

Chairman's summary

54th SRL Board Meeting
14 March 2019

New Board member welcomed

Mark Fabris was welcomed as the SARLAC nominated representative, replacing Joel Redman.

Sector Updates

SARLAC (North)

Roger Rowe provided an update on the Northern Zone and the following points were noted:

- A minimum of 10% improvement in catch rates was experienced.
- The improvement was consistent throughout the NZ fishery.
- There were very healthy signs with regard to undersize return to water numbers, especially fish ranging between 80mm and 104mm carapace size.
- There was a slow start to the fishing season as expected in early November, but it became steady from December until March. The catch rates have been approximately 0.9 kg/potlift.
- The season brought the highest landed beach prices on record. \$88 to \$90/kg.

VRLA (East & West)

Markus Nolle provided an update on Victoria and the following points were noted:

- Currently engaging in discussions with Industry in setting TACCs for the 2019/20 season.
- While CPUEs are improving in the West, the VFA recommendation will be to hold the TACC at 245t as pre-recruit indices are not strong.
- Annualised CPUE reductions in the East will most likely take the TACC down for the coming season. 31t has been proposed by the VFA.
- There will be a series of Port Visits organised to communicate these recommendations and get feedback from Industry.
- The VFA has commenced a review of the Victorian Fisheries Regulations that have been rolled over for another year, but will sunset in 2020. It is expected that some streamlining of RL regulations will be included. This will also be discussed at the upcoming port visits.

TRLFA

John Sansom provided an update on Tasmania and the following points were noted:

- Following recent elections, the TRLFA has three new Board members.
- Currently involved in process of amending the Tas Management Plan to increase efficiencies and increase egg production.
- Catch rates increased Statewide (standardised and Raw) from 16/17 – 1.08 kg/pot lift to 1.22kg/pot lift in 17/18.
- Vessel numbers down to 180.
- All Stock Assessment areas have experienced an increase in catch rates of 40% or more relative to 5 years ago.
- The ongoing increases in CPUE over the last 2-3 years have resulted in a higher biomass estimate from the stock assessment model and the probability of meeting all reference points (Egg production; Virgin biomass limit and virgin biomass target) has increased to 100%.

ARLEA

Michael Blake provided an update on the processing sector and the following points were noted:

- Most exporters have had to register as a known consignor to be ready for the new changes that came into effect for airline freight on March 1st 2019. Although very timely to implement the department has been very accommodation getting our industry complaint.
- The Export market has been very flat since the CNY but has recently lifted with more lucky days China and the lack of supply coming from AUS and NZ. We expect this lift to continue up until Early April when it will drop off due to Tomb Sweeping event 04/04/19.
- Our sector is continuing to investigate the cold chain and finding inadequacies everywhere. We look forward to the proposed Cold Chain FRDC funded project getting under way.

Marketing and Branding

Much of the meeting was devoted to a strategic discussion of marketing and branding SRL product in China. The Board noted individual company efforts in this respect and focussed its discussion on the use of Clean Green (CG) as a whole of industry consumer facing branding tool. Several points were noted:

- CG has its origins in being an alternative to other third party accreditation schemes such as MSC, but has moved away from being an environmental sustainability certification towards being a vessel safety standard.
- Clean Green's value proposition is in its bottom up approach - it is digital, it provides AMSA equivalency for SMS, it provides a best practice guide for handling and vessel safety and it offers Australian lobsters a distinguishing feature in the market. Its value will be emphasised by including the processing sector - it will provide a base from which to reduce lobster mortality during transport.

- CG is yet to be adopted by the entire harvesting sector, and standardisation is required to make a genuine push into using it as a brand.
- Membership incentives are needed to increase participation within the catching sector.
- The proposed cold chain project was needed to address issues in logistics and handling to ensure that the product is presented in its best possible condition. .
- The CG Digitisation and Extension project will enable the Standard to reach from the vessel through to the point of arrival of product at a freight forwarder.

John Brady led a discussion on the SRL supply chain where it was noted that Industry did not have adequate control over many of the steps in the supply chain, especially in China. This lack of control presented a risk to the use of CG as a branding tool.

The Board noted that it needed to ascertain where it could influence the problems encountered in the supply chain, support current research proposals to address these and identify further needs.

The Board resolved to use the Clean Green Standard and associated logo and brand as being the gold standard that underpins marketing and branding in China.

RD&E Committee

The Board considered several new project proposals and the recommendations received from the RD&E committee. The following projects were supported:

Refine the Southern Rock Lobster Cold Chain - FRDC 2018-176

This proposal stemmed from the FRDC open call which resulted from conversations between the SRL executive and the ARLEA representative directors.

The Board supported the project subject to the following conditions:

- A processing sector representative be included in the project team as a co-investigator.
- ARLEA and SRL have input into the proposed workshop contained in the project.
- The intellectual property contained in the report remains the property of Southern Rocklobster Limited without any conditions or restrictions.
- Clarity on the proposal to coordinate with the Project 2018-004 leaders to ensure the work complements this project. SRL suggests that the Seafood Trade Advisory group is a more appropriate organisation to coordinate with.

Factors contributing to the positive recommendation were KPMG's profile as a consulting industry leader and influencer, the timeframe for completion, the cost relative to the other proposals and the focus on the elements contained in SRL's original open call document.

Improving Southern Rock Lobster on-vessel handling practices, data collection and industry tools for lobster quality assessment - FRDC 2019-028

The Board supported the project subject to the proponents addressing the following:

- Mitigating the risk that the project does not receive a scientific quota allocation in SA
- Consideration of the potential use of coffs.
- The reason that the five key priorities were not explicitly addressed in the project., can it be justified or can the project be expanded to address all of the priorities.
- The project team bringing a South Australian researcher or industry co-investigator onto the project team to facilitate the on-vessel activities.
- Technical concern around the way stock density was assessed.
- The budget for the project is too high.

General

Nova Scotia Minister's Conference

Ross Hodge and Tom Cosentino were invited to attend this conference as the Clean Green program had attracted the attention of fisheries safety organisations in Nova Scotia. However, the Fisheries Safety Association of Nova Scotia advised that a rollout of the Clean Green app across 7,000 fishers would not be feasible in the short term. Follow up discussions will be had with the FSA and the Minister's office.

Drilling in the Great Australian Bight

Equinor's consultation process regarding drilling in the Bight was discussed by the Board and the following was noted:

- It would be important for SRL to have a voice in the consultation process.
- The SA SBT Association has sent a lengthy submission to the last stage of consultation on the Equinor Environmental Plan.
- The Company's position is to highlight the risks of drilling in the Bight, accepting that our industry is not anti-fossil fuel.

Trans-Tasman Lobster Congress 2019

It was noted that the Congress will be held on 11-13 August in Queenstown, NZ and that the majority of the Board planned to attend.

The Board would make several bursaries available to young leaders from each of Tasmania, Victoria and South Australia.

World Fisheries Congress 2020

- The Congress will be held in Adelaide on 11 - 15 October 2020.
- The Board considered having a stall at the Congress and noted that it is after the conclusion of the current IPA. Participation in the Congress should be considered as part of a new IPA.

- It is an appropriate forum to showcase the Clean Green standard to international fisheries authorities.

SARLAC Peak Body Workshop

- The Board discussed the recent workshop that was held in Adelaide to review the roles of the various South Australian peak bodies. Colin Buxton and Tom Cosentino attended the workshop on behalf of SRL.
- Representatives from SARLAC, Wildcatch Fisheries SA, SANZRLFA, SEPFA and SIA also attended the meeting.
- The workshop identified that each peak body achieved different functions.
- The workshop participants constructed a helpful tool in the form of a matrix that highlighted each organisation's primary, secondary and tertiary activities.
- Documents resulting from the meeting will be circulated once the SARLAC Board has considered them at their next meeting.

Professor Colin Buxton - SRL Chairman