



VICTORIAN SEAFOOD

ANNUAL REPORT 2020

Sustainable Fishing- Healthy Seafood

Seafood Industry Victoria

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INTRODUCTION

Seafood Industry Victoria (SIV) is the representative peak body for the Victorian seafood industry, from fishing and aquaculture primary producers through the wholesale, processors and retail sectors. SIV was formed in 1989 under the *Victorian Fishing Industry Council Act 1979* and is a not for profit, non-government organization, and is registered as an incorporated body (Reg. No# A0019675X).

SIV is largely funded by annual levies paid by fishermen and fish receivers/processors with the renewal payments of their access licenses. Fishing, aquaculture and post-harvest sector associations, co-operatives and companies with an interest in the seafood industry can obtain membership to SIV, by paying joining (as required) and annual membership fees.

With one full time and one part time member of staff, SIV provides the communication link between the seafood industry and the State and Federal Governments and a plethora of government agencies and associated industry bodies. The major role of SIV is to represent this Victorian seafood industry, disseminate the flow of information to/from industry and ensure industry has a recognized and respected voice. On behalf of industry we respond to a range of subjects including; fisheries legislation, licensing and access issues, development and licensing of new fisheries, marine parks, fisheries management plans, native title, quota allocation, environmental issues, introduction of quality assurance programs, representation on industry training boards, developing educational materials for school students and the general public, research and development applications, media inquiries, press releases and marketing and promotion of seafood products.

MINISTER'S STATEMENT

Thank you for the opportunity to contribute to the Seafood Industry Victoria Annual Report. The past 12 months have been extremely challenging for many industries, with the devastating summer bushfires and severe impact to coastal fishing ports such as Mallacoota and more recently, the global COVID-19 pandemic.

However the professionalism and dedication of the seafood industry in working through the challenges in a collaborative manner has been consistently demonstrated throughout this time.

Days after becoming the new Minister for Fishing and Boating I visited the state-of-the-art barramundi aquaculture farm at Werribee and was really impressed by the science and innovation used at this fantastic facility.

I have also joined the Aquatic Strategic Advisory Group meetings with industry leaders to hear first-hand what actions are needed to help grow Victorian seafood.

I would like to take this opportunity to acknowledge the work of the new Independent Chair, Joanne Butterworth-Gray, and the hard work of Executive Director, Johnathon Davey which has also been vital during this time.

Despite the challenges, we have seen new and ongoing licences created for pipis and octopus - each of these creating more jobs and investment in Portland and Lakes Entrance. The 43 new hook and line permits have provided much needed diversity and cash flow to many fishing businesses. The rolling over of uncaught quota for abalone and rock lobster is another important support measure.

Thank you again for your efforts to put safe, sustainable and delicious seafood on the plates of all Victorians. I look forward to a close working relationship with SIV and the industry in the years ahead.

Melissa Horne, MP
Minister for Fishing and Boating



CHAIR'S REPORT

It is an understatement to say that 2020 will go down in history as one of challenge.

The dawn of this decade was seen through burnt orange smoke as fires ravaged East Gippsland and destroyed the Mallacoota Abalone processing factory, fishing gear and vessels. The Princes Highway was closed for weeks to all but essential emergency services, and the preservation of lives, homes and livelihoods took precedence. Some of our fishing fraternity generously offered their vessels to rescue people and ferry goods. From across Victoria, and through VFA and Government, offers of assistance flowed, and as business struggled to get back on their feet, the Victorian seafood industry featured prominently in promotional stories to encourage visitors back to the shores of our coastal towns such as Lakes Entrance.

Then by late January we became aware of a new corona virus outbreak in seafood markets in China. Export markets closed. Within weeks, the corona virus had spread across the globe, and the WHO labelled it a pandemic. As governments grappled with the reality, borders closed, and economies went into slow motion.

The closure of export markets revealed the vulnerability of producers of abalone, rock lobster and giant crab, who relied on international trade. As your former Chair, Markus Nolle, said after a Southern Rock Lobster trade delegation to China late last year “the volume of Australian Rock Lobster is small in the global market, and we need to look to branding and promotion of our unique point of difference, and market diversification” - his observation was prophetic.

Seafood Industry Victoria is the representative voice for our commercial fishing and aquaculture sector. Operationally, we have supported industry with information and tools to navigate regulatory requirements to keep your businesses open. We advocated for recognition of Victorian seafood businesses as essential services - and succeeded. We have supported our industry on the federal stage for assistance to underwrite the cost of exports - noting that whilst there is now a logistics pathway, the markets are not functioning properly.

The closure of the Lakes Entrance fishery was a tough pill for our industry to swallow, however SIV has advocated strongly for Government support for Corner Inlet - our largest remaining bay and inlet fishery. And we have succeeded. The Minister has approved the development of a Fishery Management Plan for Corner Inlet that will secure the sustainability of the fishery and commercial fishing.

Strategically, SIV's focus has been on the pathway to recovery from COVID 19, recognising that with every challenge, there comes an opportunity. We partnered with the VFA to undertake an analysis of

the Victorian seafood supply chain and the impacts of COVID 19 and concluded that there are many vulnerabilities in the supply chain which also present an opportunity for innovation and market development.

SIV views the pandemic as a catalyst for change - it is time for SIV to re-imagine itself, our members services, and the initiatives or partnerships that will support industry growth and business viability. Your representative organisation is on a pathway of reform to grow member value.

The impact of the pandemic will be enduring however the future of the Victorian seafood industry is optimistic. Consumer awareness of food provenance and food security has been heightened. We have an opportunity to unite our industry across the whole supply chain and connect with Victorian consumers.

SIV values its partners and the collaboration potential we have together.

I acknowledge the contribution of the Victorian Fishing Authority under previous Minister Jaala Pulford, and now Minister Melissa Horne - thank you for your support for commercial fishing and its contribution to the state's economy and the fabric of communities. SIV has also forged a strong relationship with Agriculture Victoria and will continue to grow opportunity for support for our industry.

Thank you also to the FRDC, with whom SIV partnered on the project to quantify the economic and social contribution of Victoria's fisheries and aquaculture, and to the Melbourne Seafood Centre - our physical base and the centre of commercial seafood distribution.

In closing, I want to acknowledge the former Chair, the Board and our Executive Director - all of whom have dedicated time and effort on your behalf - thank you. I have to say that since taking on this role in March 2020, it has been one heck of a ride!

The Victorian seafood industry is strong and resilient - we have a great story to tell, and in Victoria alone, there are six million potential consumers of our product. I truly look forward to working with you towards a future filled with hope and potential.

I am privileged to lead this great industry and its organisation forward.

Joanne Butterworth-Gray
Independent Chair



EXECUTIVE DIRECTOR'S REPORT

On behalf of Seafood Industry Victoria, I provide the below review of our operations for the 2019-20 financial year.

As a priority, myself, the SIV Board and SIV staff have continued to promote the Victorian seafood industry and our Victorian seafood produce at every possible opportunity. We travel across the state for meetings, represent industry at seafood festivals and along our journeys we endeavour to meet as many of you as possible, while also introducing the consumer to the industry. While COVID-19 has stopped us from being on the road, we are still working to represent industry and will continue to do so and will be back in the regions as soon as restrictions permit.

Some of the most significant work undertaken by SIV in the 2019-20 year were:

- SIV hosted the national Seafood Directions Conference from 9-11 October 2019, in Melbourne, the conference was a resounding success.
 - The conference attracted a total of 425 registrations, with a further 157 tickets being sold to the side events (welcome function, WISA breakfast, awards lunch and gala dinner).
 - The conference proved very successful for SIV with an overall operating profit of \$78,390.41.
 - We sincerely thank all of our sponsors for the Conference and most notably the support from the Melbourne Seafood Centre, the Fisheries Research and Development Corporation and the Victorian Fisheries Authority.
- Representation and ongoing engagement with, and on behalf of the Gippsland Lakes licence holders, noting this fishery ceased to exist as of 1 April 2020. Our thanks go out to the 10 licence holders who supported SIV as their representative through the ordeal and provided us with frequent and meaningful insight throughout.
- Industry support, communications and representation through the COVID-19 pandemic - with exporting industries impacted from 24 January 2020.
- Progressing various elements of reform, including the appointment of Joanne Butterworth-Gray as our Independent Chair, and working with Resilient Futures to establish the conditions and opportunities for the future of SIV and industry representation moving forward - stay tuned as we have a big program of reform coming in 2020-21.

SIV Communications

Through the first half of 2019-20, SIV produced two volumes of our hardcopy magazine format, PROFISH. The preparation of each volume takes a considerable amount of SIV time, effort and coordination, and credit must go to the SIV Staff and Board who continued to lead the preparation of content and insight to make this possible. I acknowledge and thank industry, the VFA and other stakeholders who contributed and acknowledge and thank our sponsors of PROFISH who make it possible.

We also had significant increases with industry and community interaction with SIV's social media platforms. We operate across Facebook, Instagram and Twitter.

SIV is currently reforming its communications and Industry newsletter platforms, and we will continue to engage across various platforms moving forward.

Oil and Gas Sector Engagement

2019-20 has seen continued arrival of various interests of the Oil and Gas sector in offshore Victoria. This has required SIV engagement with the operators to ensure appropriate and relevant consultation with the Victorian seafood industry. Continued implementation SIV's joint policy with the Tasmanian Seafood Industry Council, has allowed industries concerns with regards exploration activities to be raised early and prominently with these proponents. SIV continues to adopt a process whereby Oil and Gas operators engage SIV to facilitate components of their consultation with the fishing and seafood industry. At all times this engagement is undertaken noting that we will only be reporting and representing the views, issues and comments of the fishing and seafood industry.

Ongoing Research

Throughout 2019-20, SIV continued to support and be involved in various projects that are of benefit to the Victorian seafood industry. We saw the completion of the socio-economic Valuation of the Victorian seafood industry, which presented the following statistics for industry:

Victorian Seafood Industry Key Facts:

Employment = 3,101 FTE jobs

- 1,132 jobs (catch & aquaculture) + 645 (processing) + 1,324 (indirect)
- 734 Victorian fishing and aquaculture licences

\$139 million Gross Value Product

- \$51M (Vic wild catch) + \$44M (Commonwealth waters) + \$44M (aquaculture)

\$332 million added value

- \$65M (catching sector) + \$37M (processing) + \$220M (indirect value)

\$186 million of household income

- \$40M (catch & aquaculture) + \$33M (processing) + \$112M (indirect value)

Through the financial year, we also continued the progression of enrolments in the Leadership and Community Engagement project, funded by the Federal Government Department of Agriculture, Water Resources and Environment. This training is being administered by SIV, in association with the Queensland Seafood Industry Association, WildCatch Fisheries SA, NSW Professional Fishermen's Association and the Western Australian Fishing Industry Council. It will deliver an online intensive leadership program for future industry leaders. This training resources have been finalised and the program delivery is to begin shortly through the Australian Maritime and Fisheries Academy (South Australia).

Funding Update

The 2019-20 financial year saw SIV return an operating budget with a loss of \$89,145. This deficit was largely due to the delivery of Seafood Directions 2019 - where the majority of income was received in

previous financial years and expended this financial year. I am pleased to report that SIV's delivery of the national Seafood Directions conference resulted in an overall \$78,390.41 profit (across multiple financial years).

SIV received \$665,118 of total revenue, which consists of levies received under the SIV/State of Victoria Funding Agreement, member association contributions, income from projects and other streams of income. This level of income confirmed our ability to represent and promote Victorian's seafood industry.

The SIV Board, Finance and Audit Committee and SIV staff continue to provide the highest possible level of service within the limitations of our budget. SIV's substantial funding base through levies collected from fishing licence holders continues to decline, largely due to reductions in fishing licence numbers. SIV continues to develop and implement strategies to activate other income streams to bolster SIV's financial position, strengthening our ability to represent industry.

I take this opportunity to acknowledge and thank the SIV Board, who continue to provide an exceptional level of guidance and advice to the SIV Staff. Throughout 2019-20, the Board has experienced change from being led by Mr Markus Nolle to the appointment of Mrs Joanne Butterworth-Gray as SIV Independent Chair. To Lisle Elleway, Andy Watts and Gary Leonard, who depart the SIV Board at this AGM, I cannot thank you enough for your leadership, counsel and input to the Board for over 7 years - your contribution to industry is greatly appreciated.

To SIV's small but dedicated team of part-time staff (Joanne Tripylas and our bookkeeper Mark Harris) thank you for your ongoing hard work and commitment to the organisation. We continue to deliver a substantial workload for the benefit of industry, often going above and beyond to ensure success.

To our Member Bodies and Victorian fisheries entitlement holders I thank you for your continued support of SIV. It is an honour to work with all of you and the broader Victorian seafood industry as we lead, manage and celebrate this great sustainable, innovative and determined seafood industry for the benefit of all Victorians.

Thank you.

Johnathon Davey
Executive Director



FINANCIAL STATEMENTS

Seafood Industry Victoria Incorporated

ABN: 57934776024

Financial Statements

For the Year Ended 30 June 2020

Seafood Industry Victoria Incorporated

ABN: 57934776024

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Seafood Industry Victoria Incorporated

ABN: 57934776024

Board Member's Report 30 June 2020

The board members submit the financial report of the Association for the financial year ended 30 June 2020.

1. General information

Board members

The names of board members throughout the year and at the date of this report are:

Joanne Butterworth-Gray (Independent Chairperson)	From 19th March 2020 - Current
Markus Nolle (Chairperson)	October 2019 - 19th March 2020
Johnathon Davey (Executive Director)	
Andrew Watts	
Michelle Hansen	
Craig Fox	
Michael Hobson	
Barbara Konstas	
Belinda Wilson	
Hilary McNevin	
Gary Leonard	
Lisle Elleway	

The SIV Board presents this financial statement as a true and fair view of SIV's financial position. These statements comply with Australian Accounting Standards as disclosed in Note 1 and with the Grant Agreement between Seafood Industry Victoria and the State of Victoria. Based on these audited accounts the SIV Board believes that SIV is able to pay its debts when they become due and payable.

Principal activities

The principal activities of the Association during the financial year were to encourage and promote development of the Seafood Industry in Victoria.

Significant changes

No significant change in the nature of these activities occurred during the year.

2. Operating results and review of operations for the year

Operating result

The surplus / (deficit) of the Association for the financial year after providing for income tax amounted to \$ (89,145) (2019: Surplus \$ 108,330).

SIV reported an operating profit in 2019, as the majority of invoices raised for Seafood Directions 2019 were received in the previous financial year. The result of expending these previously received funds in the 2019/20 financial year in hosting Seafood Directions 2019 produces an overall deficit of \$89,145.

3. Other items

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Association during the year.

Seafood Industry Victoria Incorporated

ABN: 57934776024

Board Member's Report

30 June 2020

3. Other items

Events after the reporting date

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

Future developments and results

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

Environmental issues

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

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Seafood Industry Victoria Incorporated.

Proceedings on behalf of association

No person has applied for leave of court under Section 237 of the Corporations Act 2001 to bring proceedings on behalf of the Association or intervene in any proceedings to which the Association is a party for the purpose of taking responsibility on behalf of the Association for all or any part of those proceedings

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



Joanne Butterworth-Gray (Chairperson)



Johnathon Davey (Executive Director)

Dated this 12th day of October 2020

Seafood Industry Victoria Incorporated

ABN: 57934776024

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2020

	2020	2019	
	\$	\$	
Revenue			
SIV Levy Income	326,309	341,332	a)
Membership Fees	26,082	12,473	
Seafood Directions 2019	211,325	175,906	b)
Cash Boost	29,835	-	c)
JobKeeper	12,000	-	d)
Victorian Business Support Fund	10,000	-	e)
AIC Levies and Interest	4,361	36,623	f)
Other Income	45,206	84,680	
Total Revenue	<u>665,118</u>	<u>651,014</u>	
Expense			
Bank fees	(78)	(76)	
Employee benefits expense	(205,601)	(207,611)	
Abalone Industry Committee Expenses	(40,056)	(45,070)	g)
Rent	(33,291)	(35,471)	h)
Seafood Directions 2019 Expenses and Bursaries	(273,233)	(41,553)	i)
Board Chair Fees	(14,168)	(10,000)	
Legal Fees	(21,185)	(5,080)	j)
Accounting, Audit, Bookkeeping and Consultants Expenses	(25,948)	(23,330)	
Consultants Expense	(15,620)	(54,200)	k)
Other Expenses	(125,083)	(120,293)	l)
Total Expenses	<u>(754,263)</u>	<u>(542,684)</u>	
Surplus / (deficit) before income tax	<u>(89,145)</u>	108,330	
Income tax expense	2(a) -	-	
Surplus / (deficit) for the year	<u>(89,145)</u>	<u>108,330</u>	
Total comprehensive income / (loss) for the period	<u>(89,145)</u>	<u>108,330</u>	

* Footnotes are located on the last page of these financial statements. The intention from the Board is to provide an appropriate level of transparency of the operations of SIV for the year ended 30 June 2020.

Seafood Industry Victoria Incorporated

ABN: 57934776024

Statement of Financial Position

30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	504,775	518,608
Trade and other receivables	4	26,671	125,808
Financial assets	5	175,994	213,287
TOTAL CURRENT ASSETS		707,440	857,703
TOTAL NON-CURRENT ASSETS	6	-	-
TOTAL ASSETS		707,440	857,703
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	279,216	349,192
Annual leave provision	8	26,210	23,564
TOTAL CURRENT LIABILITIES		305,426	372,756
NON-CURRENT LIABILITIES			
Employee long service leave provision	8	15,307	12,657
TOTAL NON-CURRENT LIABILITIES		15,307	12,657
TOTAL LIABILITIES		320,733	385,413
NET ASSETS		386,707	472,290
Equity			
Reserves	9	75	37,155
Retained profits		386,632	435,135
TOTAL MEMBERS' FUNDS		386,707	472,290

The accompanying notes form part of these financial statements.

Seafood Industry Victoria Incorporated

ABN: 57934776024

Statement of Changes in Equity For the Year Ended 30 June 2020

2020

	Retained Earnings	Reserves	Total
	\$	\$	\$
Balance at 1 July 2019	435,135	37,155	472,290
Deficit for the year	(89,145)	-	(89,145)
Transfer from reserves to retained earnings	34,000	(34,000)	-
Payments from reserves	6,642	(3,080)	3,562
Balance at 30 June 2020	386,632	75	386,707

2019

	Retained Earnings	Reserves	Total
	\$	\$	\$
Balance at 1 July 2018	333,305	35,842	369,147
Surplus for the year	108,330	-	108,330
Transfer to reserves from retained earnings	(34,000)	34,000	-
Payments from reserves	27,500	(32,687)	(5,187)
Balance at 30 June 2019	435,135	37,155	472,290

The accompanying notes form part of these financial statements.

Seafood Industry Victoria Incorporated

ABN: 57934776024

Statement of Cash Flows For the Year Ended 30 June 2020

	2020	2019
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from business activities	762,018	547,230
Payments to suppliers and employees	(817,631)	(432,201)
Interest received	4,487	8,618
Net cash provided by / (used in) operating activities	13 <u>(51,126)</u>	<u>123,647</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from / (payments for) term deposits	<u>37,293</u>	(22,553)
Net cash provided by / (used in) investing activities	<u>37,293</u>	(22,553)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase / (decrease) in cash and cash equivalents held	(13,833)	101,094
Cash and cash equivalents at beginning of year	<u>518,608</u>	<u>417,514</u>
Cash and cash equivalents at end of financial year	3 <u><u>504,775</u></u>	<u><u>518,608</u></u>

The accompanying notes form part of these financial statements.

Seafood Industry Victoria Incorporated

ABN: 57934776024

Notes to the Financial Statements

For the Year Ended 30 June 2020

The financial statements cover Seafood Industry Victoria Incorporated as an individual entity. Seafood Industry Victoria Incorporated is a not-for-profit Association incorporated in Victoria under the *Associations Incorporation Reform Act 2012* ('the Act').

The functional and presentation currency of Seafood Industry Victoria Incorporated is Australian dollars.

1 Basis of Preparation

In the opinion of the Board Members, the Association is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the Act.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, AASB 1048 *Interpretation of Standards* and AASB 1054 *Australian Additional Disclosures*.

The financial statements have been prepared on an accrual basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below.

2 Summary of Significant Accounting Policies

(a) Income Tax

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

(b) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments of 90 days or less which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

(i) Interest revenue

Interest is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Seafood Industry Victoria Incorporated

ABN: 57934776024

Notes to the Financial Statements For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(d) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

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

(e) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

(f) Financial instruments

Financial instruments are recognised initially on the date that the Association becomes party to the contractual provisions of the instrument.

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

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Seafood Industry Victoria Incorporated

ABN: 57934776024

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

Classification

On initial recognition, the Association classifies its financial assets into the following categories, those measured at:

- amortised cost

Financial assets are not reclassified subsequent to their initial recognition unless the Association changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Association's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Association considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Association's historical experience and informed credit assessment and including forward looking information.

Seafood Industry Victoria Incorporated

ABN: 57934776024

Notes to the Financial Statements For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

The Association uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Association uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Association in full, without recourse to the Association to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Association in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Association has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be non-collectable then the gross carrying amount is written off against the associated allowance.

Where the Association renegotiates the terms of trade receivables due from certain customers, the new expected cash flow are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Association measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Association comprise trade payables, bank and other loans and finance lease liabilities.

Seafood Industry Victoria Incorporated

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Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(g) Employee benefits

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

(h) Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

3 Cash and Cash Equivalents

	2020	2019
	\$	\$
Petty Cash	46	46
SIV Account #1 (6775)	431,028	404,083
SIV Account #2 (6841)	71,338	87,634
SIV Account #3 (9165)	2,363	26,845
	<u>504,775</u>	<u>518,608</u>

Account #1 (6775) - is SIV's main operational account.

Account #2 (6841) - is a secondary account, which was allocated to Seafood Directions 2019.

Account #3 (9165) - is a further account maintained to facilitate project income and expenditure, this account has historically being used to track AIC income and expenses.

4 Trade and Other Receivables

CURRENT		
Trade receivables	12,854	94,934
Provision for doubtful debts	(1,500)	(3,750)
	<u>11,354</u>	<u>91,184</u>
Rental bond	2,500	2,500
Prepayments *	11,578	30,177
Interest	1,239	1,947
	<u>26,671</u>	<u>125,808</u>

* SIV's Prepayments consist of insurances and Seafood Industry Australia 2020 membership (as invoiced for 2020-21 received in June 2020).

Seafood Industry Victoria Incorporated

ABN: 57934778024

Notes to the Financial Statements For the Year Ended 30 June 2020

5 Other Financial Assets

CURRENT

6mth Term Deposit (6477)	174,994	171,603
6mth Term Deposit (9040)	1,000	41,684
	<u>175,994</u>	<u>213,287</u>

6 Property, plant and equipment

Office furniture and Technology of SIV

At cost

	33,089	33,089
Accumulated depreciation	<u>(33,089)</u>	<u>(33,089)</u>
	<u>-</u>	<u>-</u>

7 Trade and Other Payables

	2020	2019
Note	\$	\$
CURRENT		
Trade payables*	12,062	14,598
Bendigo business mastercard	184	542
PAYG payable **	-	3,672
GST payable **	-	14,494
Accrued wages **	-	1,393
Superannuation payable **	-	1,250
Other payables - unspent project funds ***	266,970	313,243
	<u>279,216</u>	<u>349,192</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

* Trade payables represent the Accounts payable as at 30 June 2020.

** These accounts are set at \$0 for the 2020 financial statements, as they have been settled as at 30 June 2020.

*** Other payables - unspent project funds recognise two ongoing projects which have unspent, carry over funding into the 2020/21 financial year. These projects are as follows:

- DAWR Leadership and Community Engagement Training Project:	(\$166,970)
- Lattice Rock Lobster Peurulus Project:	(\$100,000)

Seafood Industry Victoria Incorporated

ABN: 57934776024

Notes to the Financial Statements For the Year Ended 30 June 2020

8 Employee Leave Provisions

	2020	2019
	\$	\$
CURRENT		
Annual leave	26,210	23,564
NON-CURRENT		
Long service leave	15,307	12,657
	<u>41,517</u>	<u>36,221</u>

9 Reserves

SIV Fighting Fund Reserve	75	3,155
Abalone Industry Committee Strategic Reserve	-	34,000
	<u>75</u>	<u>37,155</u>

10 Auditors' Remuneration

Remuneration of the auditor Nexia Melbourne Pty Ltd for:		
- auditing the financial statements	4,200	4,000
- other services provided by Nexia Melbourne*	1,310	1,250
Total	<u>5,510</u>	<u>5,250</u>

*Other services include assistance with the preparation of the financial report of the Association.

11 Related party transactions

Remuneration paid to Lighthouse Systems Pty Ltd Atf the Nolle Family Trust, an entity controlled by Markus Nolle. Markus' appointment was paid up until 19th March 2020.	9,167	10,000
Remuneration paid to JBG Strategic Pty Ltd for Independent Chair Services Provided By Joanne Butterworth-Gray. Joanne's appointment was paid from 19th March 2020.	5,001	-
	<u>14,168</u>	<u>10,000</u>

12 Contingencies

In the opinion of the Board Members, the Association did not have any contingencies at 30 June 2020 (30 June 2019: None).

Seafood Industry Victoria Incorporated

ABN: 57934776024

Notes to the Financial Statements For the Year Ended 30 June 2020

13 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by / (used in) operating activities:

	2020	2019
	\$	\$
Surplus / (deficit) for the year	(89,145)	108,330
Non-cash flows in surplus / (deficit) for the year:		
- depreciation	-	-
- doubtful debt write back	(2,250)	-
Changes in assets and liabilities:		
- (increase) /decrease in trade and other receivables	101,387	(95,166)
- increase / (decrease) in reserves	3,563	(5,188)
- increase / (decrease) in trade and other payables	(69,977)	108,712
- increase / (decrease) in provisions	5,296	6,959
Cashflows provided by / (used in) operating activities	<u>(51,126)</u>	<u>123,647</u>

14 Events after the end of the Reporting Period

The financial report was authorised for issue on 12 October 2020 by the Board Members.

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

15 Statutory Information

The registered office and principal place of business of the association is:

Seafood Industry Victoria Incorporated
Office 14,
133 Kensington Road
WEST MELBOURNE VIC 3000

Seafood Industry Victoria Incorporated

ABN: 57934776024

Certificate by Members of the Board

Annual statements give true and fair view of financial performance and position of incorporated association

I, Joanne Butterworth-Gray (Chairperson) and I, Johnathon Davey (Executive Director), of Seafood Industry Victoria Incorporated, certify that -

The statements attached to this certificate give a true and fair view of the financial performance and position of Seafood Industry Victoria Incorporated during and at the end of the financial year of the association ending on 30 June 2020.

Dated: 12 October 2020



.....
Joanne Butterworth-Gray (Chairperson)



.....
Johnathon Davey (Executive Director)

Seafood Industry Victoria Incorporated

Footnotes for Statement of Profit or Loss and Other Comprehensive Income

- a) SIV Levy Income - is the funding received by SIV under the SIV/State of Victorian Grant funding agreement.
- b) SIV hosted the national Seafood Directions conference at the Melbourne Convention and Exhibition Centre, in Melbourne from 9-11 October 2019, income from Seafood Directions 2019 spread across three financial years, as did our expenses.
- c) Cashflow Boost - Is a Federal Government initiative for business support during COVID-19, SIV has received tax relief/credit to offset PAYGW since April 2020.
- d) JobKeeper - SIV received JobKeeper for 2 employees for April and May 2020.
- e) Victorian Business Support Fund - Received on the 26th May 2020. <https://www.business.vic.gov.au/support-for-your-business/grants-and-assistance/business-support-package>
- f) AIC Income for 2020 was \$761 - interest and SIV made available \$3,600 of SIV levies for AIC operations.
- g) The Abalone Industry Committee has operated as a sub-committee of SIV in some format over the past 3 decades. Through ongoing engagement between SIV and the Abalone industry, the AIC was wound up in February 2020.
- h) Rent is the rental of an Office Space at the Melbourne Seafood Centre for the SIV Staff, and collaborative use of meeting facilities.
- i) As part of our sponsorship contract with the FRDC, SIV provided 8 number of young seafood leaders (through an expression of interest process) with a bursary up to \$1,000 to attend Seafood Directions 2019'.
- j) Legal Fees include SIV engagement in the Eastern Maar Native Title claim. Abalone marketing levy proposal rebuttal.
- k) Consultants relates to the SIV Board engagement of Resilient Futures in providing expert support for SIV's operations and development of strategies for SIV's future.
- l) Other expenses include project contributions, SIV investment in Abalone Council of Victoria projects, SIV Supply Chain Analysis project, membership of Seafood Industry Australia, printing, PROFISH development, postage, festival engagement and others.

INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEAFOOD INDUSTRY VICTORIA INC.

Report on the Financial Report

Opinion

We have audited the financial report, being a special purpose financial report, of Seafood Industry Victoria Inc., which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, other explanatory information and the statement by the finance committee.

In our opinion the financial report presents fairly, in all material respects, the financial position of Seafood Industry Victoria Inc. as at 30 June 2020 and of its financial performance and its cash flows for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Basis for opinion

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

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

Emphasis of matter regarding basis of accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report is prepared to assist Seafood Industry Victoria Inc. to comply with the financial reporting provisions of the Associations Incorporation Reform Act 2012. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Committee Members' for the Financial Report

The committee members are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, committee members are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those committee members are responsible for overseeing the Association's financial reporting process.

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Melbourne VIC 3000
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E info@nexiamelbourne.com.au
W nexia.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEAFOOD INDUSTRY VICTORIA INC. (cont.)

Auditor's responsibility for the audit of the financial report

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

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

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

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

**Nexia Melbourne Audit Pty Ltd
Melbourne**

Dated this 12th day of October 2020

**Andrew S. Wehrens
Director**

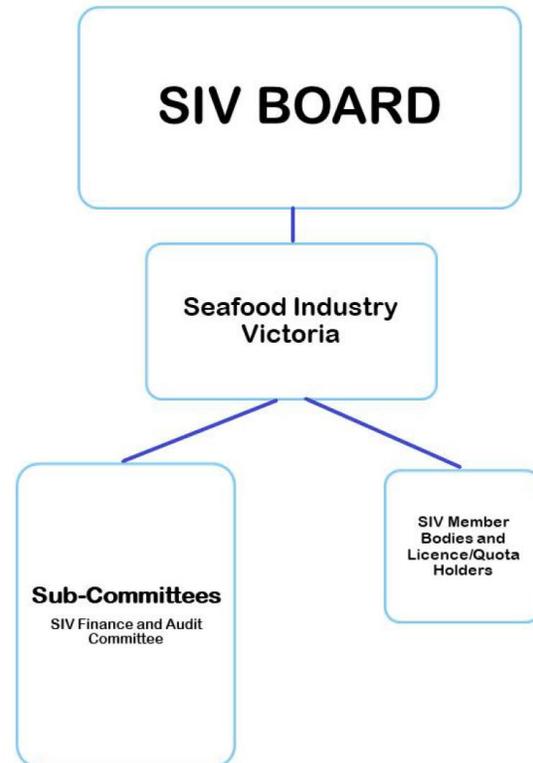
MISSION STATEMENT

Seafood Industry Victoria will continue building and informing a united and ecologically sustainable and thriving seafood industry valued by the Victorian community.

SIV'S FOCUS

While strengthening our advocacy position, SIV's focus for the period 2017-2022 is to bring prominence to the people, places and products of the Victorian Seafood Industry through connected, localised, high-value initiatives that leverage existing partnerships build new connections with industry and position commercial fishing as a net positive in the public domain.

ORGANISATIONAL STRUCTURE



BOARD OF DIRECTORS

The SIV Board is formed through industry nominations at the Annual General Meeting. The full Board consists of a Chair, a Deputy Chair and ten Directors. The Board shall comprise no more than thirteen directors being, seven directors from the primary (catching) sector, two directors from the secondary (post-harvest) sector and a maximum of three other directors to fill if required casual vacancies. The Executive Director of SIV also sits on the Board.

The Role of the SIV Board

The role of the Board is Governance and not the day-to-day management of the organisation. Governance has its focus on the organisation's wider issues of organisational purpose, including the setting and monitoring of the strategic direction and goals and the establishment and monitoring of board-level policies. A simple way to view the respective roles of the board and management is to see the board as having a strategic focus and management as having operational focus. Despite this 'separation of powers', it is essential that the board works in close partnership with the Executive Director to ensure that the boards direction and goals are achieved. The board must ensure that the Executive Director is supported and has sufficient resources to undertake his/her responsibilities.

Board Development

All Board members are given a Directors Induction manual that includes the Board Governance Charter. Development opportunities are available for Directors and are considered by the SIV Board as they arise, for example, Directors engagement in the National Seafood Industry Leadership Program.

Access to Information and Outside Advice

Directors have access to all information necessary (including previous agenda papers) to help them perform their duties.

SIV DIRECTORS



Joanne Butterworth-Gray
Independent Chair (March 2020)



Markus Nolle
SIV Chair (2016- 2020)
Rock Lobster



Barbara Konstas
Deputy Chair
SIV Finance Committee
Secondary Sector (Non-Abalone)



Andrew Watts
Scallop



Belinda Wilson
Casual



Craig Fox
Abalone

SIV DIRECTORS



Gary Leonard

*SIV Finance Committee
Bay, Inlet, Eel & Inland*



Hilary McNevin

Casual



Lisle Elleway

Ocean Access / Purse Seine



Michael Hobson

*SIV Finance Committee
Inshore Trawl*



Michelle Hansen

Secondary Sector (Abalone)

BOARD ATTENDANCE

Attendance at Board meetings held during 2019-20

The table below shows attendance at Board meetings held during the year:

	19 Aug 2019 #177	25 Oct 2019 #178	25 Nov 2019 #179	13 Dec 2019 #180	12 Feb 2020 #181	24 Apr 2020 #182	10 Jun 2020 #183
Johnathon Davey (Executive Director)	√	√	√	√	√	√	√
Markus Nolle (Chair)	√	√	X	X	√	√	√
Joanne Butterworth-Gray (Independent Chair)						√	√
Andrew Watts	√	X	√	X	√	X	X
Barbara Konstas (Deputy Chair)	X	√	√	√	√	√	X
Belinda Wilson	√	X	√	√	√	X	√
Craig Fox	√	√	√	√	X	√	√
Gary Leonard	√	X	√	√	X	√	X
Hilary McNevin	√	X	√	X	X	√	X
Lisle Elleway	√	X	√	√	√	√	√
Michael Hobson	√	√	√	√	√	√	√
Michelle Hansen	√	√	√	√	X	√	√

Three additional meetings were held in 2020:
 24 February 2020 - Chair Selection Interviews
 26 March 2020 - Informal Board meeting to introduce new Independent Chair
 22 May 2020 - Special Board Meeting (COVID-19)

SIV COMMITTEES

The Finance & Audit Committee

The Finance and Audit Committee is a sub-committee of the Board. It comprises at least three non-executive Directors appointed by the Board. In addition, the Executive Director and SIV's Bookkeeper also attend its meetings.

The role of the Finance & Audit Committee

The primary responsibility of the Finance and Audit Committee is to assist the Board in its governance role of ensuring that the organisation operates effectively, efficiently, ethically and legally.

Attendance at Finance & Audit Committee meetings held during 2019-20

The table below shows attendance at Finance meetings held during the year:

	23 Sept 2019	21 Oct 2019	17 April 2020	20 May 2020
Johnathon Davey (Executive Director)	√	√	√	√
Barbara Konstas (Chair)	√	√	√	√
Gary Leonard	√	√	√	X
Joanne Butterworth-Gray			√ (Joined the FAC)	√
Mark Harris (Bookkeeper)	X	√	√	√
Markus Nolle	√	√	Left the FAC	
Michael Hobson	√	√	√	√

Two special meetings were held in November 2019 to review the 2019/2020 Budget:
20 November 2019 & 22 November 2019.

MEMBER ASSOCIATIONS

<p>Abalone Council of Victoria Josh Cahill email: josh@abalonevictoria.com.au</p>	<p>San Remo Fishermen's Co-op Paul Mannix email: info@srfco.com.au</p>
<p>Abalone Victoria (Central zone) Josh Cahill email: josh@abalonevictoria.com.au</p>	<p>Southern Ocean Mariculture Pty Ltd Mark Gervis email: mg@som-abalone.com.au</p>
<p>Apollo Bay Fishermen's Co-op Alan Nicholls email: abayfishcoop@bigpond.com</p>	<p>Victorian Bay & Inlet Fisheries Association Gary Leonard email: gm.leonard@southernphone.com.au</p>
<p>East Gippsland Estuarine Fishermen's Association Arthur Allen email: dianneallen57@gmail.com</p>	<p>Victorian Fish & Food Marketing Association Brian Bateman email: brianb@bigblue.net.au</p>
<p>Eastern Zone Abalone Industry Association Geoff Ellis email: geoffellis01@gmail.com</p>	<p>Victorian Rock Lobster Association Markus Nolle email: vrla.email@gmail.com</p>
<p>Goulburn River Trout Ed Meggitt email: grtem@virtual.net.au</p>	<p>Western Abalone Diver's Association Harry Peeters email: wada@pipeline.com.au</p>
<p>Hearn Fishing Industries Pty Ltd John Hearn email: admin@allfreshseafood.com.au</p>	<p>Yumbah Narrawong Pty Ltd Tim Rudge email: tim.rudge@yumbah.com</p>
<p>Lakes Entrance Fishermen's Co-op Brad Duncan email: lefcoll@lefcoll.com.au</p>	
<p>Mainstream Aquaculture Pty Ltd Boris Musa Email: b.musa@mainaqua.com.au</p>	
<p>Melbourne Seafood Centre Barbara Konstas email: b.konstas@melbourneseafoodcentre.com.au</p>	