

Directors' report

The Directors present their report together with the financial statements of Seafarms Group Limited (referred to hereafter as the Group) consisting of Seafarms Group Limited and the entities it controlled at the end of or during the 9 months ended 30 June 2016.

Directors

The following persons were Directors of Seafarms Group Limited during the whole of the financial period and up to the date of this report:

Ian Norman Trahar
 Harley Ronald Whitcombe
 Dr Christopher David Mitchell
 Paul John Favretto

Principal activities

The Group's principal continuing activities during the 9 months consisted of aquaculture project development, aquaculture operations, carbon project management (Australia, New Zealand and Vietnam), the provision of environmental services (advisory in ecosystem offsets and carbon farming projects), and trading environmental credits.

Review of operations

The Group has reported a loss for the period after taxation of \$18,360,319 (2015: loss \$15,959,969).

A summary of consolidated revenues and results for the period by significant industry segments is set out below:

Consolidated	Segment revenues		Segment results	
	2016	2015	2016	2015
	\$	\$	\$	\$
Aquaculture	19,244,586	18,356,832	(16,754,660)	(11,281,087)
Carbon services	3,786,946	6,419,678	(229,116)	(250,929)
Other	497,754	1,438,905	(1,666)	702,433
Total segment revenue/result	23,529,286	26,215,415	(16,985,442)	(10,829,583)

Segment results are earnings before interest and tax, which is the measure of segment result that is reported to the strategic steering committee to assess the performance of the operating segments.

Comments on the operations and the results of those operations are set out below:

Aquaculture

Seafarms commenced its first prawn farming operations in 2014 in North Queensland.

The grow out production during the 9 month period increased from approximately 1,000 tonnes of fresh and cooked prawns sold into Australian markets to over 1,100 tonnes.

Seafarms produces two types of prawns: bananas and black tigers sold under the unique Crystal Bay™ Prawns brand which are available in supermarkets, seafood markets and wholesalers and can be found on the menus at many fine restaurants across Australia.

Seafarms has taken the opportunity to test stocking rates and feed mixtures and suppliers during the year as well as commence the domestication program for the black tiger prawns.

Seafarms has continued to develop plans to leverage from our Queensland operations platform into a world-class greenfield development in northern Australia via the company's Project Sea Dragon. The company has continued to progress Project Sea Dragon, a 100,000 tonne per annum prawn farming operation.

Review of operations (continued)

Aquaculture (continued)

Seafarms Bankable Feasibility Study for Stage 1 of Project Sea Dragon is well advanced. Field trials on the Legune Pastoral Lease have confirmed the suitability of the soils for the proposed construction of ponds and tests also. The required environmental investigations are nearing completion.

Seafarms completed plans for the upgrade of the quarantine/founder stock centre at Exmouth with final arrangements under way to commence refurbishment and construction activities to be ready for the first intake of founder prawns anticipated second quarter of FY 17.

A formal Notice of Intent for aquaculture operations for the company's preferred site for the breeding and maturation centres has been lodged and is under consideration by relevant authorities. Formal processes to acquire the site are under way. A Scared Site Clearance certificate has been obtained for this site.

After further due diligence the company has identified its final preferred site for the proposed processing plant. An expression of interest to acquire the site has been lodged and discussions have commenced.

The company continues to engage with governments who continue to demonstrate support for the project through their facilitation services, and most recently through announcement of financial support for upgrading the public road from Western Australia to the Legune property boundary. Seafarms has been advised that it is the preferred tenderer for a dormant workers village located in the environs of Kununurra; this should enable a more rapid ramp-up in the initial construction phase of the project.

The Australian Research Council's Industrial Transformation Research Hub for Advanced Prawn Breeding is now into its second year with all agreements in place and investigations are under way at its facilities in Queensland. was launched during the year.

Carbon services

Carbon and environmental services under the well accepted CO2 Australia brand performed as expected during the year.

The company followed its initial success at the government's emission reduction fund auction with success at the subsequent auctions with 10 year contracts secured. CO2 Australia also entered into an agreement to act as agent for the NSW Office of Environment and Heritage in relation to their Emissions Reduction Fund strategies and projects with gross value to OEH of \$792,240 over 10 years and, through the revenue share deal we have with them, gross value to CO2 Australia of \$144,000 (this on top of revenue through tree-planting and regrowth management).

As well as delivering these revenue outcomes, we experimented with a few different bid structures/strategies through this latest auction and the learnings we have gained will put us in a great position for bidding at the fourth auction, by which time we will be aiming to have signed up a number of large-scale regrowth projects.

Subsequent to being appointed as a large-scale service provider under the Government's 20 million trees program the company successfully secured additional contracts under that program. The company continues to develop an enviable track-record in the delivery of carbon, biodiversity and revegetation projects across a range of environments.

Other

CO2 Australia's team of environmental professionals continues to extend its range of service offerings substantive expansion in the variety of engagements secured within the environmental services sector. The Advisory team continues to secure repeat business from its key blue-chip client base.

Significant changes in the state of affairs

Significant changes in the state of affairs of the Group during the financial period were as follows.

Contributed equity increased by \$9,421,233 (2015: \$15,248,092) as the result of a rights issue. Details of the changes in contributed equity are disclosed in note 29 to the financial statements.

Significant changes in the state of affairs (continued)

At the AGM in February 2016, members approved the change of accounting date for the Group to 30 June. Accordingly, these financial statements cover the 9 months to 30 June 2016, whilst the comparative figures are for the year to 30 September 2015.

Likely developments and expected results of operations

The major development focus of the Group continues to be the prosecution of Project Sea Dragon - a major aquaculture development in Northern Australia. Stage 1 of the Project will take a minimum of two dry seasons to complete, so construction can be expected to take place across a number of years. The company has commenced its breeding program with wild broodstock expected to enter the program in the next financial year. The development of the first pathogen-free animals suitable for Project Sea Dragon is scheduled to coincide with pond construction operations recognising that Project Sea Dragon is a multi-year development project that is designed to be rolled out in stages.

The company continues its improvement program at its operating facilities in north Queensland with a focus on continuing improvement in performance. This includes increased yield and outputs, increasing growth rates, better utilisation of assets including optimisation of stocking strategies to eliminate requirements for third party hatcheries, and continued development of genetics.

Information on directors

Ian Norman Trahar B.Ec, MBA. *Executive Chairman (since 13 November 2001)*

Experience and expertise

Mr Trahar has a resource and finance background. He is a director and significant shareholder of Avatar Industries Pty Ltd, an unlisted public company. Ian is a member of the Australian Institute of Company Directors.

Other current directorships

None.

Former directorships in last 3 years

None.

Special responsibilities

Chair of the board.

Member of the audit committee.

Member of remuneration committee.

Interests in shares and options

405,974,561 shares in Seafarms Group Limited.

Harley Ronald Whitcombe B.Bus, CPA. *Executive Director (since 12 November 2001)*

Experience and expertise

Mr Whitcombe has had many years' commercial and finance experience, providing company secretarial services to publicly listed companies. He is a member of the Australian Institute of Company Directors.

Other current directorships

None.

Former directorships in last 3 years

None.

Special responsibilities

Chief Financial Officer & Company Secretary of Seafarms Group Limited.

Interests in shares and options

12,013,259 ordinary shares in Seafarms Group Limited.

Information on directors (continued)

Dr Christopher David Mitchell PhD, BSc (Hons), GAICD. *Executive Director (since 28 July 2005)*

Experience and expertise

Dr Mitchell has a PhD in biology from the University of Melbourne, is a graduate of the Australian Institute of Company Directors and has a 20 year involvement in Australian and international climate change research. He is an Adjunct Professor at the School of Environmental Science Murdoch University and a member of the Community and Industry Advisory Board of the University of Melbourne's Office of Environmental Programs. Prior to joining the Group full time Dr Mitchell was Foundation Director of the Centre for Australian Weather and Climate Research, a partnership between CSIRO and the Bureau of Meteorology, and was CEO of the Cooperative Research Centre for Greenhouse Accounting. He chaired the Victorian Climate Change Minister's Reference Council on Climate Change Adaptation and was on the CSIRO's Environment and Natural Resources Sector Advisory Committee.

Other current directorships

None.

Former directorships in last 3 years

None.

Special responsibilities

Member of the audit committee.

Member of remuneration committee.

Interests in shares and options

2,393,936 ordinary shares in Seafarms Group Limited.

Paul John Favretto LL.B. *Independent Non-executive Director (since 18 December 2007)*

Experience and expertise

Mr Favretto was previously Managing Director of Avatar Industries Limited. Before that Mr Favretto worked for 20 years in the financial services industry holding senior management positions with Citibank Limited (1976 to 1985) and Bankers Trust Australia Limited (1986 to 1994).

Other current directorships

None.

Former directorships in last 3 years

None.

Special responsibilities

Chairman of remuneration committee.

Chairman of audit committee.

Interests in shares and options

36,666,666 ordinary shares in Seafarms Group Limited.

Company secretary

The Company secretary is Mr Harley Ronald Whitcombe B.Bus, CPA. Mr Whitcombe was appointed to the position of Company secretary on 12 November 2001. Mr Whitcombe has had many years' commercial and finance experience, providing company secretarial services to publicly listed companies. He is a member of the Australian Institute of Company Directors.

Meetings of directors

The numbers of meetings of the Company's board of Directors and of each board committee held during the 9 months ended 30 June 2016, and the numbers of meetings attended by each Director were:

	Full meetings of directors		Meetings of committees			
			Audit		Remuneration	
	A	B	A	B	A	B
Ian Norman Trahar	7	8	2	2	-	-
Harley Ronald Whitcombe	8	8	-	-	-	-
Dr Christopher David Mitchell	8	8	2	2	-	-
Paul John Favretto	8	8	2	2	-	-

A = Number of meetings attended

B = Number of meetings held during the time the Director held office or was a member of the committee during the 9 months

Remuneration report (audited)

The Directors are pleased to present your Company's 2016 remuneration report which sets out remuneration information for Seafarms Group Limited's non-executive Directors, executive Directors and other key management personnel.

Non-executive director remuneration policy

The shareholders of Seafarms Group Limited on 24 February 2012 approved, for the purposes of the ASX Listing Rules and the Group's Constitution, an increase in the maximum aggregate directors' fees to \$400,000, with such fees to be allocated to the directors as the board of directors may determine.

The Remuneration Committee determines the remuneration of all non-executive directors, none of whom have service contracts with the company.

Executive remuneration policy and framework

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms with market practice for delivery of reward. The board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitive and reasonable, enabling the company to attract and retain key talent;
- aligned to the company's strategic and business objectives and the creation of shareholder value;
- performance linkage / alignment of executive compensation;
- transparent; and
- acceptable to shareholders.

Alignment to shareholders' interests:

- attracts and retains high calibre executives.

Alignment to program participants' interests:

- rewards capability and experience; and
- provides recognition for contribution.

The board has established a remuneration committee which makes recommendations to the board on remuneration and incentive policies and practices and specific recommendations on remuneration packages and other terms of employment for executive directors, other senior executives and non-executive directors. The Corporate Governance Statement provides further information on the role of this committee.

The executive remuneration and reward framework has two components:

Remuneration report (audited) (continued)

Executive remuneration policy and framework (continued)

- base pay and benefits, including superannuation; and
- short-term performance incentives.

The combination of these comprises an executive's total remuneration. The Group intends to conduct a review of the incentive plans during the year ending 30 June 2017 to ensure continued alignment with financial and strategic objectives.

(a) Elements of remuneration

Base pay and benefits

Executives receive their base pay and benefits structured as a total employment cost (TEC) package which may be delivered as a combination of cash and prescribed non-financial benefits at the executives' discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

There are no guaranteed base pay increases included in any executives' contracts.

Short-term incentives

If the Group achieves a pre-determined profit target set by the remuneration committee, a short-term incentive (STI) pool is available to executives and other eligible participants. Cash incentives (bonuses) were payable on 15 November each year, with the change of accounting date to 30 June this will be 15 August in future years. Using a profit target ensures variable reward is only available when value has been created for shareholders and when profit is consistent with the business plan. The distribution of the STI pool is at the discretion of the Executive Chairman.

(b) Details of remuneration

Amounts of remuneration

Details of the remuneration of the directors, the key management personnel of the Group (as defined in AASB 124 *Related Party Disclosures*) of Seafarms Group Limited and the Group are set out in the following tables.

The key management personnel of Seafarms Group Limited includes the directors as listed below:

- Ian Norman Trahar (Chairman and Executive Director)
- Harley Ronald Whitcombe (Executive Director and Company Secretary)
- Dr Christopher David Mitchell (Executive Director)
- Paul John Favretto (Non-executive Director)

In addition to the directors the following executives that report directly to the Board are key management personnel:

- Aaron Soanes (Director and General Manager of Operations, CO2 Australia Limited)
- Dr James Bulinski (Director, CO2 Australia Limited)
- Dallas Donovan (Chief Operating Officer, Seafarms Operations Limited)

The following table shows details of the remuneration expense recognised for the Group's executive key management personnel for the current and previous financial year measured in accordance with the requirements of the accounting standards.

Remuneration report (audited) (continued)

(b) Details of remuneration (continued)

9 months to 30 June 2016								
Name	Short-term employee benefits			Post-em ployment benefits	Long- term benefits	Termi- nation benefits	Share-ba sed payment s	Total
	Cash salary and fees	Cash bonus	Non- monetary benefits	Super- annuation	Long service leave		Performa nce rights	
	\$	\$	\$	\$	\$	\$	\$	\$
Non-executive Directors								
P Favretto	26,400	-	-	18,769	-	-	-	45,169
Sub-total non-executive directors	26,400	-	-	18,769	-	-	-	45,169
Executive Directors								
I Trahar	180,338	-	-	17,646	3,006	-	-	200,990
H Whitcombe	203,108	-	-	19,295	3,385	-	-	225,788
C Mitchell	183,299	-	23,088	17,413	3,055	-	-	226,855
Other key management personnel (Group)								
A Soanes	137,565	-	20,286	13,069	2,293	-	-	173,213
J Bulinski	138,533	-	17,658	12,733	2,309	-	-	171,233
D Donovan	181,125	-	-	17,207	3,019	-	-	201,351
Total key management personnel compensation (Group)	1,050,368	-	61,032	116,132	17,067	-	-	1,244,599
2015								
Name	Short-term employee benefits			Post-em ployment benefits	Long- term benefits	Termi- nation benefits	Share-ba sed payments	Total
	Cash salary and fees	Cash bonus *	Non- monetary benefits	Super- annuation	Long service leave		Performa nce rights	
	\$	\$	\$	\$	\$	\$	\$	\$
Non-executive Directors								
P Favretto	35,200	-	-	25,025	-	-	-	60,225
Sub-total non-executive directors	35,200	-	-	25,025	-	-	-	60,225
Executive Directors								
I Trahar	240,450	-	-	23,529	4,378	-	-	268,357
H Whitcombe	286,434	14,754	-	25,727	4,931	-	-	331,846
C Mitchell	244,398	14,754	18,249	23,218	4,450	-	-	305,069
Other key management personnel (Group)								
A Soanes	180,000	-	-	17,100	3,000	-	-	200,100
J Bulinski	182,160	-	13,769	17,210	3,036	-	-	216,175
D Donovan	241,500	-	-	22,943	4,397	-	-	268,840
Total key management personnel compensation (Group)	1,410,142	29,508	32,018	154,752	24,192	-	-	1,650,612

* The cash bonus to H Whitcombe was paid on 22 December 2014 after a successful resolution of negotiations with the Australian Taxation Office. C Mitchell's cash bonus was paid on 14 January 2015 in recognition of the successful rationalisation of the Group's carbon business.

Remuneration report (audited) (continued)

(c) Service agreements

Remuneration has been determined after the Remuneration Committee, for executive directors, and the Board, for group executives, has investigated current market terms and conditions.

The Remuneration Committee will continue to revise the remuneration practices and develop policy for future appointments and determine performance-based salary increases and bonuses, bearing in mind the size of the Group and the need to ensure quality staff are employed and retained.

I Trahar, H Whitcombe, Executive Directors:

- Term of agreement - no fixed term;
- Base salary which includes superannuation is reviewed annually (minimum increase of CPI);
- Employer may terminate employment on giving twelve months notice and in the event of early termination at the option of the employer, by payment of a termination benefit equal to 100% of base salary for the unexpired period of notice. The employee may terminate on giving three months notice.

C Mitchell, Executive Director and Managing Director of CO2 Australia Limited (from 21 January 2014):

- Term of agreement - no fixed term;
- Base salary which includes superannuation is reviewed annually (minimum increase of CPI);
- Employer may terminate employment on giving six months notice and in the event of early termination at the option of the employer, by payment of a termination benefit equal to six months of base salary for the unexpired period of notice;
- In the event of redundancy, six months base salary is to be paid plus payment equivalent to three weeks of base salary for each completed year of service;
- Salary-packaged motor vehicle is included.

A Soanes Director and Manager of Operations, CO2 Australia Limited:

- Term of agreement - no fixed term;
- Base salary which includes superannuation is reviewed annually (minimum increase of CPI);
- Employer or employee may terminate employment on giving one months notice;
- In the event of redundancy, three months base salary is to be paid plus payment equivalent to two weeks of base salary for each completed year of service;

J Bulinski Director, CO2 Australia Limited

- Term of agreement - no fixed term;
- Base salary which includes superannuation is reviewed annually (minimum increase of CPI);
- Employer or employee may terminate employment on giving one months notice;

D Donovan Chief Operating Officer, Seafarms Operations Limited

- Term of agreement - no fixed term;
- Base salary which includes superannuation is reviewed annually (minimum increase of CPI);
- Employer or employee may terminate employment on giving one months notice;

Remuneration report (audited) (continued)

(d) *Additional statutory information*

(i) *Remuneration breakdown*

The following table shows the relative proportions of remuneration that are linked to performance and those that are fixed, based on the amounts disclosed as statutory remuneration expense on page 7 above:

Consolidated

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2016 %	2015 %	2016 %	2015 %	2016 %	2015 %
Executive Directors of Seafarms Group Limited						
I Trahar	100%	100%	-%	-%	-%	-%
H Whitcombe	100%	100%	-%	-%	-%	-%
C Mitchell	100%	100%	-%	-%	-%	-%
Other key management personnel of the group						
A Soanes	100%	100%	-%	-%	-%	-%
J Bulinski	100%	100%	-%	-%	-%	-%
D Donovan	100%	100%	-%	-%	-%	-%

Cash bonuses are at the discretion of the remuneration committee and do not form part of the remuneration breakdown shown above.

(ii) *Share-based compensation*

No options over ordinary shares in the company were provided to any director or key management personnel of the parent entity or the Group during the year (2015: Nil). There are currently no option or share schemes that may affect remuneration in future reporting periods.

Shares provided on exercise of options

No shares were provided to any Director of Seafarms Group Limited or other Key Management Personnel on exercise of options during the financial year.

The table below sets out summary information about the Group's earnings and movements in shareholder wealth for the last five financial periods:

Remuneration report (audited) (continued)

(d) *Additional statutory information (continued)*

(ii) *Share-based compensation (continued)*

Shares provided on exercise of options (continued)

	9 months ended 30 June 2016	Year ended 30 September 2015	Year ended 30 September 2014	Year ended 30 September 2013	Year ended 30 September 2012
	\$	\$	\$	\$	\$
Revenue	23,529,287	26,215,415	23,477,385	45,339,991	64,263,790
Net profit/(loss) before tax	(18,735,522)	(16,334,712)	(8,045,199)	(10,735,144)	7,045,442
Net profit/(loss) after tax	(18,360,318)	(15,959,969)	(6,649,227)	(6,779,523)	4,912,698

	30 June 2016	30 September 2015	30 September 2014	30 September 2013	30 September 2012
Share price at start of year	6c	6c	6c	10c	16c
Share price at end of year	7c	6c	6c	6c	10c
Dividend	-	-	-	-	-
Basic earnings/(loss) per share	(2.03)c	(2.31)c	(1.36)c	(1.50)c	1.19cps
Diluted earnings/(loss) per share	(2.03)c	(2.31)c	(1.36)c	(1.50)c	1.12cps

Changes in the wealth of the business prior to the 2012 financial year bore no relationship to the remuneration of key management personnel. On 31 August 2011, shareholders approved the Seafarms Group Limited Employee Incentive Plan. Under the Plan, eligible participants were granted Performance Rights to acquire ordinary shares in Seafarms Group Limited, subject to satisfying any vesting conditions. The Plan commenced on 30 September 2011, and terminated 1 February 2014.

At the 2015 Annual General Meeting of Seafarms Group Limited, held on 1 February 2016, shareholders approved the "Seafarms Group Employee Incentive Plan" under which the Board may grant equity securities (including performance rights and options) to eligible participants under the plan, which may, subject to the discretion of the Board, include executive directors or key management personnel. No equity securities have been granted to date by the Group pursuant to this plan.

(iii) *Voting and comments made at the company's Annual General Meeting*

Seafarms Group Limited received more than 99% of "yes" votes on its remuneration report for the 2015 financial period. The company did not receive any specific feedback at the AGM or throughout the period on its remuneration practices.

(e) *Equity instrument disclosures relating to key management personnel*

(i) *Option holdings*

No options were held or issued at any time to Directors of Seafarms Group Limited and other key management personnel during the financial year (2015: Nil).

(ii) *Share holdings*

The numbers of shares in the Company held during the financial period by each Director of Seafarms Group Limited and other key management personnel of the Group, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

Remuneration report (audited) (continued)

(e) Equity instrument disclosures relating to key management personnel (continued)

Consolidated 2016	Balance at the start of the period	Received during the year on the exercise of options	Received on vesting of rights to deferred shares	Other changes during the period	Balance at end of the period
Name					
Directors of Seafarms Group Limited					
Ordinary shares					
I N Trahar	402,974,561	-	-	3,000,000	405,974,561
H R Whitcombe	12,013,259	-	-	-	12,013,259
C D Mitchell	2,393,936	-	-	-	2,393,936
P J Favretto	36,666,666	-	-	-	36,666,666
Other key management personnel of the Group					
Ordinary shares					
A Soanes	1,672,841	-	-	-	1,672,841
J Bulinski	931,525	-	-	-	931,525
D Donovan	-	-	-	-	-

Consolidated 2015	Balance at the start of the year	Received during the year on the exercise of options	Received on vesting of rights to deferred shares	Other changes during the year	Balance at end of the year
Name					
Directors of Seafarms Group Limited					
Ordinary shares					
I N Trahar	329,706,461	-	-	73,268,100	402,974,561
H R Whitcombe	12,013,259	-	-	-	12,013,259
C D Mitchell	1,903,050	-	-	490,886	2,393,936
P J Favretto	30,000,000	-	-	6,666,666	36,666,666
Other key management personnel of the Group					
Ordinary shares					
A Soanes	1,931,525	-	-	(258,684)	1,672,841
J Bulinski	931,525	-	-	-	931,525
D Donovan	-	-	-	-	-

Loans to key management personnel

There are no loans made to directors of Seafarms Group Limited and other key management personnel.

Shares under option

There are no unissued ordinary shares of Seafarms Group Limited under option at the date of this report.

The company has in issue 30,150,190 convertible preference shares that have not been exercised. For further information relating to the convertible preference shares, please refer to note 29(d).

Insurance of officers

(a) Insurance of officers

During the financial year, the Group paid a premium in respect of a contract insuring the directors of the company (as named above), the company secretary, Mr H R Whitcombe, and all executive officers of the company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Insurance of officers (continued)

The Group has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

Details of amounts paid or payable to the auditor for non-audit services provided during the year are outlined at note 32 to the financial statements.

Dividends - Seafarms Group Limited

The Directors of Seafarms Group Limited do not recommend the payment of a dividend for the year ending 30 June 2016 (2015: Nil).

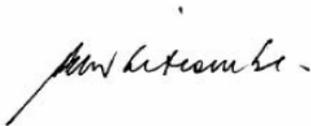
Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 14.

Auditor

Deloitte Touche Tohmatsu continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2) of the *Corporations Act 2001*.



Harley Ronald Whitcombe
Melbourne
28 September 2016