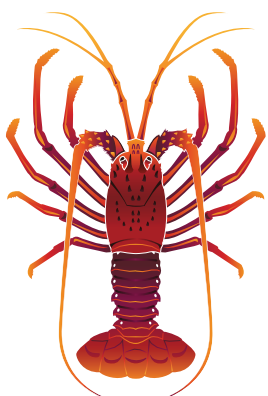




Economic Contribution of the Western Rock Lobster Industry 2020-21

Summary



Western
**ROCK
LOBSTER**

World leading sustainable fishery

ACIL ALLEN



About this study

The western rock lobster fishery is one of Western Australia's most iconic industries providing jobs for hundreds of people in the fishing, processing, transport and logistics, and tourism industries. Many of these jobs are located in the coastal areas of regional Western Australia in which the industry operates.

Western Rock Lobster commissioned ACIL Allen, a leading independent economics, policy and strategy advisory firm, to identify the economic contribution that the industry makes to the key towns in which it operates and Western Australia more broadly.

This report provides an update on the economic performance of the industry in light of the significant events that have impacted on the western rock lobster industry in the past two years, most notably the impact of COVID-19 and the restrictions imposed on the export of western rock lobsters to China.

The direct contribution of the industry in 2020-21 was identified through data regarding the value and volume of catch and exports produced by the Department of Primary Industries and Regional Development, and through consultation with industry representatives. The total contribution of the industry and the supply chains that support it was estimated by ACIL Allen using an Input Output economic modelling framework of Western Australia and its regional centres.

This is the second time that the economic contribution has been formally assessed, providing the opportunity to compare the economic health of the industry against the results presented in the 2016-17 study produced by ACIL Allen.



An ACIL Allen survey found that while the impact of COVID-19 was significant, the biggest challenge faced by the western rock lobster industry in 2020-21 was the closure of the Chinese market, which was the destination for over 90% of catch.

Market conditions

The western rock lobster industry faced unprecedented market conditions in 2020-21. The ongoing impacts of the COVID-19 virus reduced global demand for western rock lobster and interfered with the ability of the industry to operate. In late 2020, disruptions to the Chinese market resulted in a dramatic fall in exports and the need to secure new markets.

The WA Government responded with industry assistance measures including an extended season to fishers with a commensurate increase in the total allowable commercial catch by 50% to 9,000 tonnes. Notwithstanding this support, the industry has been significantly impacted by the loss of its key Chinese market and the corresponding impact on the market price for western rock lobsters. This has seen the **total value of production fall by 50% and the value of exports of western rock lobster fall by 35% between 2017-18 and 2020-21.**

Production

2017-18	\$483.1 million
2020-21	\$225.0 million

Exports

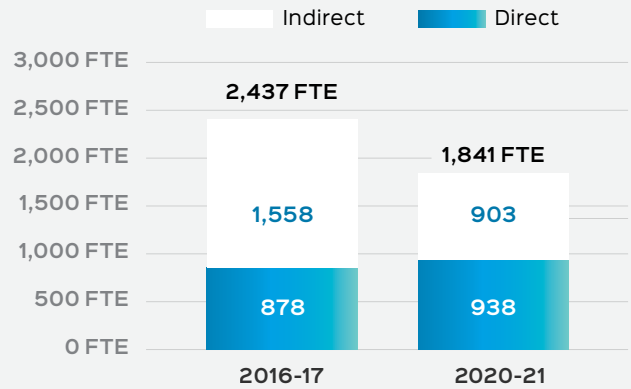
2017-18	\$501.1 million
2020-21	\$223.0 million

Creating jobs

The western rock lobster industry is a significant employer of West Australians. In 2020-21, it is estimated the industry created or supported 1,841 FTE jobs across the State.

The western rock lobster industry provides employment for people in a range of occupations and skill sets throughout the supply chain.

In 2020-21, the **western rock lobster industry directly employed 938 FTE jobs** including 593 FTE jobs in the fishing industry. The economic activities created by the industry in turn generated a further **903 FTE indirect jobs in a broad range of businesses and industries** that are supported by the spending and employment in the industry.



Generating economic opportunities

In 2020-21, there were 237 vessels that targeted western rock lobster in Western Australia with a total catch of 6,616 tonnes and an estimated value of \$225.0 million.

Despite the significant impact associated with the closure of the Chinese market, the western rock lobster industry remained an important economic driver for the State, contributing **\$418.9 million** directly and indirectly to Gross State Product in 2020-21.

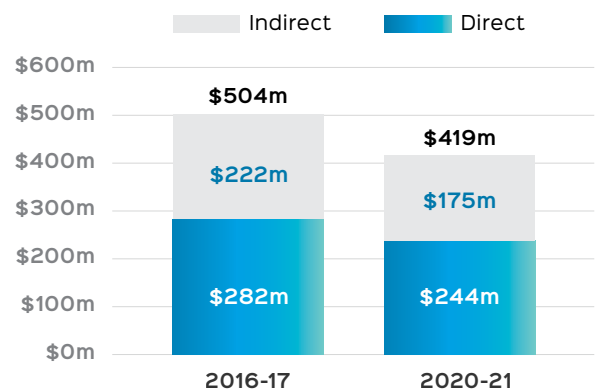
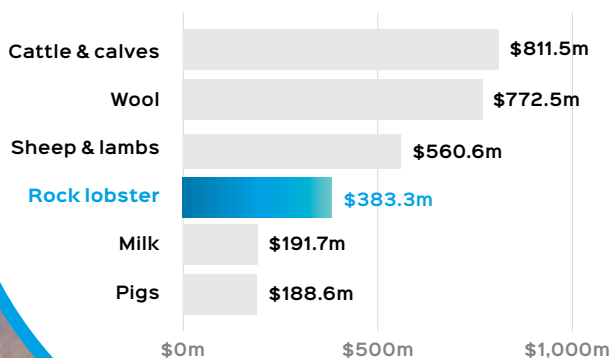
In 2020-21, the **western rock lobster industry directly contributed \$244.3 million** to the WA economy across the supply chain – from harvesting through to the sales of lobsters to the domestic and export markets.

A further **\$174.6 million in indirect economic benefits** were realised in the WA economy from the spending generated in other sectors that indirectly support the industry and the people employed in it.

The **total direct and indirect economic contribution** included:

- **\$286.2 million** in value added activity from the 237 vessels that caught 6,616 tonnes of rock lobster
- **\$110.8 million** in value added activity from the processing of around 4,220 tonnes of lobster for the export market in facilities located in Perth, Cervantes, and Geraldton
- **\$17.5 million** in value added activity from boat building and servicing
- **\$4.4 million** in value added activity from tourism activity.

Between 2014-15 and 2019-20, the average gross value of production of western rock lobster was more than Western Australia's production of milk and of pigs



Supporting regional coastal communities

The western rock lobster industry forms a key part of the economic and social fabric of many coastal communities in regional Western Australia.

It provides employment allowing regional people to remain living and working in their home communities, and it provides economic value that supports other businesses and their employees in these areas. In 2020-21, the **industry contributed \$149.8 million to the regional towns included in this study as well as 534 FTE jobs, of which 474 were direct FTE jobs.**

While Geraldton is considered the regional centre for the western rock lobster industry with \$54.9 million in value added activities and 223 FTE jobs supported there, the industry has a large economic footprint along the Western Australian coastline, stretching from Busselton in the south to Kalbarri in the north.

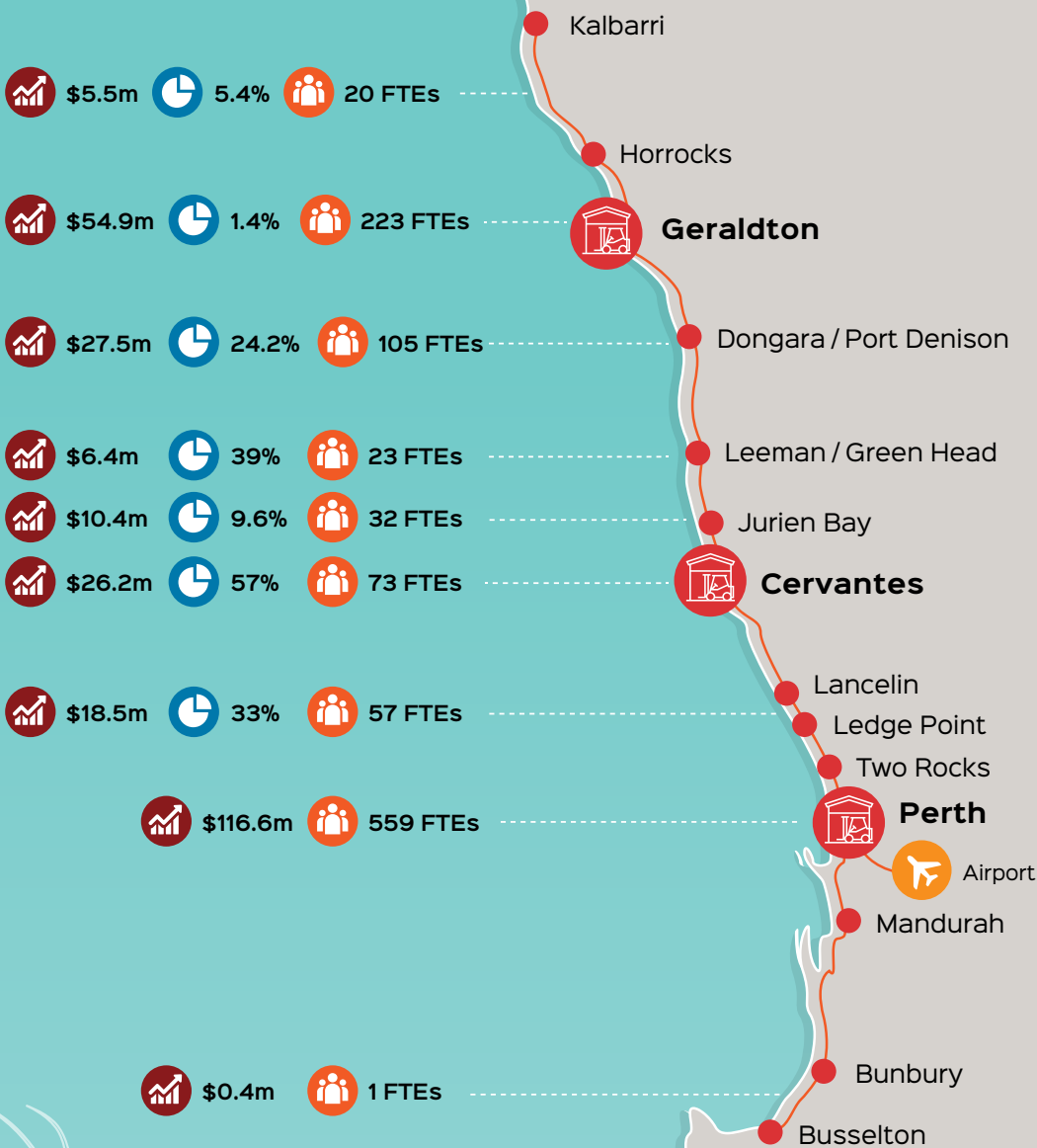
In 2020-21, the industry contributed 57% of the economy of Cervantes, 39% of the economy of Leeman, and 33% of the economy of Lancelin.



Economic Contribution of the Western Rock Lobster Industry by Location

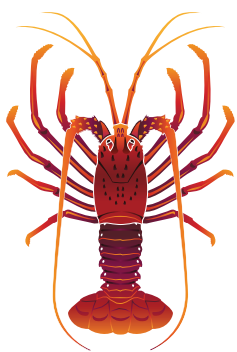
KEY

-  Processors
-  Total Gross Value Add
-  Share of Gross Town Product
-  Total employment
-  Airport





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