigator Ross Hodge

Victoria predominantly. The audits are a great opportunity for fishers to have an in-house review of their vessel that is recognised by AMSA as being an equivalent solution.


The Board considers that full adoption of the Clean Green program by the SRL fleet is an important priority for the branding strategy of our product into China. Our ability to maintain safe fishing vessels that adhere to best fishing practice guidelines is linked to the way our product is perceived and the price that it attracts. To promote full adoption, I will continue to visit ports and meetings to present about the benefits of subscribing to the Clean Green program to industry.

Record high prices were achieved at the opening of the South Australian season. The key to the economic sustainability of the industry is to understand why we achieve a premium price, and ultimately, to be responsible for it. This year, the Board of SRL discussed this issue at length. All meeting agendas allowed for strategic discussions specifically on brand, price and analysing our market.

To inform the beginning of the Clean Green branding strategy, the company (through its IPA with the FRDC) co-invested with the Lobster Exporters of New Zealand to obtain a better understanding of the digital Chinese market. As a continuation of this strategy, the Company has recently engaged KPMG to conduct an audit of the industry supply chain to identify strengths, weaknesses and opportunities to maintain our market position in China.

Stock assessments

In February 2019, the Status of Australian Fish Stocks Reports showed that all rock lobster species in Australia were sustainable. This rating is based on the percentage of egg production relative to the stock's unfished level. Environmental sustainability is imperative to our industry and to our social licence to operate. A significant part of this achievement is the willingness of our fishermen to make tough decisions about managing their fishery.

		Southern Rock Lobster <i>Jasus edwardsii</i>
		Stock name Southern Australia
Stock status	Sustainable	
Catch	2.93Kt	

Source: Status of Australian Fish Stocks 2019
© 2019 Fisheries Research & Development Corporation

The Industry Partnership Agreement

The Company's Industry Partnership Agreement with the FRDC remains in effect until 30 June 2020. Over the next twelve months, the Board and the industry will consult with the FRDC as to the operation of a new agreement to facilitate the Company's strategic vision.

During this reporting period, the agreement facilitated the following projects:

- 2016-258: Assessing the efficiency of alternative pot designs for the Southern Rock Lobster (*Jasus edwardsii*) Fishery. - *Lachlan McLeay (SARDI)*
- 2016-235: Improving post-harvest survival of live held Southern Rock Lobster - *Quinn Fitzgibbon (UTAS)*
- 2017-086: Improved risk management of paralytic shellfish toxins in Southern Rock Lobster - *Gustaaf Hallegraef (UTAS)*
- 2017-177: Traceability Systems for Wild Caught Lobster, via Sense-T and Pathways to Market - Phase 2 - *Laurie Bonney (UTAS)*
- 2017-224: Clean Green program, revision, digitisation & extension across the supply chain. *Ross Hodge (SRL)*
- 2018-004: SafeFish - *Natalie Dowsett (SARDI)*
- 2016-208: Waste to profit in Urchin Fisheries - *John Keane (UTAS)*
- 2018-128 Implementing and evaluating the Australian Seafood Trade Agenda - *Jayne Gallagher (Honey & Fox)*
- 2016-410: SRL Industry Partnership Agreement (IPA) - *Thomas Cosentino (SRL)*
- 2017-013: Rebuilding Southern Rock Lobster stocks on the east coast of Tasmania: informing options for management - *Jeremy Lyle (UTAS)*
- 2017-051: Extending biotoxin capability and research in Australia through development of an experimental biotoxin contamination facility to target industry relevant issues. - *Alison Turnbull (SARDI)*
- 2017-082: Ensuring monitoring and management of bycatch in Southern Rock Lobster fisheries is best practice - *Rafael Leon (UTAS)*
- 2018-176: Refining the Southern rock lobster supply chain *Peter Liddell – (KPMG)*
- 2018-205: Corporatisation workshop *Thomas Cosentino (SRL)*
- 2018-207: Trans-Tasman Bursary Program *Thomas Cosentino (SRL)*

Research, Development and Extension (RD&E) Committee

The committee met on three occasions this financial year. From the meetings, it is expected that new research and development concepts in regards to the following areas will take shape:

- National risk assessment for bio-toxins
- Analysing fishing industry predictions and their impact on the SRL fishery (aquaculture/climate change)
- On-vessel practices
- Close kin mark recapture
- Bait comparison
- Reef re-seeding
- Digital rock lobster modelling platform

My door is always open and I would encourage Industry to bring forward research ideas that they expect will benefit the fishery. It is through the fishers on the water and our processors that the research portfolio gains the most relevance..

Communications and Extension

All of the final reports and findings of SRL industry projects are available on the Company's website at <https://www.southernrocklobster.com/research> .

Other industry news is available on the homepage on a rolling basis.

The year ahead

In August 2019, several industry members will attend the Trans-Tasman Rock Lobster Congress in Queenstown. The Company, through its IPA, provided bursaries for 8 emerging leaders of the industry to attend the Congress. These people will no doubt, contribute to the succession plan of the Company and be able to bring a collaborative attitude to the positions that they hold in the future.

Fisheries managers and researchers from Victoria, Tasmania and South Australia will meet in Melbourne in October 2019 to consider management of an increasingly corporatised fishery. I look forward to the outcomes of this meeting and hope they play a role in preserving the culture of our fishing communities from Ceduna to Mallacoota to Bruny Island.

Three members of our Board and I will travel to the China Fisheries and Seafood Expo in Qingdao, China as part of the Australia-China Agricultural Cooperation Agreement. We hope to bring back insights into the new marketplace through which we sell our rock lobster and enable new developments in our research agenda that are cutting edge and able to integrate into the digital age.

The conclusion of the Clean Green Digitisation project will see training sessions for new entrants into the program as well as the unveiling of the mobile application and digital logbook. It is expected that this will occur toward the end of summer in 2020.

I look forward to working again with the Board of Directors and RD&E Committee for another year on the challenges of a highly impressive fishery.

To the fishermen of the SRL fleet - I wish you all the best of luck for the season ahead. You are the beating heart of our coastal communities and your contributions to them are treasured. I pray that the catch comes easily but most of all that you return safely to port.

Industry Partners and Stakeholders

SRL acknowledges the financial support that the Southern Rock Lobster industry receives for research, development and extension activities from the Australian Government through the Fisheries Research & Development Corporation.

SRL expresses its sincere gratitude to PIRSA, the VFA and DPIPWE for supporting the Company's RD&E Committee and thank the representatives they have nominated for the excellent contribution they have made.

Thank you to our primary research providers in SARDI and IMAS who not only carry out the stock assessments and harvest strategies for Southern rock lobster, but make a valuable contribution to our industry's identity as one of the best managed in the country.

SRL would like to thank all the organisations that have communicated their project proposals and submitted applications for consideration for their efforts and cooperation.

With the 2019 financial year being the first full year of my appointment, I would like to thank the Directors of the Company for their dedication and knowledge over the reporting period and for their warm welcome and guidance which have underpinned the Company's achievements.

A handwritten signature in dark ink, appearing to read 'Tom Cosentino', written in a cursive style.

Tom Cosentino
Executive Officer
Southern Rocklobster Limited (SRL)
October 2019

Southern Rocklobster Limited

A.B.N.66 108 116 847

FINANCIAL REPORT

For the Year Ended
30 June 2019

Southern Rocklobster Limited

A.B.N.66 108 116 847

FINANCIAL STATEMENTS

For the Year Ended

30 June 2019

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SOUTHERN ROCKLOBSTER LIMITED

A.B.N. 66 108 116 847

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2019.

Directors

The names of the directors in office at any time during, or since the end of the year are:

Mr John Musgrove Sansom

Mr Wayne Dredge*

Mr Roger John Rowe

Mr John Brady*

Prof Caleb Gardner

Mr Michael Blake

Prof Colin David Buxton

Mr Joel Robert Redman*

Mr Clive Balmond Perryman

Mr Mark Fabris*

Mr Markus Nolle

Directors have been in office since the start of the financial year to the date of this report unless marked with an asterisk.

The surplus of the company for the financial year amounted to \$405,222.

Significant changes in state of affairs

No significant changes in the Company's state of affairs occurred during the financial year.

Principal activities

The principal activities of the company during the financial year were:

- Meeting the milestone reporting requirements of current projects as detailed in the year in review.
- Focussing on the key areas of the strategic plan - *SRL Strategy 2022*.
- Clean Green program.

Short-term and Long-term Objectives

The Company's short term and long-term objectives are to:

- Assist the Southern Rock Lobster Fisheries in South Australia, Victoria and Tasmania to value-add and market Southern Rock Lobster in such a way that members' practices and products are recognised as the best in the world;
- Maximise economic and social rewards for members, communities and Australia;
- Cooperatively identify and achieve objectives of mutual benefit to its members.

The goals of the company, as stated in the *SRL Strategy 2022*, are:

- Secure access to sustainable resources, harvested efficiently.
- Valued by the community.
- Premium market position.
- An engaged and influential SRL.
- Professional people and strong governance.

SOUTHERN ROCKLOBSTER LIMITED

A.B.N. 66 108 116 847

DIRECTORS' REPORT

Strategy

To achieve these objectives the Company has adopted the 16 strategies listed in the *SRL Strategy 2022* document.

Key Performance Measures

SRL operates in accordance with an Annual Operating Plan which includes a range of performance measures.

Events Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental Regulation

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

SOUTHERN ROCKLOBSTER LIMITED

A.B.N. 66 108 116 847

DIRECTORS' REPORT

Information on directors

Mr John Musgrove Sansom

Experience

Mr John Sansom is a lobster fisherman with over 35 year experience based in Hobart. He is an owner operator. He is also the President of the Tasmanian Rock Lobster Fisherman's Association.

Mr Roger John Rowe

Experience

Mr Roger Rowe's family company operates two rock lobster licenses/vessels out of Port Lincoln in the South Australian Northern Zone. Through family agriculture company interests, Mr Rowe also has 35 years of experience in irrigation intensive farming and has served on a number of local Boards of Grower and Irrigation industries including the Grape Industry and Phylloxera Board Central Area Committee. He has also served as Chairman, Vice Chairman and Public Officer of various grower organisations and incorporated bodies.

Prof Caleb Gardner

Qualifications

Prof Gardner holds a Doctor of Philosophy, Applied Science and further degrees and a Masters Sciences and Economics and has published numerous marine science papers, particularly in the field of southern rock lobster.

Experience

Prof Caleb Gardner is the Center Head for Fisheries and Aquaculture at the Institute for Marine and Antarctic Studies. He is also the Director of the Sustainable Marine Research Collaboration Agreement between the University of Tasmania and the Tasmanian Department of Primary Industries, Parks, Water and the Environment.

Prof Colin David Buxton

Qualifications

Professor Buxton has a Masters (*cum laude*) and PhD degree in Marine Science, and is a fellow of the Australian Institute of Company Directors (AICD).

Experience

Professor Buxton is currently a principal consultant of Colin Buxton and Associates and Adjunct Professor at the Institute of Marine Antarctic Studies (IMAS). He was also Director and Professor at IMAS, FAC and UTAS and has over thirty-year experience at a senior leadership level responsible for the administration of large and diverse R&D programs.

Professor Buxton has held several Board positions and is currently the Chair of the National Fisheries Advisory Council, Deputy Chair of the FRDC and a member of the EPA Tasmania Board. He is the author of over 100 papers published in peer reviewed journals and peer reviewed conference proceedings.

Mr Clive Balmond Perryman

Experience

Mr Clive Perryman is an active quota owner and vessel operator in the Tasmanian Rock Lobster Fishery. He has been a member of the TRLFA since 1997, joining the Board in 2011 and then taking on the role of President in 2014. Clive is also a Graduate of the National Seafood Leadership Program.

Mr Markus Nolle

Qualifications

Mr Markus Nolle has a science degree with a double major in computer science.

Experience

After 20 years in business and IT services including working in the United Kingdom, Markus moved to coastal Victoria and in 2007 purchased a commercial rock lobster vessel, licence and quota in the state's Western Zone fishery. He is still an active fisher and is also the President of the Victorian Rock Lobster Association, Director and Deputy Chair of Seafood Industry Victoria and actively participates on many fishery committees.

Joel Robert Redman

Qualifications

MED II
Master V
Industry Leadership Training Qualifications

Experience

Mr Joel Redman is a licence holder and quota owner in the SA Southern Zone Southern Rock Lobster Fishery. He is also a vessel owner and operator. Joel has been involved in SA with South Eastern Professional Fishermans Associations (SEPFA) as President and has also served as a Director on the SA Rock Lobster Advisory Council Inc. (SARLAC). Joel has served on both Fishery Management Committees (FMCs) and the now Rock Lobster Fishery Management Advisory Committee. Joel is a Director of the family fishing business, Redman Fisheries, and also Fiordland Lobster Company in New Zealand.

Mr Michael Blake

Experience

Michael is the Tasmanian Manager of the South Australian Lobster Company. He has previous experience as a lobster fisher and is currently based in Hobart. Michael is also the executive officer of the Australian Southern Rock Lobster Exporters Association (ARLEA) and provides the company with valuable insights into the supply chain and logistics of SRL export.

Mr John Brady

Experience

John began his corporate career in Ireland in 1980 as a marketing coordinator in Ireland with KOSS International. Since then, John worked in Saudi Arabia, the UAE, Switzerland and Britain before moving to Australia with PWC as a Director. John has a wealth of experience managing large multinational companies, particularly in the primary industries and food. John is currently the CEO of the Ballande Groupe Australasia, two of which focus on the processing of premium seafood into China, Hong Kong and Taiwan.

Mr Mark Fabris

Experience

Mark Fabris is a southern rock lobster fisher based in Southend in South Australia's South-East. He skippers his own vessel and is also a board member of the South Australian Rock Lobster Advisory Council and the Limestone Coast Fishermen's Co-operative.

Mr Wayne Dredge

Experience

Wayne is a commercial fisher from Lakes Entrance in Victoria. In 2014 he received a Nuffield Scholarship, supported by the Fisheries Research and Development Corporation and Woolworths. Wayne researched various methods of fishing for species such as Gummy Shark and assessed the environmental outcomes of the techniques on fish stocks and broader environment. He also has experience fishing in the Commonwealth Southern Shark Fishery and the Tasmanian and Victorian Southern Rock Lobster Fisheries.

As owner/operator of the "Opal Star", Wayne spends up to eight months a year at sea, with annual harvest averages of around 15 tonne of Southern Rock Lobster and 25 tonne of primarily Gummy Shark. Other catch includes Octopus, some scale-fish and crabs.

Meetings of Directors

During the financial year, three meetings of directors (including committees of directors) were held.

Attendance by each director during the year was:

	Number Eligible to Attend	Number Attended
John Musgrove Sansom	3	3
Roger John Rowe	3	3
Caleb Gardner	3	2
Colin David Buxton	3	3
Clive Balmond Perryman	3	2
Markus Nolle	3	2
Joel Robert Redman	1	1
Mark Fabris	2	1
John Brady	3	2
Wayne Dredge	3	1
Michael Blake	3	2

The Company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations for the entity. At 30/06/2019, the total amount that members of the company are liable to contribute if the company is wound up is \$40 (2018: \$30).

Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001*, is set out in on the following page.

Signed in accordance with a resolution of the Board of Directors:

Director:



Prof Colin David Buxton

Dated this 14th day of OCTOBER 2019

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

To the Directors of Southern Rocklobster Limited:

As lead auditor for the audit of Southern Rocklobster Limited for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been:

- + no contraventions of the independence requirements of the Corporations Act 2001 in relation to the audit; and
- + no contraventions of any applicable code of professional conduct in relation to the audit.



ACCRU⁺ HARRIS ORCHARD



**LUKE BOLLMEYER
DIRECTOR**

Dulwich, 4 October 2019

Southern Rocklobster Limited

A.B.N.66 108 116 847

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2019

		2019	2018
	Note	\$	\$
Revenue	3	830,682	248,063
Accountancy Expenses		(7,160)	(8,000)
Auditor's Remuneration	4	(4,800)	(5,000)
Employee benefits expenses		(2,850)	(3,325)
Other Expenses		(410,650)	(207,052)
Surplus (Deficit) for the year	5	405,222	24,686
Total comprehensive surplus/(deficit) for the year		405,222	24,686
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss			
Total comprehensive surplus/(deficit) attributable to members of the entity.		405,222	24,686

Southern Rocklobster Limited

A.B.N.66 108 116 847

Statement of Financial Position 30 June 2019

	Not e	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	472,278	246,475
Trade and other receivables	7	27,500	-
Other assets	8	10,528	7,082
TOTAL CURRENT ASSETS		510,306	253,557
NON-CURRENT ASSETS			
Software Development		148,579	
Accumulated Depreciation – Software Development		(2,931)	
TOTAL ASSETS		655,953	253,557
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	24,516	27,341
TOTAL CURRENT LIABILITIES		24,516	27,341
NON-CURRENT LIABILITIES			
TOTAL LIABILITIES		24,516	27,341
NET ASSETS		631,437	226,216
EQUITY			
Current Year Earnings	10	405,222	24,686
Retained Earnings		226,215	201,530
TOTAL EQUITY		631,437	226,216

Southern Rocklobster Limited

A.B.N.66 108 116 847

**Statement of Changes in Equity
For the Year Ended 30 June 2019**

	General Funds	Total
Note	\$	\$
Balance at 1 July 2017	201,530	201,530
Net Surplus	24,686	24,686
Balance at 30 June 2018	226,216	226,216
Net Surplus	405,222	405,222
Balance at 30 June 2019	631,438	631,438

Southern Rocklobster Limited

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Statement of Cash Flows For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers		73,971	90,382
Payments to suppliers and employees		(511,165)	(233,729)
Interest Received		1,536	1,127
Receipts from government grants		810,590	183,208
Net cash provided by operating activities		374,932	40,988
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payment for property, plant and equipment		(148,579)	-
Net Cash flows from Investing Activities		(148,579)	-
CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		245,924	205,487
Cash Flow Adjustments			-
Cash and cash equivalents at end of financial year	6	472,277	246,475
Net Change in cash for period	13	226,353	40,988

SOUTHERN ROCKLOBSTER LIMITED
A.B.N. 66 108 116 847

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019

The financial reports cover Southern Rocklobster Limited as an individual entity. Southern Rocklobster Limited is a Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Southern Rocklobster Limited is Australian dollars.

The financial report was authorised for issue by the Directors on *(To be advised)*

Comparatives are consistent with prior years, unless otherwise stated.

1. Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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.

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

The Company has adopted AASB 9 Financial Instruments for the first time in the current year with a date of initial adoption of 1 July 2018.

2. Summary of Significant Accounting Policies

Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div. 50 of the Income Tax Assessment Act 1997.

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.

SOUTHERN ROCKLOBSTER LIMITED
A.B.N. 66 108 116 847

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019

Accounts Receivable and Other Receivables

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from the Fisheries Research & Development Corporation. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

At the end of each reporting period, the carrying amount of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in statement of comprehensive income.

Cash and Cash Equivalents

Cash and cash equivalents comprise of 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 measured at the fair value of the consideration received or receivable after taking into consideration any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Non-reciprocal grant revenue is recognised in the statement of comprehensive income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Interest revenue is recognised using the effective interest rate method which for floating rate financial assets is the rate inherent in the instrument.

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

SOUTHERN ROCKLOBSTER LIMITED
A.B.N. 66 108 116 847

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019

Accounts and Other Payables

Accounts payable represent the liabilities at the end of the reporting period for good and services received by the company that remain unpaid.

Accounts payable are recognised at their transactional price. Accounts payables are obligations on the basis of normal credit terms.

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 payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Comparative Amounts

Comparative 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.

SOUTHERN ROCKLOBSTER LIMITED
A.B.N. 66 108 116 847

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
3. Revenue and Other Income		
Revenue		
Other revenue		
Interest received	1,536	1,127
Other revenue	829,146	246,936
Total Revenue	830,682	248,063
Interest revenue from:		
Interest received	1,536	1,127
Total interest revenue on financial assets	1,536	1,127
Other revenue from:		
Clean Green Membership	68,246	63,728
Consulting Income	2,000	-
FRDC 2016/410	153,900	183,208
FRDC 2017/224	558,000	-
FRDC 2018/123	7,000	-
FRDC 0218/205	18,000	-
FRDC 2018/207	22,000	-
Total other revenue	829,146	246,936
4. Auditors' Remuneration		
Auditors Remuneration	4,800	5,000
5. Surplus for the Year		
Expenses		
Employee benefits expense		
Contributions to superannuation funds	2,850	3,325

SOUTHERN ROCKLOBSTER LIMITED
A.B.N. 66 108 116 847

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019

Significant Revenue and Other Income and Expenses:

The following significant revenue and expense items are relevant in explaining the financial performance:

Accounting Fees	(7,160)	(8,000)
Accounts – Bookkeeping	-	(2,451)
Advertising	-	(330)
Audit	(4,800)	(5,000)
Bank Charges	(57)	(270)
Board Travel Expenses	(8,207)	(1,448)
Chairman	(30,000)	(35,000)
Clean Green – Expenses	(151,264)	(57,149)
Consultants	(2,000)	-
Events	(91)	-
Filing Fees	(435)	-
Insurance	(3,958)	(1,859)
Market Development Consultants	(6,553)	-
Meeting Expenses	(5,556)	(1,036)
Memberships	(5,000)	-
Office, Admin Logistic Support	(4,760)	-
Photocopying & Stationery	-	(885)
Postage	(1,886)	(625)
Principle Investigator	(75,000)	(72,083)
Printing	(287)	(348)
Storage	(1,764)	(1,626)
Subscriptions	(205)	-
Sundry Expenses	-	(4,056)
Super Expenses	(2,850)	(3,325)
Telephone, Fax & ADSL	-	(122)
Travelling Expenses	(28,820)	(23,253)
Video Production	(80,352)	-
Website	(1,525)	(4,510)
Total Operating Expenses	(422,530)	(223,377)

SOUTHERN ROCKLOBSTER LIMITED
A.B.N. 66 108 116 847

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019

6. Cash and Cash Equivalents

Westpac Cheque Account: 17-7766	5,123	10,806
Westpac Cash Reserve Account: 29-6971	467,155	235,619
Westpac Cheque Account: 30-5419	-	50
	472,278	246,475

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

Cash and cash equivalents	472,277	246,475
	472,277	246,475

7 Trade and Other Receivables

CURRENT

Trade receivables	27,500	-
GST receivable	-	-
Total current trade and other receivables	27,500	-

8 Other Assets

CURRENT

Prepayments	10,528	7,082
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9 Trade and Other Payables

CURRENT

Membership Fees Received in Advanced	375	-
VISA	-	500
Trade Creditors	16,353	24,248
GST payable	7,788	2,593
	24,516	27,341

SOUTHERN ROCKLOBSTER LIMITED
A.B.N. 66 108 116 847

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019

10 Total Funds

(a) General Funds at the beginning of the financial year	226,216	201,530
Surplus (Deficit) attributable to members of the company	405,222	24,686
General Funds at the end of the financial year	712,006	226,216

(b) General Funds

The general funds represent the funds of the company that are not designated for particular purposes

12 Economic Dependence

Southern Rocklobster Limited is dependent on the Fisheries Research & Development Corporation for the majority of its revenue to operate the business. At the date of this report the Board of Directors has no reason to believe that the Fisheries Research & Development Corporation will not continue to support Southern Rocklobster Limited.

13 Cash Flow Information

Reconciliation of Cash Flow from Operations with Surplus after Income Tax

Surplus (Deficit) after income tax	405,222	24,686
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
(Increase)/decrease in receivables	(27,500)	6,430
(Increase)/decrease in other assets	-	-
Increase/(decrease) in payables	(2,825)	10,543
Increase/(decrease) in funds received in advance	200	-
(Increase)/decrease in prepayments	(3,446)	(671)
	226,353	40,988

SOUTHERN ROCKLOBSTER LIMITED

A.B.N. 66 108 116 847

DIRECTORS' REPORT

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 1 to 20, for the year ended 30 June 2019 are in accordance with the Corporations Act 2001 and:
 - a) comply with Accounting Standards – reduced Disclosure Requirements; and
 - b) give a true and fair view of the financial position and performance of the company.
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.

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

Director:


Prof Colin David Buxton

Dated this 4th day of OCTOBER 2019

SOUTHERN ROCKLOBSTER LIMITED
A.B.N. 66 108 116 847

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019

14 Members Guarantee

The entity is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2019, the number of members was three.

15 Key Management Personnel Remuneration

The totals of remuneration paid to the key management personnel of Southern Rocklobster Limited during the year are as follows:

The total remuneration paid to the chairman the Company is \$ 30,000 (2018: \$35,000)

16 Company Details

The registered office of the company is:

Southern Rocklobster Limited
Level 9, 81 Flinders Street
ADELAIDE SA 5000

The principal place of business is:

Southern Rocklobster Limited
Level 9, 81 Flinders Street

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SOUTHERN ROCKLOBSTER LIMITED**

Opinion

We have audited the financial report of Southern Rocklobster Limited (the Company), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Southern Rocklobster Limited is in accordance with the *Corporations Act 2001*, including:

- + giving a true and fair view of the company's financial position as at 30 June 2019 and of its performance for the year then ended; and
- + complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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ACCRU⁺ HARRIS ORCHARD

Luke Bollmeyer

**LUKE BOLLMEYER
DIRECTOR**

Dulwich, 8 October 2019