

Final

**Development of an Industry Partnership Agreement for the Southern
Rocklobster Industry**

Mr Roger Edwards



Project No 2009/223

Development of an Industry Partnership Agreement for the Southern Rocklobster Industry

Project No 2009/223

Principal Investigator – Mr Roger Edwards

December 2010

Copyright Fisheries Research and Development Corporation and Southern Rocklobster Limited 2010.

This work is copyright. Except as permitted under the Copyright Act 1968 (Cth), no part of this publication may be reproduced by any process, electronic or otherwise, without the specific written permission of the copyright owners. Information may not be stored electronically in any form whatsoever without such permission.

Disclaimer

The authors do not warrant that the information in this document is free from errors or omissions. The authors do not accept any form of liability, be it contractual, tortious, or otherwise, for the contents of this document or for any consequences arising from its use or any reliance placed upon it. The information, opinions and advice contained in this document may not relate, or be relevant, to a readers particular circumstances. Opinions expressed by the authors are the individual opinions expressed by those persons and are not necessarily those of the publisher, research provider or the FRDC.

The Fisheries Research and Development Corporation plans, invests in and manages fisheries research and development throughout Australia. It is a statutory authority within the portfolio of the federal Minister for Agriculture, Fisheries and Forestry, jointly funded by the Australian Government and the fishing industry.

Contents

Non – Technical Summary.....	1
Acknowledgements.....	3
Background.....	4
Need	5
Objectives	5
Methods	6
Results and Discussion.....	8
Further Development	8
Benefits and adoption	9
Planned Outcomes	9
Conclusion	10
References	10
Appendix 1 – Intellectual Property	11
Appendix 2 – Staff.....	12
Appendix 2 SRL Draft Annual Operating Plan & Partnership Agreement	13

Non – Technical Summary

2009/223 Development of an Industry Partnership Agreement for the Southern Rocklobster Industry

Principal Investigator: Mr Justin Phillips
Address: PO Box 3450 NORWOOD SA 5067
 Telephone: 0400281904 Fax: 08 8272 7767
Email: justin@jp-consulting.com.au

Objectives:

1. Implement an industry partnership agreement between Southern Rocklobster Limited, key stakeholders and the FRDC by July 1st 2010.

Outcomes Achieved to date

The project has achieved in principle support from Southern Rocklobster Limited (SRL) industry State management agencies and research providers for a draft Partnership Agreement (PA).

The PA:

1. Consolidates activity in relation to all planning and funding of RD&E activity within the southern rocklobster industry for the first time.
2. Establishes operating procedures and structures for strategic planning, priority setting and project development for investment in and management of research, development and extension (RD&E).
3. Sets roles and responsibilities of industry, State managers and FRDC in the process.
4. Establishes agreements about industry levy and above-levy funding contributions and FRDC matching commitments; and
5. Sets reporting arrangements.

The funds under management through the Partnership Agreement are estimated at \$1.4m per annum including a minimum of \$240,000 per annum above 0.25% levy cash from industry for the next 5 years.

Need

In 2005 a Memorandum of Understanding (MOU) between Southern Rocklobster Limited (SRL) and the FRDC was established to guide funding and R&D management processes. This MOU ended in June 2010 and in the lead up to its conclusion, development of an Industry Partnership (IP) agreement between the FRDC and SRL to supercede the MOU was required, in order that existing programs and ongoing processes for planning future research, development and extension (RD&E) investments, were maintained.

It was proposed that whole-of-species RD&E including research in support of sustainability be included in an expanded agreement. This was excluded from the original MOU.

Expanding the scope of RD&E planning under a new Industry Partnership Agreement required additional resources to consult with additional stakeholder groups including State management agencies and research providers. Additional communication was also required with industry to ensure high levels of understanding about the new arrangement, in particular the industry investment levels, leveraging on offer and proposed decision making processes.

Results

The project has achieved in principle support from industry, State management agencies and research providers for a draft Partnership Agreement (PA).

The PA will consolidate activity in relation to all planning and funding of RD&E activity within the southern rocklobster industry for the first time and establish operating procedures and structures for strategic planning, priority setting and project development for investment in and management of research, development and extension (RD&E)

As part of the project the first SRL Annual Operating Plan (AOP) was developed which details the research, development and extension programs, projects and budgets, to guide activity and investment of the Southern Rocklobster sector for 2010-11

Commitment by industry was made for additional cash investment of a minimum of \$240,000 per annum above the 0.25% levy for a further 5 years as part of this new agreement.

Implementation of the PA is scheduled for early 2011 following resolution about stock assessment service delivery.

Acknowledgements

Southern Rocklobster Limited (SRL) wishes to acknowledge the contribution to the project by the following individuals and their organisations. Without their commitment and patience, the project objectives would not have been achieved.

- Mr Martin Smallridge – Executive Director Fisheries Primary Industries and Resources SA
- Mr Robert Gott – Director Marine Resources Department of Primary Industries Parks, Water and Environment Tasmania
- Mr Anthony Hurst – Executive Director Fisheries Victoria
- Associate Professor Rob Thomas and Dr Tim Ward SA Research and Development Institute
- Professor Colin Buxton - Director - Tasmanian Aquaculture & Fisheries Institute (TAFI)
- Mr Jon Presser – Research Director Fisheries Victoria
- Dr Patrick Hone and Mr John Wilson – Fisheries Research and Development Corporation
- SRL Board members

Background

In September 2001, the FRDC funded Project 2001/072 "IMPROVED MANAGEMENT OF SOUTHERN ROCK LOBSTER RESEARCH AND DEVELOPMENT". The project undertaken by Dr Gary Morgan concluded the following:

"It is clear that, given the state of development of the southern rock lobster industry, a subprogram structure for R&D can better facilitate the support of a national industry development strategy while not detracting from responsibility for, or research supporting, stock sustainability issues" (Morgan 2001).

In response Southern Rocklobster Limited (SRL) was created in 2004 by the State rocklobster industry bodies to implement the recommendations of the report. SRL now leads and assists in the development of the Southern Rocklobster industry including contracting to provide research, development and extension on behalf of its industry members.

In 2005 a Memorandum of Understanding (MOU) between SRL and FRDC was established to guide funding and R&D management processes. Establishing the MOU brought forward new industry investment in R&D above the 0.25% GVP contribution to the FRDC. In addition during the MOU, the base annual investment by the FRDC and industry has been further leveraged through, for example the Seafood CRC, FarmBis, DAFF and State Departments.

Under the MOU SRL has established the "Australian Southern Rocklobster Industry Strategic Plan 2006-2011 and has undertaken, planned and/or invested in projects in the following areas:

1. R&D planning and project development, procurement and management.
2. Industry extension program – covering generic industry, stakeholder and public communication.
3. Organisation management including independent chair, specialist board expertise, executive resources, reporting and governance processes.
4. Project specific extension.
5. Market development.
6. Future harvest – project development.
7. Electronic data recording and management.
8. Clean Green environmental management program.

SRL's capacity to undertake these long term R&D activities has been underpinned by the certainty created through establishing a long term funding stream under the Memorandum of Understanding (MOU).

The MOU agreement ended in June 2010 and in the lead up to its conclusion, development of an Industry Partnership (IP) agreement between the FRDC and SRL to supercede the MOU was required in order that existing programs and planning for future research, development and extension (R, D & E) investments were maintained.

The MOU proved a solid starting point for a more strategic approach to R&D and it was proposed that the next phase involve a more comprehensive approach, with fisheries sustainability included and the State Departments partnering in the process for the first time.

Need

Southern Rocklobster Limited organises the industry nationally to maintain a Strategic Plan, undertake R&D planning and management and deliver generic industry extension for the Southern Rocklobster industry.

Capacity to effectively undertake these functions is contingent upon certainty and transparency about funding arrangements and R&D investment decision processes.

An Industry Partnership agreement between the FRDC and SRL was needed to replace the previous MOU and provide ongoing guidance to research, development and extension (RD&E) investments and management across the Southern Rocklobster industry.

Such an agreement was also essential to maintain existing levels of industry confidence and investment in FRDC and the Seafood Cooperative Research Centre.

The nature of cooperation across the industry and States had also been evolving and a logical next step was inclusion of whole-of-species Fisheries Management R, D & E within the strategic planning framework.

This proposed expanded scope of RD&E activities required considerable development of appropriate structures, processes and resourcing involving additional stakeholder groups. In particular securing involvement of State Fisheries management agencies in the agreement was a critical success factor.

Communication was also required with industry to ensure high levels of support for the new arrangement and adequate understanding of the funding and leverage models proposed.

Objectives

1. Implement an industry partnership agreement between Southern Rocklobster Limited, key stakeholders and the FRDC by July 1st 2010.

Methods

Developing the Partnership Agreement involved 4 phases as follows:

1. Research
2. Drafting
3. Consultation
4. Finalisation

Research

The purpose of the research phase was to gather information about the strengths and weaknesses of the original MOU as well as information about alternative structures and processes that would ensure effective RD&E planning given the proposed broader scope of the agreement.

Discussions were held with a range of stakeholders including industry, State managers, research providers and the FRDC. Information about the original MOU, the 2001/072 project report and other partnership agreements was also assessed. The findings from the research phase included the following:

1. Given the intended scope of the Partnership Agreement State managers would need to be directly and formally involved.
2. To ensure high level outcomes additional expertise in RD&E planning and management processes would need to be involved.
3. To ensure confidence about research priorities in the new area of sustainability, additional expertise would be required.
4. To ensure high levels of confidence about the appropriateness of funding allocations, management of the process would need to be independent of industry and research providers.
5. To ensure transparency of RD&E investment decisions agreement was needed about the planning and priority and project development and approvals processes.
6. Maintaining relevance to national initiatives required linkage to the national Fisheries and Aquaculture RD&E Strategic Plan (2010).
7. Industry representation issues in Victoria would need to be addressed by SRL.

Drafting

Drawing on the research findings, a Partnership Agreement was drafted between SRL, FRDC, State Managers and a proposed research partner to “house” and administer the RD&E project portfolio. The PA included the following key features:

1. Recitals – covered background to the agreement, background and roles of the partners, the intent of the agreement and key overarching commitments to do with funding and management of the process.
2. Individual Partner responsibilities – covered partner commitment to ensuring sustainability and investing in RD&E in support of the national Fisheries and Aquaculture RD&E Strategy (2010).
3. Shared Responsibilities – covered ensuring expertise in RD&E planning, best practice and value for money in project delivery and transparency of decision making.
4. Agreements – covered proposed SRL Board structure including a Director appointed by each State management agency, planning, priority and project

- development processes and key outputs. This section also includes respective partner agreements in areas such as funding, structure, process and reporting.
5. Acknowledgements – detailed caveats applying to respective funding sources and commitments.
 6. Term – set a 5 year term.
 7. Activity Matrix – covered detailed activity timelines by partner and stakeholder.

Consultation

The draft PA was circulated to State managers, research providers, and industry body representatives. Feedback with suggested amendments and requirements was provided via email, face to face meetings and/or telephone discussions. As part of the process expressions of interest for a research partner to “house” the portfolio were called for.

Several fundamental changes to the PA occurred through the consultation process. These were:

1. The concept of the State managers appointing a SRL Board Director was abandoned. This was replaced with a RD&E committee structure comprising representatives from the States and SRL, with the SRL Director with RD&E expertise to chair the committee. It was proposed that this committee would be responsible for the Strategic planning process and development of priorities and projects.
2. The concept of a research partner “housing” and administering the portfolio of RD&E projects was removed from the agreement.
3. The scope of the RD&E was adjusted to align exactly with the national Fisheries and Aquaculture RD&E Strategy (2010).

State lobster industry bodies were briefed about the proposed agreement including the Board structure, funding, leveraging and decision making. Industry commitments for additional funding above the 0.25% levy were secured through this process.

Finally, the industry representation issues in Victoria were dealt with through an agreement to appoint a Seafood Industry Victoria nomination to the SRL Board as one of the two existing Victorian Board positions.

Finalisation

The key adjustments were built into a revised Agreement which involved approximately 6 iterations over 10 months. In principle agreement was reached between SRL and the State managers for the draft as shown in Appendix 3.

It should be noted that the Victorian agreement was subject to resolution of a nominated research provider in the area of stock assessment, which is outside the scope of the agreement.

Results and Discussion

The project has achieved in principle support from Southern Rocklobster Limited (SRL), State management agencies and research providers for a draft Partnership Agreement. (See Appendix 3)

The PA:

1. Consolidates activity in relation to all planning and funding of RD&E activity within the southern rock lobster industry for the first time.
2. Establishes operating procedures and structures for strategic planning, priority setting and project development for investment in and managing of research, development and extension (RD&E).
3. Sets roles and responsibilities of industry, State managers and FRDC in the process.
4. Establishes agreements about industry levy and above-levy funding contributions and FRDC matching commitments and
5. Sets reporting arrangements.

The funds under management through the Partnership Agreement are estimated at \$1.4m per annum.

Expanding the scope of RD&E planning under a new Industry Partnership Agreement required additional resources to consult with a wider stakeholder groups including State management agencies and research providers. Additional communication was also required with industry to ensure high levels of understanding about the new arrangement, in particular the industry investment levels, leveraging on offer and proposed decision making processes.

As part of the process the first SRL Annual Operating Plan (AOP) was developed which details the research, development and extension programs, projects and budgets to guide activity and investment of the Southern Rocklobster sector for 2010-11. (See Appendix 3).

Commitment by industry was made for additional cash investment of a minimum of \$240,000 per annum above the 0.25% levy for a further 5 years as part of this new agreement.

Two matters must be resolved before the PA can be implemented as follows:

1. Victorian position with regards provision of lobster science and
2. Ongoing funding for SRL to meet its obligations under the agreement.

Further Development

Implementation of the PA is scheduled for early 2011 following resolution of stock assessment service delivery. Victoria has requested that the relevant fisheries agencies and FRDC develop an informed view about which science provider will provide the 'major' role in the provision of lobster science under the new national RD&E strategy.

Further discussion is required about this matter which currently is outside the scope of the Partnership Agreement, but the PA structure and process will allow for this issue and

issues about delivery in all the RD&E disciplines related to the industry to be dealt with in a planned and transparent way.

Looking further ahead the industry remains supportive of consolidation of service delivery and moving towards a portfolio approach to administering the suite of RD&E projects where real cost savings are returned to industry and while competitive pricing of services can be maintained.

Benefits and adoption

The benefits of the project will accrue to Fisheries managers, research partners and the commercial Australian Southern Rocklobster sector.

The Southern Rocklobster industry national RD&E priorities will be reviewed and the Southern Rocklobster Strategic Plan will be updated annually. A more efficient "one-stop-shop" for planning, managing, funding and monitoring Southern Rocklobster research projects linked to the national RD&E strategy will result. Continuous improvement in the quality and co-ordination of projects undertaken will also occur.

The Partnership Agreement will set in place the commitment, resources, structure and process to deliver the following outcomes:

1. cost effective whole of species RD&E planning and priority setting
2. cost effective engagement with relevant stakeholders
3. investment in RD&E projects with high rates of return and high probability of success
4. Explicit and transparent project development process.

The PA has been supported in principle by each State industry group, research provider and Management Department.

Planned Outcomes

The planned outcomes were as follows:

1. An detailed Industry Partnership Agreement guiding detailing intent in relation to the planning, investing in and managing of research, development and extension (RD&E) and the overall relationship between the investors and the end users of RD&E for Southern Rocklobster.
2. Industry agreements to above-levy funding contributions
3. State Department support for the agreement.
4. FRDC support for the agreement.

All the planned outcomes have been achieved.

Conclusion

The project was essential to enable SRL to commit resources to drawn out and complex negotiations between industry, State managers and research providers about future management of RD&E investment in the Southern Rocklobster industry.

The project has been a success as in principle support from Southern Rocklobster Limited (SRL) industry State management agencies and research providers for a draft Partnership Agreement has been achieved. The agreement consolidates activity in relation to all planning and funding of RD&E activity within the southern rocklobster industry for the first time.

The only potential impediment to implementing this important structural reform will be failure to resolve the request by Victoria to include service delivery in the area of stock assessment, which is explicitly outside the scope of the agreement.

References

FRDC 2001/072 "IMPROVED MANAGEMENT OF SOUTHERN ROCK LOBSTER RESEARCH AND DEVELOPMENT". Dr Gary Morgan 2001

Appendix 1 – Intellectual Property

Nil

Appendix 2 – Staff

Justin Phillips
Roger Edwards



**Appendix 3 SRL Draft Annual Operating Plan &
Partnership Agreement**

SOUTHERN ROCKLOBSTER LIMITED

ANNUAL OPERATIONAL PLAN 2010-11

November 2010

**Draft and subject to
SRL and FRDC Board
approvals**

**Prepared by Southern Rocklobster Limited
C/- Po Box 2085
Camberwell West VIC 3124**

CONTENTS

Introduction	1
Southern Rocklobster Limited Board	2
Meetings	2
Industry Partnership Agreement	3
Strategic Plan Implementation	3
RD&E Committee Terms of Reference	4
RD&E Committee Membership	4
Schedule of activities	6
Communication	7
Budget	8
Revenue Projection	9
Current Project Investments	10
Proposed Investments	11
Uncommitted Platform Budgets	12
Budget Summary	13
APPENDIX 1 – PARTNERSHIP AGREEMENT	14
APPENDIX 2 – SUMMARY OF STRATEGIC HORIZONS	28
APPENDIX 3 - CONFLICT OF INTEREST	29
APPENDIX 4 – RD&E COMMITTEE OPERATING GUIDELINES	30
APPENDIX 5 – FRDC & ASCRC BUDGET RECONCILIATIONS	33
Table 1 - Budget Income	9
Table 2 - Current Projects	10
Table 3 - Proposed Investments	11
Table 4 - Uncommitted Platform Budgets	12
Table 5 - Project Investment Summary by Approval Status	13
Table 6 - Budget Summary by SRL Investment Platform	13

Introduction

This Southern Rocklobster Limited (SRL) annual operational plan (AOP) describes the Research Development and Extension (RD&E) plans, projects and budgets to guide activity and investment of the Southern Rocklobster sector for 2010-11. It is the inaugural Plan and deals with a transition year between previous arrangements for the planning, investing in and managing of elements of Southern Rocklobster R&D, under a Memorandum of Understanding (MOU) between the Fisheries Research & Development Corporation (FRDC) and SRL.

That MOU concluded on 30 June 2010 and SRL, Primary Industries and Resources South Australia (PIRSA), Department of Primary Industries Parks, Water and Environment Tasmania (DPIPWE) and Department of Primary Industries Victoria (DPI-Vic) have agreed in principle to replace it with a new “Partnership Agreement” (PA) (See Appendix 1). The new Partnership Agreement builds on the original MOU and broadens the intended RD&E capacity and scope through the involvement of additional partners, stakeholders, use of additional expertise and enhanced planning and management processes.

The “Australian Southern Rocklobster Industry Strategic Plan 2006-2011 December 2006” (Updated June 2009) sets the overarching strategic objectives and direction for the sector. The plan can be downloaded from www.southernrocklobster.com.au and the summary of the sector strategic horizons is shown in Appendix 2.

The Australian Southern Rocklobster Industry intends to be the preferred supplier of lobsters to global super-premium-fine-dining (SPFD) consumers by 2020. The purpose of developing and pursuing this strategy is to enhance the long term returns to industry producers through real price growth over time.

Under the national leadership of Southern Rocklobster Ltd, the industry, in 2004, set a number of measurable objectives that define its strategy and which have been monitored during the life of the strategic plan to 2010. These objectives are to:

1. Increase the average real beach price of southern rocklobster by \$20/kg by 2011,
2. Increase supply chain margins shared by fishers and processors by an average real value of \$25/kg by 2011, and
3. Achieve a 15% compound growth in average licence value through to 2011.

It was agreed in 2004 that these objectives will be achieved by strategies that result in:

1. Lobster products being securely positioned in niche markets, predominantly in USA, Europe/Middle East, Australia and Asia;
2. Industry having well established technologies and procedures for enhancement of wild rocklobster stocks;
3. Industry embracing aquaculture so that wild catch and aquaculture present complementary offerings to an enhanced rocklobster product line;
4. The culture of the Australian based fishers and processors being more integrated through chain alliances and investments, and adoption of e-commerce practices and tools;
5. An industry commitment to responsibility for development planning; and
6. Industry R&D and generic market development programs being fully funded by industry.

The Strategic Plan is due to conclude in 2011 and will be replaced by a new plan which will mark an important step forward for the sector, as it will encompass all southern rocklobster RD&E for the first time and will have been developed by all stakeholders in a coordinated process. Further the plan will be restructured and adjusted to align with the national Fisheries and Aquaculture RD&E Strategy (2010).

Southern Rocklobster Limited Board

Southern Rocklobster Ltd (SRL) is the national industry RD&E body for the southern rocklobster fishing sector. SRL membership is the South Australian Rock Lobster Advisory Council Inc (SARLAC), the Tasmanian Rock Lobster Fishermen's Association (TRLFA) and the Victorian Rock Lobster Association (VRLA), which represent holders of managed fishery licences in the southern rocklobster industry.

SRL has a Board consisting of two Directors appointed by each of SARLAC, TRLFA and VRLA¹ and an independent Director Dr Gary Morgan who has considerable expertise in the area of fisheries RD&E management and fisheries sustainability. Dr Morgan is responsible for leading strategic planning and development of RD&E priorities and projects for SRL. Dr Morgan has also been appointed as Chair of SRL.

In addition the Board may appoint two additional Directors with expertise required to effectively meet the terms of the RD&E Partnership Agreement.

Directors are required to declare any conflict of interest to Chair of the Board at any time such conflict may arise and also abide by all statutory obligations of company Directors. (See Appendix 3).

Meetings

The SRL Board will meet at least three times during the year as follows:

1. Annual General Meeting – October 27th 2010
2. Strategic Planning – March 2011
3. Approve 2011-12 Plans/budgets – May 2011

In addition, teleconferences may be convened by the Board as required and it is also anticipated that the Director RD&E will as required under the Partnership Agreement, establish a standalone process for dealing with strategic planning, priority setting and project development.

¹ Note under the new Partnership Agreement, it is proposed the Seafood Industry Victoria (SIV) will provide 1 of the VRLA nominations.

Industry Partnership Agreement

In November 2010 SRL, Primary Industries and Resources South Australia (PIRSA), Department of Primary Industries Parks, Water and Environment Tasmania (DPIPWE) and Department of Primary Industries Victoria (DPI-Vic) agreed in principle to establish a Partnership Agreement (PA) to consolidate activity in relation to the planning and funding of RD&E activity within the southern rock lobster industry. Under the agreement SRL in conjunction with the FRDC and States, will provide the overarching strategic and operational direction to that process.

Under the agreement SRL is to establish a dedicated RD&E Committee with a management representative from each of the States (DPIPWE, DPI-Vic and PIRSA), three industry SRL Board members' representatives and the independent Director RD&E. The RD&E Committee will have responsibility to produce the sector Strategic Plan and future Annual Operating plans.

Strategic Plan Implementation

The current Strategic Plan involves six investment platforms as follows:

1. Market Development and Planning
2. Optimising the Harvest
3. Sustainability and Environment
4. Viable Funding for SRL
5. Human Resources and Communication
6. Running the Business

Details of current and proposed investment in each of these platforms are provided below. It is important to note given that 2010-11 is a transition year from the previous MOU to the new Partnership Agreement, no new project approvals outside the SRL RD&E Planning and Management project, are associated with submission of this inaugural AOP.

In 2010-11 a major upgrade of the Plan will be undertaken to ensure the new areas of responsibility in the Partnership Agreement are dealt with including:

1. Aligning with components of the national Research, Development and Extension (RD&E) strategy relevant to the southern rocklobster industry
2. Planning investment in methodology development in support of minimizing fishing impacts on the environment and
3. Strategic and coordinated extension.

The AOP will be implemented by the SRL Executive Officer with support from the FRDC, Australian Seafood Cooperative Research Centre (ASCRC) and research providers, under the direction of the SRL Board and the RD&E Committee.

RD&E Committee Terms of Reference

The terms of reference for the RD&E Committee are as follows:

- 1 Develop a Southern Rocklobster Sector Strategic RD&E Plan (the Strategic Plan) consistent with the national Fisheries & Aquaculture RD&E Plan (2010) in conjunction with other key stakeholders and research partners, as identified.
- 2 Through the planning process the RD&E Committee will be responsible for developing program priorities, projects and budgets in line with the strategic RD&E investment platforms within the Strategic Plan.
- 3 The RD&E Committee will be responsible for developing, an Annual Operating Plan (AOP) to deliver the outcomes of the Strategic Plan, including details of investments for the subsequent financial year.
- 4 The RD&E Committee will annually review the Strategic Plan to generate the next year's proposed RD&E investment proposals.
- 5 The RD&E Committee will provide the Strategic Plan, Annual Operating Plan and project applications to the SRL Board which will submit them to the FRDC for approval.

The RD&E Committee operating guidelines are shown in Appendix 4.

RD&E Committee Membership

The RD&E Committee membership is as follows:

The SRL independent Director responsible for RD&E management and Plan implementation is:

Name: Dr Gary Morgan

Address: C/- Po Box 2085 Camberwell West VIC 3124

Tel: 0419010132

Email: garymorg@hotmail.com

The Industry SRL Director members of the RD&E Committee are:

Name: Mr Rodney Trelloggen

Address: C/- Po Box 2085 Camberwell West VIC 3124

Tel: 0418138768

Email: rocklobsterexo@bigpond.com

Name: Mr David Johnston

Address: C/- Po Box 2085 Camberwell West VIC 3124

Tel: (08) 8738-2410

Email: elusive2@bigpond.net.au

Name: Mr Kim Skeer

Address: C/- Po Box 2085 Camberwell West VIC 3124

Tel: (04) 2884-9351

Email: kimrosie@bigpond.com

The State Department members of the RD&E Committee are:

Name: South Australia -tba

Address:

Tel:

Email:

Name: Tasmania - tba

Address:

Tel:

Email:

Name: Victoria - tba

Address:

Tel:

Email:

The Executive Officer supporting the RD&E Committee is:

Name: Mr Ross Hodge

Title: Executive Officer Southern Rocklobster Limited

Address: C/- Po Box 2085

Camberwell West VIC 3124

Tel: (04) 2353-3133

Email: rosshodge@netspace.net.au

Schedule of activities

The following activities will be undertaken by SRL under the Partnership Agreement during 2010-11 to deliver the Plan:

Activity	Date to be completed
Undertake projects	Ongoing
Liaise with project managers & report progress to SRL Board	SRL Board meetings
2010-11 Annual Operating Plan	31 st August 2010
Recruit Executive Officer	Oct-Nov 2010
Recruit Independent Chair and additional RD&E/fisheries expertise	October 2010
SRL AGM – appoint independent SRL RD&E expert Director, Chair and member Directors	27 th October 2010
Partnership Agreement (SRL, States & FRDC)	11 th November 2010
FRDC applications for SRL core programs 1. RD&E planning and management and operations	11 th November 2010
Submit 2010-11 AOP, Partnership Agreement and SRL applications to FRDC	11 th November 2010
State nominations RD&E Committee	30 th November 2010
RD&E Committee commence planning process	December 2010
FRDC applications for SRL core programs: 2. Extension program	January 2011
Fisheries sustainability priority setting and project concept development	3 rd March 2011
Seek input to Strategic Plan and investment portfolio from other stakeholders and research providers	3 rd March 2011
Prepare/distribute summary Project Update and new proposals for Workshop	3 rd March 2011
Prepare/distribute summary Extension Program Adoption Report for Workshop	3 rd March 2011
Collate/distribute strategy papers and investment portfolio for Workshop	3 rd March 2011
Strategic RD&E Plan – Workshop: Review progress and revise Plan	10 th -11 th March 2011
Updated Strategic Plan Approved	1 st April 2011
Submit 2011-12 Draft AOP to FRDC for approval	April 2011
Develop Projects	20 th May 2011
Research providers submit applications to FRDC for approval	1 st June 2011
Research providers submit project applications to other funding agencies.	To agency timetable
Develop 2011-12 Extension Program (include generic, project specific & management elements)	30 th June 2011
Communicate 2011-12 Strategic Plan and AOP project outcomes to all stakeholders	30 th June 2011
End of financial year SRL core program milestone progress reports to FRDC	30 June 2011

In addition to ensuring the above activities are undertaken, the Executive will oversee the following during 2010-11:

- Maintenance of all statutory accounts and reporting requirements,
- Timely reporting on finances, equity and projections, and
- Communication with members and other stakeholders.

Communication

Communication with SRL Board

Program activities will be reported to the Board through regular (fortnightly) Executive Officer email updates and through formal project Board papers. If necessary project Principle Investigators will be requested to attend Board meetings for reporting.

Communication with FRDC Board

The Strategic Plan, AOP and project applications will be provided to the FRDC for approval as per the above activity schedule. In addition FRDC be invited to attend all SRL Board meeting and RD&E Committee meetings. The SRL Executive will provide additional briefings to the FRDC as required.

Communication with stakeholders

The Strategic Plan and AOP will be promoted to stakeholders via:

- SRL website
- Planned communication activities under the SRL core extension program (when established)
- SRL newsletter (when established as part of the core extension program) and
- Distribution to all parties to the RD&E Partnership Agreement, other related State and Commonwealth Government departments, FRABS, other interested stakeholders and member organisations.

Opportunities for stakeholder and research provider engagement in the process will be promoted through:

- SRL website
- Planned communication activities under the SRL extension program
- SRL newsletter and
- Direct communication.

Project outcomes and outputs will be subject to formal planned extension programs as part of the core SRL extension plan which is planned to be developed in 2011. Development of the plan will involve the parities to the RD&E agreement and all research providers and resources for the project specific elements of the Extension Plan are to be provisioned in respective projects.

In addition SRL will continue to promote all projects and outcomes through industry channels such as the National Lobster Congress, Seafood Directions and CRC events. Finally SRL will seek to establish explicit linkages in its extension program to other extension initiatives such as through the CRC, FRDC, and Seanet.

Budget

SRL aims to invest on average over a 5 year cycle a minimum of the industry levy of 0.25% of GVP, the Commonwealth Government matching 0.25% GVP and an additional \$260,000² voluntary industry cash contribution in the Southern Rocklobster RD&E program from 2010-2015.

Of this pool and until 2013-14, SRL intends investing \$310,000 per annum of industry cash and FRDC intends investing \$310,000 of matching funds with the Australian Seafood Cooperative Research Centre. This will generate a leverage of \$251,000 per annum.

From time to time SRL and project partners generate additional funding from both industry and alternative funding agencies. For example during the previous MOU arrangement, for each dollar invested and additional \$0.53 was generated in external funding and/or industry cash. Currently these sources include:

1. Clean Green program – approximately \$50,000 per annum
2. Export market development – a minimum of \$50,000 per annum but potentially up to \$125,000 per annum subject to investment the market development program and maintenance of approved body status.

In addition the SRL Board has approved in principle the raising of a marketing levy for rocklobster promotion, subject to industry support through consultation and on the basis that the decision to raise such a levy and the management of the funds would rest with the industry. SRL will continue to support legislative arrangements being made to support a levy if these conditions can be met.

Budget project investment detail presented below is categorized into the 6 SRL Strategic Investment platforms as follows:

1. Market Development and Planning
2. Optimising the harvest
3. Sustainability and environment
4. Viable funding for SRL
5. Human resources and communication
6. Running the business

² Please note that the \$20,000 additional contribution from the Victorian industry is subject to further consultation with the industry.

Please note that uncommitted funds have been arbitrarily assigned across the SRL Strategic Investment platforms. These allocations are preliminary and are subject to revision as part of the 2010-11 strategic planning process under the Partnership Agreement.

Revenue Projection

The total budgeted RD&E program income from 2010-11 through until 2014-15 is shown in Table 1.

Table 1 - Budget Income

Total Income:	2010-11	2011-12	2012-13	2013-14	2014-15
FRDC 0.25% GVP Contribution	\$437,153	\$421,360	\$429,149	\$445,656	\$462,338
Industry 0.25% GVP cash contribution to FRDC	\$475,167	\$458,000	\$466,467	\$484,408	\$502,542
South Australian industry additional contribution	\$180,000	\$180,000	\$180,000	\$180,000	\$180,000
Tasmanian Industry additional contribution	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
Victorian Industry additional contribution	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Seafood CRC	\$251,100	\$251,100	\$251,100	\$251,100	
Industry Clean Green Program	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Export Market Development	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
National Marketing Levy	tba	tba	tba	tba	tba
Annual funds available	\$1,523,420	\$1,490,460	\$1,506,716	\$1,541,164	\$1,324,880

Current Project Investments

The current RD&E project activities in the Southern Rocklobster sector are shown in Table 2.

Table 2 - Current Projects

CURRENT INVESTMENTS									
1. Market Planning and Development	Project No.	Provider	Funder	Status	2010-11	2011-12	2012-13	2013-14	2014-15
Development of supply chain, distribution and communication tools to support entry of Southern Rocklobster into super-premium, USA fine dining	2007/704	SRL	ASCRC	Complete '10/11	\$82,570	\$0	\$0	\$0	\$0
Consultation with the Southern Rocklobster Industry on Market Development Opportunities	2010/716	J Allen	ASCRC	Complete '10/11	\$19,389	\$0	\$0	\$0	\$0
2. Optimising the Harvest	Project No.	Provider	Funder	Status	2010-11	2011-12	2012-13	2013-14	2014-15
Future Harvest Theme Leadership	2009/712	TAFI	ASCRC	Ongoing	\$8,280	\$8,280	\$8,280	\$8,280	\$0
Spatial management of southern rock lobster fisheries to improve yield, value and sustainability	2006/220	TAFI	ASCRC	Complete '10/11	\$217,394	\$0	\$0	\$0	\$0
3. Sustainability and Environment	Project No.	Provider	Funder	Status	2010-11	2011-12	2012-13	2013-14	2014-15
Rebuilding Ecosystem Resilience: Assessment of management options to minimise formation of 'barrens' habitat by the long-spined sea urchin (<i>Centrostephanus rogersii</i>) in Tasmania	2007/045	TAFI	FRDC	Complete '10/11	\$364,654	\$0	\$0	\$0	\$0
Standardizing data collection across the southern rock lobster fisheries of South Australia, Victoria and Tasmania	2008/003	SARDI	FRDC	Complete '10/11	\$11,700	\$0	\$0	\$0	\$0
Clean Green Program Management		SRL	Industry	Ongoing	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Sustainability of the rock lobster resource in south-eastern Australia in a changing environment: implications for assessment and management	2009/047	DPI Vic	FRDC	Ongoing	\$112,264	\$311,421	\$65,109	\$0	\$0
Tactical Research Fund: managing inshore stocks of southern rock lobster for a sustainable fishery	2009/058	UTas	FRDC	Ongoing	\$45,000	\$7,500	\$0	\$0	\$0
4. Viable Funding for SRL	Project No.	Provider	Funder	Status	2010-11	2011-12	2012-13	2013-14	2014-15
Development of an Industry Partnership Agreement for the Southern Rocklobster Industry	2009/223	SRL	FRDC	Complete '10/11	\$7,860	\$0	\$0	\$0	\$0
5 Human Resources and Communication	Project No.	Provider	Funder	Status	2010-11	2011-12	2012-13	2013-14	2014-15
Total Projects Approved					\$0	\$0	\$0	\$0	\$0
6. Running the Business	Project No.	Provider	Funder	Status	2010-11	2011-12	2012-13	2013-14	2014-15
SRL R&D planning, implementation and extension	2005/215	SRL	ASCRC	Complete '10/11	\$21,918	\$0	\$0	\$0	\$0
Communal ASCRC Investment		ASCRC	ASCRC	Ongoing	\$60,977	\$60,977	\$60,977	\$60,977	\$0
Total Projects Approved					\$1,002,006	\$438,178	\$184,366	\$119,257	\$50,000

Proposed Investments

Proposed investments include a mix of project proposals in various stages of approvals during this transition year. Project status is classified as one of the following:

- “Proposed”: Project application lodged and project in various stages of approvals process.
- “To be developed”: Indicative project investments supported by SRL Board but with project applications to be developed.

Details of proposed investments are shown in Table 3.

From 2011-12 onwards it is anticipated all new project applications and approvals will form part of Annual Operating Plan (AOP) approval process.

In the interim through this AOP, FRDC Board approval is sought for the following new project:

- Southern Rocklobster National RD&E Planning and Management.

Table 3 - Proposed Investments

PROPOSED INVESTMENTS									
	Project No.	Provider	Funder	Status	2010-11	2011-12	2012-13	2013-14	2014-15
1. Market Planning and Development									
USA ongoing Market R&D		SRL	ASCRC	To be developed	\$50,000	\$50,000	\$50,000	\$50,000	\$0
New Market Development		SRL	ASCRC	To be developed	\$250,000	\$420,000	\$420,000	\$420,000	\$0
2. Optimising the Harvest									
Decision support tools for economic optimization of invertebrate fisheries	2009/714	TAFI	ASCRC	Proposed	\$83,333	\$83,333	\$83,333	\$0	\$0
Optimising business structures and fisheries management systems for key fisheries	2009/715	SARDI	ASCRC	Proposed	\$40,000	\$20,000	\$0	\$0	\$0
3. Sustainability and Environment									
Workshops: recent progress and future directions in modelling invertebrate fisheries and managing towards MEY	2009/713	TAFI	ASCRC	Proposed	\$7,500	\$0	\$0	\$0	\$0
4. Viable Funding for SRL									
National Marketing Levy		SRL	Industry	To be developed	\$0	\$0	\$0	\$0	\$0
5 Human Resources and Communication									
Southern Rocklobster sector extension program		SRL	FRDC	To be developed	\$50,000	\$85,000	\$87,550	\$90,177	\$92,882
People development program: National Rocklobster Congress New Zealand & WA		NZRLC & WRLC	FRDC	To be developed	\$0	\$15,000	\$0	\$15,000	\$0
6. Running the Business									
SRL R&D management (CRC component)		SRL	ASCRC	To be developed	\$60,000	\$60,000	\$60,000	\$60,000	\$0
Southern Rocklobster National RD&E Planning and Management		SRL	FRDC	Proposed	\$122,150	\$135,716	\$141,285	\$146,496	\$152,856
Total Projects Proposed					\$662,983	\$869,049	\$842,168	\$781,673	\$245,738

Uncommitted Platform Budgets

The funds budgeted as “uncommitted” (i.e. funds in addition to commitments shown as “Proposed Investments” above) across the 6 SRL Investment Platforms for new investments over the next 5 financial years are shown in Table 4.

These uncommitted funds have been arbitrarily assigned across the SRL Strategic Investment platforms as part of the transition arrangements and these allocations are subject to revision as part of the 2010-11 strategic planning process under the Partnership Agreement.

Table 4 - Uncommitted Platform Budgets

UNCOMMITTED PLATFORM BUDGETS								
1. Market Planning and Development	Funder	Status	2010-11	2011-12	2012-13	2013-14	2014-15	
Market Development Industry	EMDG	Uncommitted	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	
Promotion Program	Industry	Uncommitted	\$0	\$0	\$0	\$0	\$0	
2. Optimising the Harvest	Funder	Status	2010-11	2011-12	2012-13	2013-14	2014-15	
Future Harvest - new projects (ASCRC)	ASCRC	Uncommitted	\$0	\$98,387	\$118,387	\$201,720	\$0	
New Project Provision	FRDC	Uncommitted	\$0	\$0	\$220,000	\$220,000	\$220,000	
3. Sustainability and Environment	Funder	Status	2010-11	2011-12	2012-13	2013-14	2014-15	
New Project Provision	FRDC	Uncommitted	\$0	\$0	\$220,000	\$220,000	\$220,000	
4. Viable Funding for SRL	Funder	Status	2010-11	2011-12	2012-13	2013-14	2014-15	
Total Available			\$0	\$0	\$0	\$0	\$0	
5 Human Resources and Communication	Funder	Status	2010-11	2011-12	2012-13	2013-14	2014-15	
Total Available			\$0	\$0	\$0	\$0	\$0	
6. Running the Business	Funder	Status	2010-11	2011-12	2012-13	2013-14	2014-15	
Total Available			\$0	\$0	\$0	\$0	\$0	
Total Uncommitted Budgets			\$50,000	\$148,387	\$608,387	\$691,720	\$490,000	

Budget Summary

The summary of investments for the Southern Rocklobster sector by approval status and by SRL investment platform, are shown in are shown in Tables 5 and 6 respectively.

The cumulative funds balance and 5 year closing balances are also shown in Table 5.

The FRDC and CRC funds reconciliations are shown in Appendix 5.

Table 5 - Project Investment Summary by Approval Status

Project Investment Summary		2010-11	2011-12	2012-13	2013-14	2014-15
	Approved	\$1,002,006	\$438,178	\$184,366	\$119,257	\$50,000
	Proposed	\$662,983	\$869,049	\$842,168	\$781,673	\$245,738
	Available	\$50,000	\$148,387	\$608,387	\$691,720	\$490,000
	Total	\$1,714,989	\$1,455,614	\$1,634,921	\$1,592,650	\$785,738
Total Funds Cumulative Balance		-\$172,915	-\$364,484	-\$329,638	-\$457,843	-\$509,328
	(Opening)					
					CRC close position:	\$7,193
					FRDC close position:	\$22,621
					Total	\$29,814

Table 6 - Budget Summary by SRL Investment Platform

Platform Investment Summary		2010-11	2011-12	2012-13	2013-14	2014-15	Total	%
1. Market Planning and Development	Approved	\$101,959	\$0	\$0	\$0	\$0		
	Proposed	\$300,000	\$470,000	\$470,000	\$470,000	\$0		
	Available	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000		
	Total	\$451,959	\$520,000	\$520,000	\$520,000	\$50,000	\$2,061,959	29%
2. Optimising the Harvest	Approved	\$225,674	\$8,280	\$8,280	\$8,280	\$0		
	Proposed	\$123,333	\$103,333	\$83,333	\$0	\$0		
	Available	\$0	\$98,387	\$338,387	\$421,720	\$220,000		
	Total	\$349,007	\$210,000	\$430,000	\$430,000	\$220,000	\$1,639,007	23%
3. Sustainability and Environment	Approved	\$583,618	\$368,921	\$115,109	\$50,000	\$50,000		
	Proposed	\$7,500	\$0	\$0	\$0	\$0		
	Available	\$0	\$0	\$220,000	\$220,000	\$220,000		
	Total	\$591,118	\$368,921	\$335,109	\$270,000	\$270,000	\$1,835,148	26%
4. Viable Funding for SRL	Approved	\$7,860	\$0	\$0	\$0	\$0		
	Proposed							
	Available							
	Total	\$7,860	\$0	\$0	\$0	\$0	\$7,860	0.1%
5 Human Resources and Communication	Approved	\$0	\$0	\$0	\$0	\$0		
	Proposed	\$50,000	\$100,000	\$87,550	\$105,177	\$92,882		
	Available	\$0	\$0	\$0	\$0	\$0		
	Total	\$50,000	\$100,000	\$87,550	\$105,177	\$92,882	\$435,608	6%
6. Running the Business	Approved	\$82,895	\$60,977	\$60,977	\$60,977	\$0		
	Proposed	\$182,150	\$195,716	\$201,285	\$206,496	\$152,856		
	Available	\$0	\$0	\$0	\$0	\$0		
	Total	\$265,045	\$256,693	\$262,262	\$267,473	\$152,856	\$1,204,329	17%
Grand Total All Platforms		\$1,714,989	\$1,455,614	\$1,634,921	\$1,592,650	\$785,738	\$7,183,911	100%

APPENDIX 1 – PARTNERSHIP AGREEMENT

ARRANGEMENTS FOR THE IMPLEMENTATION OF A SOUTHERN ROCK LOBSTER RESEARCH, DEVELOPMENT and EXTENSION PROGRAM

PARTNERSHIP AGREEMENT

between

Southern Rocklobster Limited (SRL)

Fisheries Research and Development Corporation (FRDC)

Primary Industries and Resources South Australia (PIRSA)

**Department of Primary Industries Parks, Water and Environment
Tasmania (DPIPWE)**

And

Department of Primary Industries Victoria (DPI-Vic)

July 2010 - June 2015



Australian Government
**Fisheries Research and
Development Corporation**



Government of South Australia
Primary Industries and Resources SA



**DEPARTMENT OF
PRIMARY INDUSTRIES**

THIS PARTNERSHIP AGREEMENT (Agreement) is made effective 01 July 2010
between

Fisheries Research and Development Corporation (FRDC)
ABN 74311094913 25 Geils Court DEAKIN WEST ACT 2600,

Southern Rocklobster Ltd (SRL)
ABN 66 108 116 847 PO Box 174 HINDMARSH SA 5007,

Primary Industries and Resources South Australia (PIRSA)
PO Box 1625 ADELAIDE SA 5001,

Department of Primary Industries Parks, Water and Environment Tasmania
(DPIPWE) GPO Box 44 HOBART TAS 7001 and

Department of Primary Industries Victoria (DPI-Vic)
GPO Box 4440 MELBOURNE VIC 3001

RECITALS

- A. Fisheries Research and Development Corporation is a research and development corporation established under *the Primary Industries and Energy Research and Development Act 1989* (the PIERD Act) with responsibility for administering industry and Government funds available for southern rocklobster research.
- B. Southern Rocklobster Ltd (SRL) the national industry RD&E body for the southern rocklobster fishing sector. SRL shareholders are the South Australian Rock Lobster Advisory Council Inc (SARLAC), the Tasmanian Rock Lobster Fishermen's Association (TRLFA) and the Victorian Rock Lobster Association (VRLA) which represent holders of managed fishery licences in the southern rocklobster industry.
- C. Primary Industries and Resources South Australia (PIRSA), Department of Primary Industries Parks, Water and Environment Tasmania (DPIPWE) and Department of Primary Industries Victoria (DPI-Vic) are responsible for the ecologically sustainable development of the rocklobster resource in their jurisdictions, under respective State legislation.
- D. SRL, FRDC, PIRSA, DPIPWE, and DPI-Vic ('the Parties') recognise the need for the sustainable development of the southern rocklobster fishery.
- E. SRL was formed to assist in the development of the southern rocklobster industry including contracting and undertaking research, development and extension on behalf of its industry members.

- F. SRL is the body with industry responsibility to:
1. Implement the components of the national Research, Development and Extension (RD&E) strategy relevant to the southern rocklobster industry.
 2. Ensure the RD&E activity is adequately funded and able to support long term industry development.
 3. Invest in methodology development in support of minimizing fishing impacts on the environment.
- G. Priority setting for RD&E related to routine stock assessment is a State process and the responsibility of the respective State Government and industry. SRL is not involved in this activity.
- H. PIRSA, DPI-PWE and DPI-Vic are responsible for the collection of licence fees which includes a component for research and development.
- I. For the five years preceding this partnership agreement (up until 30 June 2010), SRL and the FRDC had established a Memorandum of Understanding (MOU) to provide greater certainty to the planning, investing in and managing of R&D and the adoption of R&D results. That agreement also governed the relationship between SRL and the FRDC.
- J. This new partnership agreement is intended to build on that original MOU and broaden the intended industry RD & now E capacity and scope through the involvement of additional stakeholders, use of additional expertise and enhanced planning and management processes.
- K. This agreement represents the intent of the Parties to consolidate activity in relation to the planning and funding of RD&E activity within the southern rock lobster industry.
- L. The Parties are committed to achieving maximum leverage of industry funded investment in RD&E and to capturing efficiencies/cost savings in RD&E project delivery. The Parties will encourage contestability and continuous improvement in the quality of RD&E undertaken in support of the national RD&E strategy.
- M. In relation to the approach to RD&E referred to in point K above, it is intended that SRL, through independently facilitated planning processes, expert Board Directorships and in conjunction with the Parties, will provide the overarching strategic and operational direction to that process.
- N. SRL has a Board consisting two Directors nominated by each of SARLAC, TRLFA and VRLA. The Board has the authority to appoint three additional Directors³.

³ It is agreed that Seafood Industry Victoria (SIV) will nominate 1 of the Victorian Directors.

- O. Under this agreement SRL will establish a RD&E Committee comprising a manager representative from the respective State Departments and three SRL industry Board members. This committee will be responsible for the Strategic planning process and development of priorities and projects, in accordance with the SRL Strategic Plan.
- P. SRL will also appoint to its Board an independent Director with expertise in the area of fisheries RD&E management and fisheries sustainability. This Director will be responsible for leading the RD&E Committee process. SRL will also provide a secretariat for the committee.
- Q. Holders of managed fishery licences in the southern rocklobster industry have an obligation to fund (at a rate of 0.25% per unit in the gross value of production and any additional funding agreements from time to time) RD&E activities in pursuit of the strategic plan of the southern rocklobster industry.
- R. Each year the Australian Government matches complying industry contributions to FRDC up to 0.25% of the AGVP. In addition, the Australian Government contributes 0.5% of the AGVP to the FRDC (the “public good funding”). Both sources of funding are subject to annual appropriation in the annual budget of the Australian Government and State Government processes and agreements.
- S. This Agreement is not intended to be a legally binding agreement and does not create a legal partnership between FRDC, SRL, PIRSA, DPIPWE and/or DPI-Vic , however is intended to provide greater certainty of intent in relation to the planning, investing in and managing of research, development and extension (RD&E) aimed at the adoption of results. It is intended to govern the overall relationship between the investors and the end users of RD&E for southern rocklobster.
- T. This initiative will establish a platform and focal point for relationships with other Australian Government funding sources. As such, SRL, FRDC, PIRSA, DPIPWE and DPI-Vic need to ensure that this development has appropriate governance, flexibility and durability to meet the needs of the partners.

OPERATION

6 DEFINITIONS

6.1 In this Agreement:

- (a) AGVP means the average gross value of fisheries production for the current and two preceding years as determined by the Federal Minister and published annually by Australian Bureau of Agricultural and Resource Economics in the Australian Fisheries Statistics;
- (b) FRDC means the Fisheries Research and Development Corporation a research and development corporation established under *the Primary Industries and Energy Research and Development Act 1989* (the PIERD Act);
- (c) RD&E means research, development and extension;
- (d) SRL means Southern Rocklobster Ltd a company limited by guarantee and duly incorporated under the laws of South Australia.

- (e) PIRSA means Primary Industries and Resources South Australia
 DPIPWE means Department of Primary Industries Parks, Water and Environment Tasmania and DPI-Vic means Department of Primary Industries Victoria and they are the respective State Government agencies with primary responsibility for management of the southern rocklobster resource.

6.2 Nothing in this Agreement or any circumstances associated with it or its performance (including the title of this Agreement) gives rise to any relationship of joint venture, partnership, agency, or any other fiduciary relationship between any of the FRDC, SRL, PIRSA, DPIPWE and/or DPI-Vic.

7 SRL RESPONSIBILITIES

7.1 SRL is committed and responsible for industry contribution to the following:

- (a) Ensuring the southern rocklobster fishery is managed on an ecologically sustainable basis and complies with relevant fishery management plans.
- (b) Enhancing the long term returns to industry.
- (c) Investing in targeted RD&E in support of the national Fisheries and Aquaculture RD&E Strategy (2010) including but not limited to the following areas:

Program	Themes
1. Environment	1. Biosecurity & aquatic health 2. Habitat & ecosystem protection 3. Climate Change 4. Ecologically sustainable development
2. Industry	5. Governance & regulatory systems 6. Resource access and allocation 7. Production, growth & profitability 8. Consumers, products & markets 9. Value from aquatic resources
3. Communities	10. Resilient & supportive communities
4. People Development	11. Leadership 12. Workforce development 13. Innovative skills
5. Extension & Adoption	14. Extension and adoption

- (d) Viable funding for industry structures and programs involved in ensuring (c) above, with appropriate governance and accountability.

8 FRDC RESPONSIBILITIES

- 8.1 The objects of the FRDC, deriving from Section 3 of the PIERD Act, are to make provision for the funding and administration of fisheries with a view to:
- (a) Increasing the economic, environmental and social benefits to members of the Australian fishing industry and to the community in general by improving the production, processing, storage, transport or marketing of fish and fish products.
 - (b) Achieving the sustainable use and sustainable management of Australia's fisheries resources.
 - (c) Making more effective use of the resources and skills of the community in general, and the scientific community in particular.
 - (d) Improving accountability for expenditure on fisheries RD&E activities.
- 8.2 On 11 May 1995 under section 143 (1) of the PIERD Act, the Australian Government Minister responsible for Fisheries directed that (among other things):
- (a) The FRDC is to ensure that industry funds raised from a particular fishery, industry sector or State/Territory are spent within a five-year period, starting from the year of receipt, on Southern Rocklobster Ltd projects that are of direct relevance to that fishery, industry sector or State/Territory in which the funds were collected.
 - (b) In determining the projects on which funds are to be, the FRDC is to have regard to the advice of the relevant management agency and industry sectors acting in collaboration through the relevant State Fisheries Research Advisory Bodies (FRABs).
- 8.3 Each SRL approved project will be approved by FRDC subject to the project being managed under the terms of the FRDC standard project management agreement. If the terms of this Agreement conflict with the terms of the individual project management agreement then the terms of the project management agreement will prevail over this Agreement but only to the extent of that inconsistency.

9 PIRSA, DPIPWE and DPI-Vic RESPONSIBILITIES

9.1 PIRSA, DPIPWE and DPI-Vic are committed to and responsible for the respective State Government roles in the following:

- (a) Ensuring the southern rock lobster fisheries are managed on an ecologically sustainable basis and comply with relevant fishery management plans.
- (b) Supporting southern rock lobster RD&E activities that meet the needs of fisheries management regarding:
 - (i) Stock sustainability
 - (ii) Sustainable development of the industry
 - (iii) Environmental impact
 - (iv) Increases in profitability
 - (v) Enhanced market development
 - (vi) Optimizing the harvest
 - (vii) Maintenance of resource access and property rights
 - (viii) Industry communication
 - (ix) Improved community relations.
- (c) Implementing processes to maximise adoption of fisheries management R&D outcomes.

10 SRL, FRDC, PIRSA, DPIPWE and DPI-Vic SHARED RESPONSIBILITIES

10.1 SRL, FRDC, PIRSA, DPIPWE and DPI-Vic are committed to the following:

- (a) The national Fisheries and Aquaculture RD&E Strategy (2010).
- (b) Developing RD&E responses that contribute to the national Fisheries and Aquaculture RD&E Strategy (2010) and address the issues identified in the planning process as outlined in 6.1 below.
- (c) Ensuring appropriate expertise is utilised in the RD&E planning, project development and management processes across each investment area.
- (d) Ensuring best practice and value for money in project delivery and RD&E management and high quality RD&E outcomes.
- (e) Maximising, where possible, the leverage of industry RD&E funding through other means, in-kind support and developing projects for funding agencies other than FRDC where appropriate.
- (f) Submitting approved projects to the relevant research funding agency including the FRDC Board for approval, thereby ensuring the highest standards of contestability and quality are maintained.
- (g) Ensuring transparency of project funding decisions.
- (h) Timely and accurate project reporting.

- (i) Viable funding for industry structures and programs involved in contributing to (a)-(g) above, with appropriate governance and accountability.
- (j) Ensuring appropriate investment continues at the regional level and developing processes to ensure these priorities are funded.

11 AGREEMENT

11.1 The Parties agree:

- (i) To develop a Southern Rocklobster Sector Strategic RD&E Plan (the Strategic Plan) consistent with 2.1 above.
- (ii) In relation to point 6.1(i) above, the SRL Board will be responsible for the Strategic Plan. The Plan will be developed by an RD&E Committee (see recital O p.4) in conjunction with other key stakeholders and research partners, as identified.
- (iii) Through the planning process the RD&E Committee will be responsible for developing program priorities, projects and budgets in line with the strategic RD&E investment platforms within the Strategic Plan.
- (iv) In relation to points 6.1(i)-(iii) above, the RD&E Committee will be responsible for developing, an Annual operating Plan (AOP) to deliver the outcomes of the Strategic Plan, including details of investments for the subsequent financial year.
- (v) The RD&E Committee will annually review the Strategic Plan to generate the next year's proposed RD&E investment proposals, as per the 6.1(ii) - (iv) above. (See Appendix 1 for annual activities cycle).

11.2 **SRL** agrees to:

- (i) Adopt the RD&E outputs
- (ii) Facilitate contribution to the FRDC at least 0.25% of AGVP plus \$260,000 (SA \$180,000, Tas \$60,000, Vic \$20,000⁴) until June 2015 inclusive.
- (iii) Where possible, leverage the research funds contributed under this agreement by other means.
- (iv) Establish an RD&E Committee (see recital O p.4) with responsibility for undertaking 6.1 (above).
- (v) Appoint an independent Director with expertise in the area of fisheries RD&E management and/or sustainability to lead the RD&E Committee.
- (vi) Engage appropriate resources to support the Committee with the capacity to develop each of the Strategic plan, RD&E programs and projects and the Annual Operating Plan.
- (vii) Approve the Strategic Plan, AOP and individual projects within the AOP, but in the event that it rejects an element of the Strategic Plan and/or AOP, provide written explanation for the rejection and consult with RD&E Committee with the view of seeking agreement, prior to making any changes.
- (viii) Enter into research partnerships with suitably qualified research providers to ensure the best possible RD&E and leveraging outcomes.
- (ix) Where not provided for by research partners, engage appropriate resources to manage and administer the RD&E program outcomes.
- (x) Contribute additional cash and in-kind resources through the delivery of the individual projects.
- (xi) Provide accurate and timely reporting to all the parties to this agreement.

11.3 **FRDC** agrees to the following:

- (i) Recognise the RD&E priorities for the southern rocklobster sector as outlined in the Strategic Plan referred to in 6.1(i).
- (ii) Invest in projects addressing these priorities that will provide direct and indirect benefits to the southern rocklobster sector, to a minimum of 0.25% of AGVP and a further 0.25% of AGVP plus \$260,000 per annum for a five-year period⁵.

⁴ Please note that the \$20,000 additional contribution from the Victorian industry is contingent on resolving issues around an appropriate mechanism for the collection of these funds over the first 6 months of this Agreement.

⁵ These are gross amounts and will be adjusted to allow for a negotiated FRDC service charge.

- (iii) Evaluate RD&E applications developed under 6.1 (iii) and (iv) by SRL and its research providers/partners, out of cycle, subject to SRL Board maintaining appropriate planning and evaluation process for applications, which includes the submission of an AOP with details of investments for the subsequent financial year.
- (iv) Approve the AOP, and consult with SRL prior to reassessing individual elements of the plan.
- (v) In the event that it rejects an element of the AOP, provide written explanation for the rejection to SRL.
- (vi) FRDC will provide services under this agreement which may include:
 - Evaluating services, including independent expert advice
 - Contract management (including auditing)
 - Promoting and supporting SRL in developing relationships with other government agencies
 - Liaising with third parties and managing funds provided by them.

11.4 PIRSA, DPIPWE and DPI-Vic agree to the following:

- (i) Nominate a management representative to the RD&E Committee and fund the costs of their participation.
- (ii) Collect a minimum of 0.25% of AGVP plus \$260,000 (SA \$180,000, Tas \$60,000, Vic \$20,000⁶) per annum for five years and provide those funds to the FRDC.
- (iii) adopt the RD&E outputs where appropriate to their jurisdiction.

12 ACKNOWLEDGMENT

- 12.1 Long term sustainability of the rocklobster resource is both a legislated State and Commonwealth Government responsibility.
- 12.2 The parties acknowledges that all funding which the FRDC receives from the Australian Government is determined annually in the Australian Government Budget and is subject to appropriation being approved, under the Australian constitution, for these funds for that year.
- 12.3 In the event that FRDC's funding from the Australian Government is withdrawn, cancelled or significantly reduced at anytime, FRDC may

⁶ Please note that the \$20,000 additional contribution from the Victorian industry is contingent on resolving issues around an appropriate mechanism for the collection of these funds over the first 6 months of this Agreement.

terminate this Agreement unconditionally upon giving SRL Board and through them the Parties 14 days notice in writing.

- 12.4 If this Agreement is terminated under clause 7.3 then FRDC will be liable only for any reasonable costs incurred by SRL Board and under existing FRDC approved and managed projects in the manner set out in the relevant project agreement, or if that agreement has no express provision then in the manner set out in the standard FRDC project agreement as at that date.
- 12.5 The parties acknowledges that the funding FRDC receives from industry is subject to:
- (a) the annual South Australian, Tasmanian and Victorian State Government processes used to set licence fees and collect revenues for the industry, which may change from time to time; and
 - (b) ongoing funding for SRL core RD&E programs as described in the AOP and as required to meet its obligations under 2.1 (d), 6.1 and 6.2 above, through an allocation from 6.2 (iii).
- 12.6 The parties acknowledge funding commitments and existing program activities in relation to the Australian Seafood Cooperative Research Centre, are to be provisioned for as part of the AOP.

13 TERM OF THIS AGREEMENT

- (a) This Agreement will operate until June 2015.
- (b) Any Party may propose amendments to this Agreement at any time, and no amendment to this Agreement will be effective unless evidenced in writing and signed for and on behalf of both parties to this Agreement.
- (c) If any dispute or difference arises between the Parties in respect of any matter arising out of this Agreement or its construction or effect, it will be settled by an independent expert to be appointed by agreement between the parties or in default of such agreement by the President of the Law Society of the ACT.
- (d) Without derogating from the rights conferred on the FRDC in clause 12.3, any party may withdraw from this agreement by notice in writing, effective 30 days from the date of the notice.

In WITNESS WHEREOF the parties have executed this Agreement on the date hereof.

Signed on behalf of Southern Rocklobster Limited by:

Signed on behalf of the Fisheries Research and Development Corporation by:

.....
duly authorised by resolution of the board of Directors on 27/10 /2010

.....
Duly Authorised FRDC Representative/...../2010

in the presence of

in the presence of

27 /10 /2010

...../...../2010

Signed on behalf of Signed on behalf of the Primary Industries and Resources South Australia (PIRSA) ,

Signed on behalf of Department of Primary Industries Parks, Water and Environment Tasmania (DPIPWE):

.....
Duly Authorised PIRSA Representative/...../2010

.....
Duly Authorised DPIPWE Representative/...../2010

in the presence of

in the presence of

.....

.....

...../...../2010

...../...../2010

Signed on behalf of Signed on behalf
of the Department of Primary
Industries Victoria (DPI-Vic)

.....
Duly Authorised DPI-Vic
Representative/...../2010

in the presence of

.....
...../...../2010

DRAFT

Appendix 1

Agreement Activity Matrix / Responsibilities (July 2010)

Activity	Timeline	RD&E Committee	SRL	State Depts.	FRDC	Fisheries RD&E Research Providers	Other Stakeholders (eg CRC, Other Depts., NGO's & service providers)
State Depts nominate a management representatives to RD&E Committee. SRL Board nominates Directors to RD&E Committee.	November '10		✓	✓			
SRL appoints Independent Director(s) including Chair	AGM Oct '10		✓				
Seek input to strategic plan from all stakeholders	Dec-Mar 11	✓					
Strategic RD&E Plan – Workshop to Develop/Update	Mar-11	✓	✓	✓	✓	✓	✓
Approve Strategic Plan	Mar-11		✓	✓	✓		
Develop Projects (include extension elements)	Dec-Mar 11	✓				✓	✓
Develop Annual Operating Plan (AOP)	Mar-11	✓					
Approve Annual Operating Plan (AOP)	Apr-11		✓				
Submit AOP to FRDC for approval	Apr-11		✓				
Submit applications to FRDC for approval	Jun-11					✓	
Submit other project applications to funding agencies.	As per funding agency schedules					✓	
Develop Extension Program (include generic, project specific & management elements)	Jun-11		✓	✓		✓	
Undertake projects	July onwards					✓	
Implement Extension Program	July onwards		✓	✓		✓	
Communicate Strategic Plan and AOP project outcomes to all stakeholders	July - schedule in Extension Program		✓				
Communicate Project Progress with all stakeholders	As per Extension Program		✓	✓		✓	
Liaise with project managers & report progress to SRL Board	SRL Board meetings		✓			✓	
Prepare Summary Project Update	Strategic Plan Workshop		✓			✓	
Prepare Summary Extension Program Adoption Report	Strategic Plan Workshop		✓	✓		✓	

APPENDIX 2 – SUMMARY OF STRATEGIC HORIZONS

Southern Rocklobster											
Strategic Horizons		Initiation phase				Near Horizon				Far Horizon	
		2003-2008				2009-2014				2015-2020	
Price Management											
Protect prices - Alliances											
- Best practice											
Build prices - Niche markets											
- Value adding											
- Brand management											
Volume Management											
Stock enhancement -											
- reseeding											
Aquaculture - growout											
- propagation											
Sustainability - stock, environment & climate											
Industry Management											
- Structure and leadership											
- Alliances and systems											
- Marketing and R&D investment											

APPENDIX 3 - CONFLICT OF INTEREST

Clause 36 of the Southern Rocklobster Limited constitution reads as follows:

2. Conflict of Interest

If a director is directly or indirectly interested in any contract or proposed contract with the Company; and the interest could conflict with the proper performance of the directors' duties in relation to the contract or proposed contract:

- (i) the director, as soon as practicable after becoming aware of the relevant facts, must declare the nature of the interest to the Company; and
- (ii) the director will be suspended from office in respect of the contract or proposed contract only. The suspended director will be unable to exercise any of the rights and benefits conferred to that position by the Company in relation to the contract or proposed contract.

Part (ii) of the clause will not apply if the interest of the director:

- (i) may be properly regarded as not being material, and
- (ii) does not exceed 5% of the issued shares (if a company) or 5% of the capital of the business proposing to enter into a contractual arrangement with the Company.

Any such contract, once entered into, shall be disclosed both as to the parties and as to the nature of the contract in the Annual Report covering the period when such contract is entered into, and in each subsequent Annual Report during the currency of such contract.

A director must exercise their powers and discharge their duties:

- (i) in good faith and for the best interest of the Company; and
- (ii) for a proper purpose.

A director must not improperly use their position to:

- (i) Gain an advantage for themselves or someone else; or
- (ii) cause detriment to the Company.

A director must not improperly use information obtained or received as a director to:

- (i) gain an advantage for themselves or someone else; or
- (ii) cause detriment to the Company.

The Board of Directors by special resolution may remove a director found to have breached Clause 36 and bar such person from being a Director of the Company for a minimum of three years.

APPENDIX 4 – RD&E COMMITTEE OPERATING GUIDELINES

Background

SRL is a company limited by guarantee owned by the South Australian, Tasmanian and Victoria State licence holder organisations. SRLs objectives are to:

- 1. 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 product are recognised as the best in the world;**
- 2. Maximise economic and social rewards for its members, communities and Australia and**
- 3. Cooperatively identify and achieve objectives of mutual benefit to its members.**

SRL is the sole national Southern Rocklobster RD&E organisation and it conducts RD&E on behalf of the sector and supports projects undertaken by research partners.

Stakeholders in SRL & FRDC are the fishing industry; the federal and state governments; service providers and regional communities.

Definition

For the purpose of this plan, the rocklobster sector is defined as including any industry or activity carried out, in or from, Australia with:

- taking; or,
- culturing; or,
- processing; or,
- preserving; or,

- storing; or,
 - transporting; or,
 - marketing; or,
 - selling;
- rocklobster and/or rocklobster products

Committee Terms of Reference

The Committee terms of reference are as follows:

- 1 Develop a Southern Rocklobster Sector Strategic RD&E Plan (the Strategic Plan) consistent with the national Fisheries & Aquaculture RD&E Plan (2010) in conjunction with other key stakeholders and research partners, as identified.
- 2 Through the planning process the RD&E Committee will be responsible for developing program priorities, projects and budgets in line with the strategic RD&E investment platforms within the Strategic Plan.
- 3 The RD&E Committee will be responsible for developing an Annual operating Plan (AOP) to deliver the outcomes of the Strategic Plan, including details of investments for the subsequent financial year.
- 4 The RD&E Committee will annually review the Strategic Plan to generate the next year's proposed RD&E investment proposals.
- 5 The RD&E Committee will provide the Strategic Plan, Annual Operating Plan and project applications to the SRL Board which will submit them to the FRDC for approval.

Committee Membership

The Committee will comprise:

- An independent Chairperson who will be the SRL Director RD&E.
- 3 SRL Industry Directors appointed by the SRL Board.
- 1 manager nominated by each of the SA, Victorian and Tasmanian fisheries Departments.

The persons appointed will all be suitably qualified with expertise in commercial fishing, industry development, fisheries management and/or RD&E planning and management.

Remuneration

The State Government management and SRL Board industry members of the RD&E Committee will not be remunerated by SRL and costs if participating are to be funded by the members' organisation. The Director RD&E is a paid position funded by SRL.

Duties of members

Members are required to attend all RD&E Committee and proxies will not be accepted. A member that does not attend two successive meetings without submitting an apology will have that position reviewed by the SRL Board to determine if the position should be declare vacant and a new appointment made.

When matters are referred to members for their comment or input outside meeting then a response is required from all members even if it is no comment.

The RD&E Committee Executive Officer

The RD&E Executive Officer will be:

Mr Ross Hodge
Southern Rocklobster Limited
C/- Po Box 2085
Camberwell West VIC 3124
Tel: (04) 2353-3133
Email: rosshodge@netspace.net.au

RD&E Committee meetings

The RD&E Committee will meet as follows:

- Up to four face to face meetings per financial year – (dates to be determined)
- Teleconferences as required.

SRL will arrange travel and accommodation on behalf of RD&E Committee members

Resources

Australian Southern Rocklobster Industry Strategic Plan 2006-2011 December 2006”
(Updated June 2009)

National Fisheries and Aquaculture RD&E Strategy (2010)

The SRL Annual Operational Plan 2010-11

The SRL Annual Reports

APPENDIX 5 – FRDC & ASCRC BUDGET RECONCILIATIONS

SRL Budget for NON-MOU/CRC					
FRDC non-CRC Income	2010-11	2011-12	2012-13	2013-14	2014-15
Industry contribution	\$475,167	\$458,000	\$466,467	\$484,408	\$502,542
Industry Cash MOU	\$260,000	\$260,000	\$260,000	\$260,000	\$260,000
FRDC contribution	\$437,153	\$421,360	\$429,149	\$445,656	\$462,338
Total FRDC/SRL wild catch	\$1,172,320	\$1,139,360	\$1,155,616	\$1,190,064	\$1,224,880
CRC	\$620,000	\$620,000	\$620,000	\$620,000	
FRDC Projects	\$541,478	\$318,921	\$65,109	\$0	\$0
Total commitments	\$1,161,478	\$938,921	\$685,109	\$620,000	\$0
Proposed projects					
Southern Rocklobster sector extension program	\$50,000	\$85,000	\$87,550	\$90,177	\$92,882
People development program: National Rocklobster Congress New Zealand & WA		15,000		15,000	
SRL RD&E Planning, implementation & governance	\$122,150	\$135,716	\$141,285	\$146,496	\$152,856
New Project Provision - optimising harvest			\$220,000	\$220,000	\$220,000
New Project Provision - Sustainability			\$220,000	\$220,000	\$220,000
Total Proposed Projects	\$172,150	\$235,716	\$668,835	\$691,673	\$685,738
Total Commitments + Proposals	\$1,333,628	\$1,174,637	\$1,353,944	\$1,311,673	\$685,738
Annual Balance	-\$161,308	-\$35,277	-\$198,328	-\$121,609	\$539,142
Cummulative Position	-\$161,308	-\$196,585	-\$394,913	-\$516,522	\$22,621

CRC Income		2010-11	2011-12	2012-13	2013-14
	Industry contribution	\$310,000	\$310,000	\$310,000	\$310,000
	FRDC matching	\$310,000	\$310,000	\$310,000	\$310,000
	2006/220 - additional cash				
	Seafood CRC	\$251,100	\$251,100	\$251,100	\$251,100
	Total CRC funds available	\$871,100	\$871,100	\$871,100	\$871,100
	Projects				
Current	Market Development USA 2007/704	\$82,570	\$0	\$0	\$0
Current	Consultation with the Southern Rocklobster Industry on Market Development Opportunities	\$19,389	\$0	\$0	\$0
Proposed	USA ongoing Market R&D	\$50,000	\$50,000	\$50,000	\$50,000
Proposed	New Market Development co-investment	\$250,000	\$420,000	\$420,000	\$420,000
	Total Market Development Platform	\$401,959	\$470,000	\$470,000	\$470,000
Current	SRL Comms, Board, R&D Planning 2006/215	\$21,918			
Proposed	SRL R&D Management	\$60,000	\$60,000	\$60,000	\$60,000
	R&D Management	\$81,918	\$60,000	\$60,000	\$60,000
Current	Translocation 2006/220	\$217,394			
Proposed	Decision support tools for economic optimization of invertebrate fisheries	\$83,333	\$83,333	\$83,333	
Proposed	Optimising business structures and fisheries management systems for key fisheries	\$40,000	\$20,000		
Current	Future Harvest Theme Leadership	\$8,280	\$8,280	\$8,280	\$8,280
Proposed	Workshops: recent progress and future directions in modelling invertebrate fisheries and managing towards MEY	\$7,500			
Available	Future Harvest - balance	\$0	\$98,387	\$118,387	\$201,720
	Total Future Harvest	\$356,507	\$210,000	\$210,000	\$210,000
Current	Total Communal projects 7%	\$60,977	\$60,977	\$60,977	\$60,977
	Total commitments	\$901,361	\$800,977	\$800,977	\$800,977
	Balance available	-\$203,176	-\$133,053	-\$62,930	\$7,193