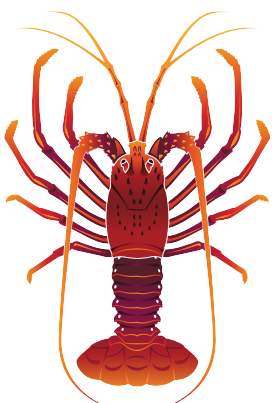


# 2022/2023 Annual Report



Western  
**ROCK  
LOBSTER**

World leading sustainable fishery



# WA Fishery Map



# Our Mission

OUR MISSION IS TO ENSURE THAT THE WRL FISHERY IS RESPECTED AND RECOGNISED AS AN ICONIC GLOBAL LEADER IN SUSTAINABLE FISHERIES MANAGEMENT.

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# From the Chair

## Charting a Resilient Future: Triumphs and Trials in 2023



The past 12 months saw industry traverse shifting sands. While COVID-19 and market closures were still present, other threats were sighted on the horizon and have become increasingly prevalent. From offshore wind farms, seismic surveys, and oil and gas projects, our fishery's waters are seeing increased intent from outside forces. WRL has had to boost investment into resource access security. Wisely, the board's annual review of the risk register added 'Loss of fishing grounds due to offshore projects...' and elevated 'Seismic Activities' risk. This is evidence of the board's focus at a strategic level to address the ever-changing environment. These changes are important, as consultation for the first Western Australian offshore wind zone will commence in November 2023. The region is expected to be in the Indian Ocean region between Perth and Bunbury.

These new threats join others which WRL have been actively engaged with. The introduction of the *Aquatic Resources Management Act 2016* (WA) in November was postponed following the seafood industries peak bodies uniting over concerns about its implementation. WRL acted swiftly when informed by DPIRD that our TACC Committee and associated annual TACC setting process would not be able to continue under ARMA. WRL disagreed with this interpretation of ARMA and sought legal advice. The advice confirmed WRL's understanding that it was in fact more appropriate that the TACC Committee continue to exist and provide insightful market information and opinion to the Minister when setting the annual TACC. The legal advice was provided to the Minister and DPIRD, which ultimately led to ARMA implementation being postponed so that the issues raised by the peak bodies could be fully considered. The West Coast Rock Lobster Managed Fishery Draft Harvest Strategy has been re-written to incorporate WRL requests and restore the current best practice TACC Committee function and TACC setting process.

WRL, with its professional team and capacities, has been doing an excellent job of responding to these increasing outside pressures and representing industry's best interests. However, WRL is a not-for-profit organisation that has suffered financially from the industry's more than halving of gross value of production. So it has become critical that WRL secure a new source of funding that enables at least the current level of service delivery and industry representation to be maintained amid growing threats.

While these words may seem alarming, as Chair of WRL for the last 5 years, I believe it is essential that we are honest and transparent with our members and always encourage informed conversations about critical issues. I also believe organisations should ensure that they bring new perspectives into leadership roles so I look forward to welcoming a new Chair to WRL after the AGM in October 2023. I would like to thank my fellow directors who have shared the board table with me over the years and wish them all the best.

I would especially like to thank our long serving CEO, Matt Taylor, for his outstanding work. Matt has provided valuable advice and a powerful work ethic that has placed WRL in a strong position for the future. Matt and his executive team have worked very hard again this year for our industry. I would also like to thank Katherine Chow, our longest serving employee for the great job she does.

Our industry is stronger when we collaborate, and I am hopeful that our resilience and unity in times of trouble can guide us through this turbulence.

### **Terry Lissiman**

Chair, Western Rock Lobster

# From the CEO

The western rock lobster industry has moved past the immediate impacts of COVID-19, however difficult economic circumstances have become the new normal due to rising production costs and the continued market closure for live Australian lobsters into the lucrative China market. This has resulted in the western rock lobster industry's gross value of production (GVP) stabilising around \$209 million, less than half of the GVP pre-COVID at the same catch rate.



The Western Rock Lobster Council (WRL) has been significantly impacted by the fishery's drop in GVP, with an equivalent halving of the 0.175% representational revenue derived from our members' 5.75% payment of resource access fees to the government based on the annual beach prices fishers received. Over the last year, WRL have requested that government correct the allocation of western rock lobster members' representational fees that continues to see double our funding (0.325%) being allocated to the WA Fishing Industry Council which, under the new peak body funding agreements, explicitly excludes WAFIC from representing the western rock lobster industry.

Over the last six years WRL has been strategic and prudent in its financial management which has resulted in approximately two years of operational expenses being generated in reserve. The perfect storm of COVID constrained global lobster demand, associated shutting down of traditional supply chain infrastructure and the China market closure have created circumstances where WRL's financial reserves are now being relied upon in order to maintain the universally recognised high-quality service delivery and advocacy that ensures comprehensive representation of our members and industry's best interests.

Threats to western rock lobster resource access and fishing rights have increased dramatically over the last year and now form a significant component of our strategic focus and operational activity. Most notably was the Marmion Marine Park extension planning where a biased and unprofessional process facilitated by DBCA resulted in the Community Reference Committee recommending 27% of the total area become sanctuary zones that exclude the commercial rock lobster fishing. This was despite zero Minister requested evidence or justification for the removal of resource access on the basis of

habitat or biodiversity. Other resource access threats, including massive new carbon capture and storage acreage, seismic blasting that kills numerous life stages of lobsters and the proliferation of proposed giant offshore wind farms, all combine in a spatial squeeze that risks the future success of the globally iconic western rock lobster fishery.

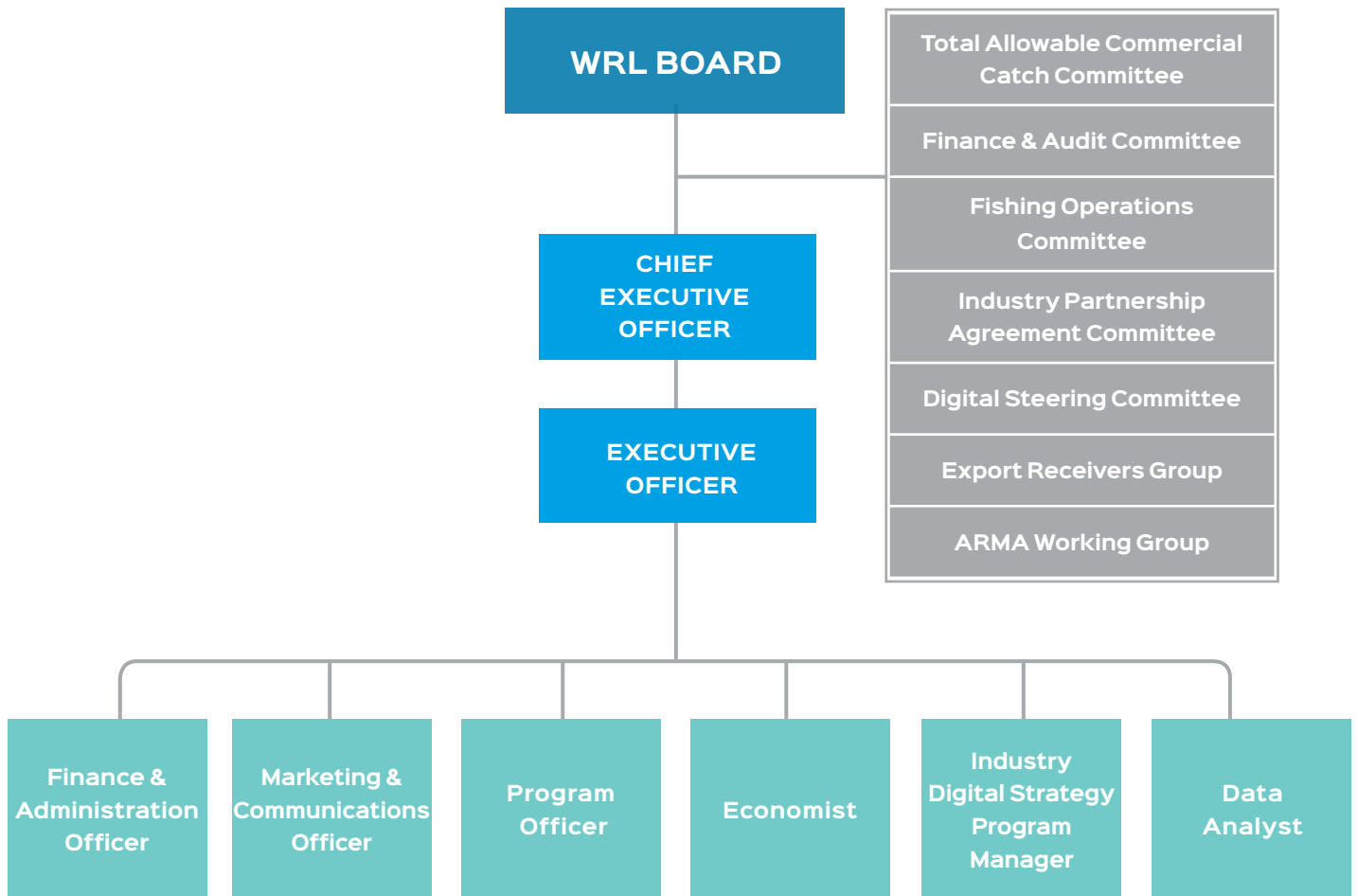
WRL has continued to optimise its valuable Industry Partnership Agreement (IPA) with the Fisheries Research and Development Corporation (FRDC) and collaboration with DPIRD to produce a nationally significant RD&E portfolio that fulfills WRL's strategic objectives, addresses industry risks and supports the priorities outlined in the industry-derived RD&E Plan. The primary IPA programs of digital transformation, community engagement, economics and markets, whale research, and biology, behaviour and ecology deliver enormous benefit, not just to our industry, but to the broader seafood industry as a conscious result of our leadership and method. The IPA has also funded WRL's flagship community connection program BackofBoat.com which has restored important fisher direct sales with the community and improved the experience for everyone through a new online ordering and payment system.

I am deeply appreciative of the work of our Executive, whose dedication has resulted in WRL accomplishing a great deal over the last year under difficult circumstances. The Executive together with the board have produced a model peak body of immense value to the seafood industry. I would also like to acknowledge the very strong, collaborative and productive working relationship WRL has with all levels of DPIRD and WA Government.

**Matt Taylor**

Chief Executive Officer

# Organisational Structure



# The Board



Terry Lissiman  
Chair,  
Northern Zone



Fedele Camarda  
Deputy Chair,  
Southern Zone



Justin Pirrottina  
Director,  
Northern Zone



Bruce Cockman  
Director,  
Northern Zone



Matthew Fong  
Director,  
Northern Zone



Peter Stanich  
Director,  
Southern Zone



Stephen Minutillo  
Director,  
Southern Zone



Mat Thompson  
Director,  
Southern Zone

## Independent Directors



Bradley Gannon



# The Executive Team

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**Matt Taylor**  
Chief Executive  
Officer



**Carey-Ann Harper**  
Executive Officer



**Katherine Chow**  
Finance &  
Administration  
Officer



**Natalia Perez Haedo**  
Marketing &  
Communications  
Officer



**Nicola Hutchinson**  
Program Officer

## Industry Research Programs

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**Daniel Fels**  
Economist



**David Pietersen**  
Industry Digital  
Strategy Program  
Manager



**Chris King**  
Data Analyst







# Strategic Plan 2023-2027

The Western Rock Lobster Strategic Plan assists our members, stakeholders and community by concisely communicating our vision, mission and objectives. This enables these stakeholders to understand the future direction of WRL as an organisation and where we aim to guide our industry over the next years.

Strategic Plans help organisations develop proactive strategies that assist the organisation to operate within changing environments and any prevailing risks. This is no different for Western Rock Lobster. Consequently, underpinning the Strategic Plan is WRL's Risk Management Framework. This framework enables the organisation to document, manage, monitor, review and update strategic, corporate and project risk information in full alignment with the strategic plan.

In 2023 the WRL board commenced a review of its Strategic Plan. This involved reviewing each key objective at each board meeting in 2023. As a result of this review, the Strategic Plan has been changed. At the time of releasing the Annual Report, the board had reviewed 4 of 5 strategic objectives.

## Our vision

By 2026, WRL will have the full confidence of government, the community, and members as a well-resourced, self-funded peak body engaged in advocacy and co-management for improved resource security.

## Our mission

Our mission is to ensure that the WRL Fishery is respected and recognised as an iconic global leader in sustainable fisheries management.

## Our objectives

1. The WRL industry is professionally managed to achieve a maximum economic contribution to the WA economy.
2. The WRL harvest strategy ensures long term access to the sustainable resource.
3. The community has sufficient confidence in the WRL fishery to support continuing access to the resource.
4. There is confidence in the WRL industry to attract and retain investment.
5. The WRL Council is proactively managing industry risk, reputation and development.



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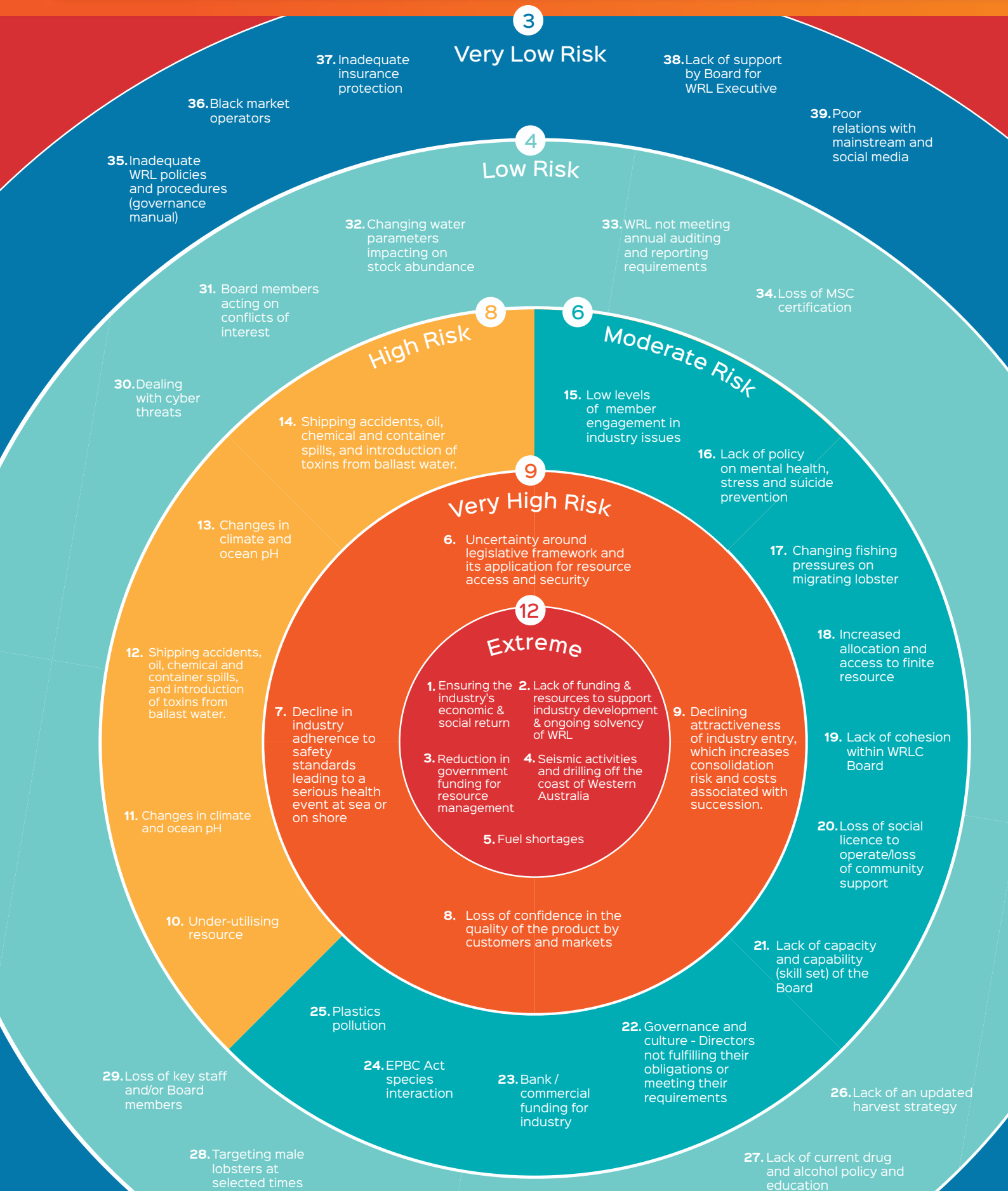
### Our strategies

1. Secure resource access and rights.
2. Ensure WRL is self-funded and well-resourced to deliver high quality advocacy and co-management of the resource.
3. Collaborate and invest in targeted R&D and technology to drive maximum economic yield and maintain market competitiveness.
4. Ensure the social licence to operate is supported by government, community and industry.
5. Market diversification and market development.

### Our tactics

1. Achieve greater resource access security through legislative change.
2. Conduct a project that demonstrates WRL's ability to co-manage the resource e.g. unit registry, quota trading platform, shallow water survey, lobster tagging program.
3. Identify and implement new digital applications to improve efficiency and decision-making across the value chain.
4. Measure the performance of our industry and professional advocacy representation through surveys of members, stakeholders and the community.
5. Seek additional funding for industry to identify and develop new and existing markets.

# Western Rock Lobster Risk Register Summary





# The Top 11 Risks

## 1. Ensuring the industry's economic and social return

Strategic

Industry is limited in markets to sell product when a market collapses and risks devaluing of the produce and risks oversupply of product, which impacts the financial security of the industry.

Industry is not ready and immediately capable to supply alternative markets should the dominant market close.

Risk Rating: 12

## 2. Lack of funding and resources to support industry development and ongoing solvency of WRL

Financial

Lack of funding and resources to support industry development and the ongoing solvency of WRL.

Risk Rating: 12

## 3. Reduction in government funding for resource management

Strategic

Increases the risk of non-compliance to safety standards, TAC rules, black market trade restrictions, and reduces funds for research, impacting the social licence to operate.

Risk Rating: 12

## 4. Seismic activities and drilling off the coast of Western Australia

Environmental

Due to drilling and seismic surveys being conducted off WA coast, there is a risk that lobster health and habitats will be affected, which will impact the health of the stock.

Risk Rating: 12

## 5. Fuel shortages

Operational

A shortage of fuel supplies due to AUS importing 90% of liquid fuels could lead to a shut down of the fleet.

Risk Rating: 12

## 6. Uncertainty around legislative framework and its application for resource access and security

Strategic

Remaining uncertainty increases volatility with operators and financing sector.

Risk Rating: 9

## 7. Decline in industry adherence to safety standards leading to a serious health event at sea or on shore

Safety

A decline in industry's adherence to safety standards might cause fishers to come under greater scrutiny by AMSA and Worksafe, which will reduce the industry's social licence to operate.

Risk Rating: 9

## 8. Loss of confidence in the quality of the product by customers and markets

Reputational

The quality of the premium WRL product could be discredited causing market and reputational damage.

Risk Rating: 9

## 9. Declining attractiveness of industry entry, which increases consolidation risk and costs associated with succession.

Operational

Not being able to hand down fishing units to family without incurring cost as seen in the agriculture industry.

Risk Rating: 9

## 10. Under-utilising resource

Operational

Under-utilising the resource increases the risk of re-allocation of units to competing industries which will affect viability of the WRL commercial fishing industry.

Risk Rating: 8

## 11. Changes in climate and ocean pH

Environmental

Changes in climate and ocean pH might reduce the sustainability of the resource which would impact the viability of the industry.

Risk Rating: 8

## 12. Shipping accidents, oil, chemical and container spills, and introduction of toxins from ballast water.

Environmental

Because of our export driven economy we are more exposed to shipping traffic which increases the risk of collisions and the associated pollution, which will impact crew safety and stock health.

Risk Rating: 8

# Resource Access Security

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Resource Access Security is the main objective underpinning Western Rock Lobster's Strategy for Security, Independence and Community Connection. The importance of protecting our fishers' ability to access the western rock lobster resource has been continually realised throughout 2023. Threats in the form of wind farms, marine parks and seismic surveys continually encroach into our fishery and require more engagement than ever before.

## Offshore Wind Farms

By now, our members would be well acquainted in the atmospheric rise in attention that offshore wind farms have been given since the introduction of the *Offshore Electricity Infrastructure Act 2021*. WRL continued to communicate with its members throughout 2023 about new projects and information when and where it became available. The biggest development in this sphere included an announcement in early September by the Minister for Climate Change and Energy, the Honourable Chris Bowen, that consultation for an offshore wind zone in Perth/Bunbury would open in November 2023. WRL have been expecting this announcement and at the time of its release, WRL was already in the process of drafting an industry position paper on offshore renewable energy. Once finalised, this document will be provided to each offshore wind farm project that contacts WRL. The intention of the document is to clearly set out:

- Siting criteria for any offshore wind farms in Western Australia (being sure to avoid high-value fishing sites within the WCRLMF);
- Our fisheries key concerns about wind farms, and how we expect projects to avoid and mitigate any impacts;
- What specific information we require from projects that will lead our industry's response (i.e., size of exclusion zones during construction and during the life of a project).

As you would expect, the engagement with offshore wind farm project consultants has significantly increased for WRL. Accordingly, WRL will now enter into service agreements with any wind farm project that require significant consultative engagement with WRL.

This is an additional way in which WRL is trying to combat the significant drain on its resources in light of depleted funding through an industry-wide drop in GVP.

## Seismic Surveys/Marine Investigations

In 2023, WRL became aware of multiple seismic surveys and marine investigations being planned in our fishery. These included:

- Eureka 3D Marine Seismic Survey (E3DMSS);
- Water Corporation's marine investigations in relation to their Alkimos desalination plant; and
- the 2023 Commonwealth Offshore Acreage Release.

WRL has engaged with each of these project teams to obtain the necessary information to inform members. WRL invited the consultants engaged on the E3DMSS to join the WRL Executive on their Coastal Tour in June 2023. With meetings held in Fremantle, Cervantes and Geraldton, the Coastal Tour enabled information to be shared about the E3DMSS and provided a platform for members to ask questions and provide their views about the project. WRL have been very vocal about the need for further research on the effects of seismic activity of western rock lobsters, specifically, before any activity is undertaken.

In terms of other marine investigations, the Water Corporation communicated with WRL throughout their planning for a desalination plant offshore of Alkimos. Marine investigations occurred in March of 2023 that involved core samples being taken by a remote-operated drill machine over 10 days.



WRL sent emails to members in advance of these activities to ensure that the necessary precautions were taken by fishers. WRL continues to be actively engaged with the Water Corporation about this ongoing project.

Most recently, WRL became aware of the 2023 Offshore Acreage Release which proposed a number of areas around Australia (including the Perth Basin) that could be made available for exploration of offshore greenhouse gas storage locations. Public submissions were opened in June 2023, to which WRL submitted a robust response, explaining why releasing the Perth Basin would be detrimental to our fishery. Despite the logical submission, the Perth Basin was recently released for bidding without any changes to its area.

### **Marmion Marine Park Expansion**

The proposed Marmion Marine Park extension was announced in 2022 by the Minister for Fisheries, the Hon. Don Punch MLA and the Minister for the Environment, the Hon. Reece Whitby MLA. WRL instituted its own Sector Advisory Group, which provided advice (through its chair, WRL CEO Matt Taylor), to the Community Reference Community (CRC), the Department of Biodiversity, Conservation and Attractions (DBCA) and traditional owners.

WRL presented at every meeting of the CRC in 2022/23 and strongly advocated the position of industry and the SAG. This included input on potential areas where there are relatively high community values coinciding with areas of relatively less resource access by our fishers, who have fished the entire area for generations. The last CRC meeting occurred in February of 2023 and following that, the recommended plan included 27% of the total area as sanctuary zones. This is despite the strongest opposition from WRL and absolutely no evidence or justification for removing resource access from our fishers based on habitat or biodiversity impacts. The final proposed sanctuary zones have not yet been released for public comment by the Ministers. WRL understands that the indicative joint management plans for the park are still progressing through the relevant statutory approvals, which are taking longer than originally anticipated. It is expected that the plans will be released by the beginning of 2024.

# Sustainability

## Marine Stewardship Council (MSC) Recertification

The Western Rock Lobster Fishery was the world's first fishery to be certified as ecologically sustainable in line with the MSC standard in 2000 in recognition of the high environmental values and sustainable practices maintained by members. This global leadership in sustainability continues to this day, with the fishery being the first in the world to receive MSC re-certification for a fourth time in November 2022. The current certification was assessed under MSC's new standards 2.1, which again broadens and increases the requirements that the DPIRD and WRL co-managed fishery must achieve. The MSC Fisheries Standard has three essential principles:

- Sustainable Fish Stocks. Fishing must be at a level that ensures it can continue indefinitely and the fish population can remain productive and healthy;
- Minimising Environmental Impact. Fishing activity must be managed carefully so that other species and habitats within the ecosystem remain healthy; and
- Effective Fisheries Management. MSC certified fisheries must comply with relevant laws and be able to adapt to changing environmental circumstances.

Some of the measures in place to ensure western rock lobster is a sustainable resource and maintains its MSC certification include:

- Limited vessel licenses and pot numbers;
- A quota system that limits the total commercial catch each year;
- Harvest levels that allow the stock to increase year on year;
- Protecting females in breeding conditions;
- Setting size limits on legal lobsters to maximise breeding potential;
- Developing and using low-impact fishing gear to protect the ocean environment;
- Introduction of Sea Lion Exclusion Devices (SLEDs) to lobster pots specially designed to protect WA's endangered sea lion population;
- Gear modifications to reduce the risk of whale entanglement during the peak migration periods; and
- Ensuring bait comes from sustainable sources.





In addition to MSC certification for the fishery, Geraldton Fishermen's Cooperative, Indian Ocean Rock Lobster, KB Food Co and Bluwave, the four highest volume processors accounting for 97% market share, have all been awarded MSC Chain of Custody certification, the world's most recognised certification program for supplying wild-caught, sustainable seafood.

### Stock Assessment

The annual Western Rock Lobster Stock Assessment for the fishery is conducted in April/ May each year following the completion of the puerulus settlement season. This year's stock assessment was made available to members via email in July and was discussed in detail by DPIRD's scientists at industry's Annual Management Meetings in September.

The Stock Assessment indicates that the puerulus settlement has been relatively poor for the last three years with a consistent and larger reduced settlement in the north.

Poor recruitment into legal stock is resulting from the recent years of lower puerulus settlement. Egg production remains very high, however it has reached its peak, as has total biomass, given the TACC was increased 10% to 7300 tonnes for the 2023/24 financial year season in order to achieve a harvest rate that is within the range for the agreed principle of Maximum Economic Yield (MEY). Catch per unit effort in terms of kilos per pot lift has been reducing over the last three years but remains very high at around 4kg/potlift. Despite all being lower than their long-term averages, effort has been increasing with catch while boat numbers have again decreased. The Stock Assessment is now available on the WRL website for members to review.

### Harvest Strategy 2023 – 2028

A new harvest strategy for the West Coast Rock Lobster Managed Fishery has been agreed between DPIRD, WRL and Recfishwest. The expanded modern harvest strategy's long-term objective to be achieved by managing the WCRL resource is to deliver predictable, ecologically sustainable harvest levels and allocations of western rock lobster that maintains the stock near a MEY-based target level while securing access to the resource, thus optimising the opportunities to generate overall, long term economic returns to the state from commercial lobster fishing, processing, and ancillary activities, while optimising experiences for the recreational (including charter) sector.



# ARMA

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## **Aquatic Resources Management Act 2016 (WA) (ARMA).**

The expected implementation of ARMA was scheduled to occur on 1 November 2023, however in August the Minister for Fisheries decided this should be delayed indefinitely due to concerns all four peak bodies expressed. The implementation of ARMA was delayed for a variety of reasons, including fundamental disagreement with how DPIRD were interpreting ARMA and concerns about the method and timing of its implementation. The following is a high-level overview of this year's developments.

Earlier in 2023, WRL was presented with an issue concerning the transfer of 'annual catch entitlement' (ACE) under ARMA. WRL was informed that resource shares would generate ACE, which would then need to be on-transferred to a master, who would then catch the equivalent ACE. Unfortunately, this transfer of ACE ownership presented various issues to shareholders, including that masters could on-transfer ACE without prior notice to the shareholder. WRL held a workshop with members and DPIRD in March to obtain input on this issue to hopefully come to a resolution. It was becoming clear that ARMA had some fundamental issues that required rectification prior to WRL being able to determine whether our resource would benefit from being managed under Part 3 of ARMA.

A further significant constraint was encountered when WRL was presented by DPIRD with a Harvest Strategy Discussion Paper that explored a transitional harvest strategy incorporating ARMA elements. This Discussion Paper was presented to industry on WRL's Coastal Tour which occurred in June 2023. The Discussion Paper contained information about the mechanism in which the Total Allowable Catch (TAC) would be determined each season. Most concerning to WRL and our members was that the proposed new mechanism did not allow for consideration of any market forces, or provide for the continuation of recommendations from the TACC Committee to be given to the Minister for Fisheries.

When WRL objected, DPIRD indicated it believed that ARMA did not allow for these additional considerations and that the automatic calculations of the TACC and TARC from the modelled TAC would create more certainty. WRL strongly advocated deep concerns for the calculation of a TACC that cannot respond rapidly to a market crisis such as a COVID-19 situation or China market shutdown. Accordingly, WRL sought legal advice on DPIRD's narrow and rigid interpretation of ARMA. This legal advice confirmed WRL's belief that the current harvest strategy, TACC Committee and TACC setting process could all continue under ARMA. WRL provided this advice to DPIRD and to the Minister's office. WRL's legal advice, coupled with a chorus of concern from the other peak bodies ultimately led to the Minister delaying the implementation of ARMA until these industry concerns can be considered in further detail. This news was viewed positively by WRL and will hopefully lead to a re-examining of ARMA's implementation and whether the necessary resources are available for its implementation to ensure its success.

# Industry Partnership Agreement

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The Western Rock Lobster Council (WRL) and the Fisheries Research and Development Corporation (FRDC) have established the collaborative Industry Partnership Agreement (IPA), which seeks to fulfill WRL's strategic objectives, address industry risks, and support the priorities outlined in the RD&E Plan.

The planning and execution of RD&E investments, projects, and programs involve a partnership that includes WRL, FRDC, DPIRD, research providers, and industry stakeholders. Consultation with WRL members, the Fishing Operations Committee, and the board plays a crucial role in shaping our initiatives and ensuring their relevance and effectiveness.

The flagship IPA program is the Digital Transformation of the WRL Industry, under which a member services platform has been established and the successful delivery of the first service, being the Back of Boat online ordering and payment system. Environmental data collection and traceability from catch-to-plate are the other two services being developed. The Communication, Education and Engagement Program continues its national leadership in promoting the industry and generating social license in diverse, innovative and powerful ways. Understanding the Economics and Markets has added important industry benchmarking to its ongoing MEY modelling and annual global trade reports.

In September 2023, *Impacts from environmental change on puerulus settlement* and *Impacts from environmental change on stock distribution* were both approved as projects under the Biology, Behaviour and Ecology Program. Additionally, the Whale Entanglement Mitigation Program has detailed proposals for two important initial projects, *Development of an entanglement threat dashboard for Western Australian fisheries*, and *Assessment of current and potential gear modifications for pot-based fisheries' mitigation of humpback whale entanglements through computer simulation*.

For more information about the Programs and Projects under the WRL-FRDC Industry Partnership Agreement, please visit [www.westernrocklobster.org/ipa](http://www.westernrocklobster.org/ipa).



# Industry Digital Strategy

In partnership with the FRDC and DPIRD, the Western Rock Lobster Council (WRL) is transforming our industry through the delivery of a program of digital initiatives that are streamlining operations and enhancing efficiency along the entire supply chain from catch-to-plate.

The Industry Digital Strategy (IDS) is a high-level plan that outlines how technology will be used to solve challenges and create opportunities across industry, government, and consumers. Formulation of the plan was based entirely on member and stakeholder input, so reflects industry and stakeholders' thinking about digital outcomes and will result in inter-operable and adaptable technologies that will benefit all stakeholders including members, government and the broader seafood industry.

The following are key benefits of implementing the IDS:

- **Efficient business processes:** The IDS implements new digital initiatives and technologies to achieve more efficient business processes;
- **Innovation:** Digitalisation presents huge opportunities for organisations to innovate with new business operation processes;
- **Competitive advantages:** Investing in new digital strategies empowers companies to combat threats globally, creating competitive advantages; and
- **Value creation:** The IDS unlocks new opportunities to create value.

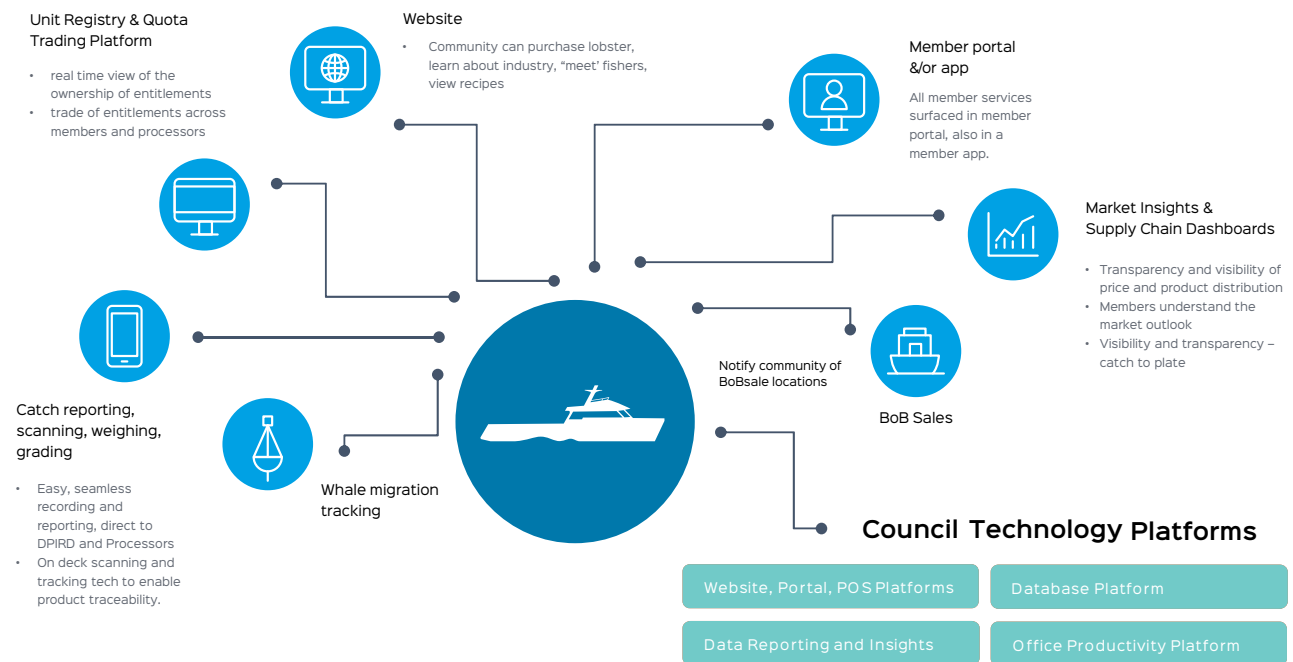
This strategic roadmap will assist all parties to digitally innovate and capitalise on opportunities to improve competitiveness in an increasingly complex international arena.

The program has been endorsed by the WA Minister for Fisheries and as an indication of its quality and acceptance the IDS was selected for presentation at the 12th International Conference and Workshop on Lobster and Crab Biology and Management, held in Perth from 22 - 27 October 2023. A steering committee has been established to assist the delivery of the program, comprised of technical and managerial experts from each of WRL, DPIRD and FRDC with an independent chair, Mr Brad Wearn, who was previously CIO of BHP Billiton (Iron Ore). The specific goals of the IDS include:

- GVP growth and resource access security for the industry;
- Increased co-management of the resource by industry;
- New technologies and targeted research and development;
- Governance, decision-making and process efficiencies; and
- Community engagement and advocacy.

Specified outcomes from the Industry Digital Strategy include:

- Catch and stock management applications for real-time and on-board scanning to record catch and discards;
- Traceability technology to track lobsters from catch-to-plate, enabling block chain and e-commerce while increasing market value by providing the provenance story to consumers;
- Entitlement management for real-time buying, selling, and leasing entitlement;



- Monitoring of gear, whale migrations and interaction behaviour;
- Digitised workplace health and safety training, records management, and reporting; and
- Online reporting to state and federal agencies, and other relevant parts of the supply chain, with the benefits of real time digital efficiency.

Fundamental to the delivery of the IDS are the principles of re-use, ensuring that all work is in alignment with other state and national initiatives, and that there is no duplication of effort.

WRL works closely with FRDC and other organisations to achieve this outcome, participating in external programs like the National Agrifood Data Exchange Project, a multi-stakeholder project to create a consolidated agrifood data exchange that combines multiple data sets from multiple data sources in real time, contributing input and feedback to DPIRD's own complementary digital strategy initiative, and evaluating progress and results from the Digital Strategy Roadmap 2023 for the Western Australian Government on a regular basis.

Delivery of the first two years of the IDS has been approved under WRL's Industry Partnership Agreement with FRDC. Over the 2022/2023 Financial Year several key milestones have been achieved:

- Selected a vendor for delivery of the technical aspects of the program, Diversus;
- Designed and built the cloud-based back-end environment for the digitisation program
- Established a new world-class environment for online delivery of web content and online sales
- Split the existing website into two, in order to target specific audiences more effectively:
  - » for industry: [westernrocklobster.org](http://westernrocklobster.org)
  - » for community and consumers: [backofboat.com](http://backofboat.com)
- Delivered the first IDS System, the Back of Boat Sales online ordering and payment system:
  - » Phase 1 on December 5th 2022; and
  - » Phase 2, the final phase, for Easter 2023.
- Transitioned Back of Boat Sales to Support
- Signed up vendors and customers and started conducting online Back of Boat sales;
- Presented the project at the Seafood Directions Conference held in Brisbane in September 2022
- Initiated several IDS projects:
  - » Subsea Data Collection
  - » Traceability
  - » Unique Animal Identification; and
  - » Industry Services Platform.



# Economics and Markets

## Australian lobster market conditions

Volumes of western rock lobster exports recovered from the interruption early in the COVID-19 pandemic and beach prices also recovered. However further disruption to all Australian lobster exports occurred in late 2020 with a hiatus in the direct to China trade forcing a rapid shift to identify and develop alternative markets, both domestic and export.

Trade and production statistics show that apart from periods of peak domestic demand, almost all western rock lobster production was once again traded internationally in 2021 and 2022 and into early 2023, with relatively low volumes making their way onto the domestic market. A similar pattern was apparent with southern and tropical rock lobster exports.

A significant proportion of western rock lobster exports are now being sent frozen, either whole or as tails. Comparing the calendar year to date January-June 2023 to January-June 2020, whole raw lobster production in Western Australia is 78 times higher; while tail production is 12 times higher (albeit these multiples are from very low bases). Analysis of the available 2023 export statistics reveals an increased volume of frozen exports from Western Australia compared to 2022, with the volume of frozen exports in the first six months of 2023 (805 tonnes) exceeding the volume for the whole of 2022 (774 tonnes). This represents approximately 22% of export volume year-to-date, a figure not seen for more than a decade; and may serve as an indicator of the challenges of selling live lobster into the complex and disturbed available marketplace.

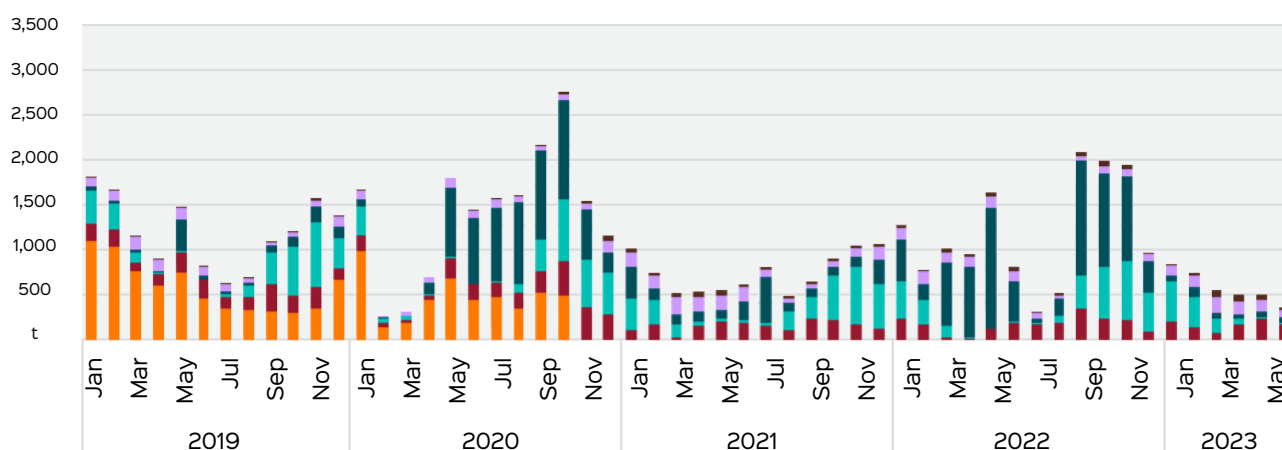
Beach prices of Australian lobster will continue to reflect the volume and price points of alternative markets, combined with the continued increased supply chain costs and disruptions to the direct China market. The longer-term outlook for the lobster trade remains positive, with caveats on this outlook to a return to “non-pandemic” global economic conditions including supply chain costs, and the political relationship between Australia and China.

The emergence of large volumes of product from Vietnam is worth particular attention. China’s imports of live spiny lobster from Vietnam increased more than ten-fold in 2020, to 6,452 tonnes, representing 32% of all live rock lobster imports in China that year – making Vietnam the largest supplier of rock lobster into China. Imports from Vietnam reduced significantly in 2021 to 1,063 tonnes for the calendar year, perhaps relating to production issues, but rebounded to 7,979 tonnes in 2022 (representing 47% of all live spiny lobster imports by volume, and again placing Vietnam as the largest rock lobster supplier into China). Import unit prices in 2022 for Vietnamese live spiny lobster averaged USD43/kg – a marked increase over 2020, perhaps indicating an increasing level of market acceptance of the product.

## Australian exports

Analysis of Australian export trade shows that, in the absence of a direct live export market to China, all states have experienced reductions in export volumes and export revenue. Figures from the Australian Bureau of Statistics show that exports in 2022 were sent to a much wider array of countries than in 2019, albeit at significantly lower unit prices. The value of exports from most states in calendar year 2022 was more than 50% lower than equivalent 2019 (pre-COVID) values:

## China imports of non-frozen spiny lobster, quantity by origin, monthly



- Total rock lobster export volumes and value for Australia overall decreased, from pre-COVID 2019 (8,923 tonnes with an export value of AUD762 million) to 2022 (6,682 tonnes with an export value of AUD367 million). This represents a 25% reduction in export volume, and a 52% reduction in export value from 2019 to 2022:
  - » Total export volumes and value from **Western Australia** decreased, from pre-COVID 2019 (6,162 tonnes with an export value of AUD488 million) to 2022 (4,725 tonnes with an export value of AUD232 million). This represents a 28% reduction in export volume, and a 52% reduction in export value.
  - » Total export volumes and value from South Australia, Victoria and Tasmania decreased from 2019 (2,138 tonnes with an export value of AUD227 million) to 2022 (1,526 tonnes with an export value of AUD104 million). This represents a 29% reduction in export volume, and a 54% reduction in export value.
  - » Total export volumes and value from Queensland decreased from 2019 (492 tonnes with an export value of AUD38 million) to 2022 (357 tonnes with an export value of AUD26 million). This represents a 27% reduction in export volume, and a 33% reduction in export value.
- Live exports continue to dominate Australia's lobster trade. In 2022, live, fresh or chilled exports represented 5,830 tonnes of a total 6,682 tonnes exported, or 87% of lobster exported from Australia:
  - » 84% of Western Australia lobster exports - 3,951 tonnes live, fresh or chilled of a total 4,725 tonnes
    - » 98% of (South Australia + Victoria + Tasmania) lobster exports - 1,499 tonnes live, fresh or chilled of a total 1,526 tonnes
    - » 93% of Queensland lobster exports - 332 tonnes live, fresh or chilled of a total 357 tonnes
- The major destinations in 2022 for **live, fresh or chilled** product exported from most Australian states were (noting that these figures do not include re-export volumes):
  - » Hong Kong – 2,472 tonnes (including 1,975 tonnes of Western Rock Lobster; 487 tonnes of Southern Rock Lobster; 5 tonnes of Tropical Rock Lobster)
  - » Vietnam - 587 tonnes (including 246 tonnes of WRL; 326 tonnes of SRL; 4 tonnes of TRL)
  - » Taiwan – 1,843 tonnes (includes 1,242 tonnes of WRL; 557 tonnes of SRL; 10 tonnes of TRL)
  - » Thailand - 322 tonnes (including 25 tonnes of WRL; 297 tonnes of TRL)
- The major destinations in 2022 for the 851 tonnes of **frozen** product exported from Australia (of which 774 tonnes came from Western Australia) were:
  - » China - 289 tonnes (including 279 tonnes of western rock lobster)
  - » the USA - 206 tonnes (including 175 tonnes of western rock lobster)
  - » Taiwan - 127 tonnes (including 126 tonnes of western rock lobster)

# Maximum Economic Yield Model and Industry Benchmarking

## The West Coast Rock Lobster Managed Fishery Maximum Economic Yield model.

We define 'Maximum Economic Yield' or MEY as the catch or effort level that maximises profit for the commercial fleet over a number of seasons. Maximum profit happens at the point when there is the largest difference between total revenues and total costs of fishing. MEY is informed by a sustainable catch framework. In most cases, MEY will be associated with a lower catch level (a higher level of biomass) than that associated with MSY (Maximum Sustainable Yield). MEY, along with other annual inputs and considerations, are used to inform annual Total Allowable Commercial Catch (TACC) recommendations to the Minister for Fisheries.

The MEY model provides an economic evaluation tool that considers the costs of fishing, lobster biomass levels, expected catch rates and expected long-term price responses to long-term changes in supply (increases in annual quota). As an evaluation tool it can be used to assess ongoing impacts of increasing quota and the expected profitability of industry.

Lobster biomass levels and projected catch rates under different quota scenarios are derived from the DPIRD stock assessment model. For each level of quota, the assessment model is projected out 20 years, so the resultant biomass level could be considered an equilibrium level, or in other words, the biomass that would be present if the fishery remained at that quota for an extended period.

Fishing cost components of future versions of the MEY model will be further informed by data collected through interviews by the Western Rock Lobster Council with commercial lobster fishers. Benchmarking conducted during early 2023 examined boat operational costs for the extended 2021-23 season. Survey responses were obtained for 24 boats, representing over 10% of boats operating in the season and 17% of the commercial quota for the season. While the season was atypical, with two whites runs and marked price and input costs volatility, the generous input of participants has helped generate insights that are applicable across a range of seasons. A link to the benchmarking results can be found on the WRL website, offering participants an interactive format to compare their operational efficiency with peers. WRL aims to conduct additional benchmarking for the 2022-2023 season, to provide further timely information into MEY modelling and TACC deliberations; and provide extra competitive insight to survey participants.

The revenue elements of the MEY model are based on live and frozen product prices, projected long term expected annual product mix and beach-price pricing outcomes, based on the experience and views of all the processors participating in the TACC Committee.

Versions of the model operate in Microsoft Excel and app environments, highlighting responses in the industry profit function to changes in effort, cost and price inputs - a link to the app can be found on the WRL website.



The model has been developed to help provide an evidence-based means of determining the optimal longer-term level of harvest for the commercial rock lobster fishery as a whole. It is necessarily reliant on judgement and informed opinion on market dynamics into an uncertain future. In reality, demand and supply for live western rock lobster change seasonally and indeed daily, which is further impacted by the availability of substitute products (rock lobster live and frozen; other species of lobster live and frozen, and other substitute products) and, in the longer term, other economic drivers.

As a tool, the model generates outputs that enable an understanding to be gained on the likely shape of industry-wide revenue and profit outcomes as a range of inputs and assumptions are altered over the longer term. Hence it can substantially add to the understanding of position of MEY for the fishery and can be used to evaluate a range of alternative assumptions. As an evaluation tool it can be used to assess ongoing impacts of increasing quota and the expected profitability of industry.



# Communications and Engagement

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WRL's focus is on enhancing industry engagement, strengthening relationships with external stakeholders, raising awareness of industry within the WA community, and promoting western rock lobster accessibility. We prioritise best-practice communication to ensure informed participation, foster two-way dialogues, and improve advocacy for the industry.

## 2023 Annual Management Meetings

The 2023 West Coast Rock Lobster Annual Management Meetings (AMMs) and industry forums were held on 4 September 2023 in Fremantle and 6 September 2023 in Geraldton. Both meetings were productive and allowed for participation in discussions on all the important issues relevant to the fishery, including research, TACC setting, resource management, fishing operations, markets, economics, compliance and professional development.

## WRL Website

WRL launched its updated [westernrocklobster.org](http://westernrocklobster.org) website, aimed at improving the overall user experience and simplifying navigation for members. The refreshed design offers a contemporary appearance and enhanced functionality, making it easier for members and industry stakeholders to find the information they require.

## Community Events

Over the past year, WRL has actively engaged in various community events, fostering awareness and appreciation for the western rock lobster industry while building trust and value within the community.

**Perth Royal Show 2022:** WRL made its debut at the renowned Perth Royal Show, positioning its booth strategically in the Farm 2 Food pavilion. This allowed the industry to showcase its high-quality credentials and engage with the public directly. The event also marked the official launch of WRL's new visual identity and community oriented website, [BackofBoat.com](http://BackofBoat.com). Chef Don Hancey conducted daily cooking demonstrations, emphasising sustainability and the Back of Boat initiative.

## Buy West Eat Best Meet the Buyer Exhibition 2022:

WRL participated in this event for the first time, aimed at promoting locally sourced produce. Held at Crown Perth, it attracted buyers, chefs, sommeliers, media, and educators interested in supporting Western Australian products. WRL's involvement included tastings and discussions on fishery sustainability and the Back of Boat program.

## Fremantle Seafood Festival 2023:

As a major partner in the inaugural Fremantle Boat & Seafood Festival, WRL played a significant role in celebrating the region's seafood and industry history. The festival featured cooking demonstrations, a BBQ Cooking School, Seafood Alley, and engaging discussions on fishery practices and sustainability.

## Coogee Live Festival 2023:

WRL participated in the Coogee Live community festival by showcasing the Back of Boat program. Activities included a Back of Boat sale, cooking demonstrations, and tastings led by Chef Caroline Taylor and local lobster fishers, targeting an audience of approximately 25,000 visitors.

## Shore Leave Festival 2023:

WRL continued its support for the Shore Leave Festival in Geraldton, showcasing industry-related activations, including the Abrolhos Islands Long Table Lunch and Back of Boat activities. This partnership reflects WRL's commitment to building awareness, fostering community connections, and promoting industry sustainability.

These community events have allowed WRL to educate a wider audience about the western rock lobster industry's sustainability and quality while emphasising the importance of the Back of Boat initiative. These efforts strengthen the industry's relationship with the community.

## Collaborations & Partnerships

WRL has entered into strategic collaborative partnerships with the goal of expanding its reach through new methods and networks. These partnerships are designed to promote the fishery and the industry to a broader audience by aligning with organisations and individuals who share similar values and objectives.

WRL has established a partnership with the Australian Hotels Association (AHA WA) to develop engagement initiatives and enhance industry promotion activities. As part of this collaboration, WRL was recognised and promoted as a sponsor at major industry events from November 2022 to December 2023. This partnership not only provides valuable networking opportunities but also allows WRL to foster long-term relationships within the hospitality sector, contributing to the promotion of the industry.

WRL also teamed up with recipe developer Kate Flower to create 'A Local Table 2022 Cookbook,' featuring over 60 recipes showcasing Western Australia's produce, including the iconic western rock lobster.

In partnership with the Marine Stewardship Council (MSC), WRL participated in the national Christmas Prawn and Lobster campaign. This campaign aimed to encourage consumers to choose MSC-certified sustainable seafood during the holiday season. It featured eye-catching advertisements, chef influencer recipes, and media coverage.

WRL's commitment to MSC over the past two decades was highlighted in a feature story, showcased on the Australia & New Zealand MSC website and pitched to global media outlets like the BBC and The Guardian.

Television also played a role in promoting WRL's content. The 4WD Adventure TV Show featured an episode with Mark LeCras, a former West Coast Eagles star, fishing with a local western rock lobster fisher in Fremantle, celebrating WA's seafood heritage.

WRL also engaged with the Caravan & Camping WA TV series, sharing insights into Back of Boat lobster experiences and lobster cooking on camping BBQs, reaching audiences through Channel 7 Perth and online streaming.

Print media collaborations included Menu Magazine, where an informative article titled 'Custodians of the Sea' covered the industry's history, sustainability practices, and the Back of Boat initiative. RAC's

Horizon Magazine featured Back of Boat as a must-try experience when traveling in the Coral Coast, reaching over 700,000 households.

In summary, WRL's strategic collaborative partnerships have enabled it to reach a broader audience and promote the western rock lobster industry more effectively. These alliances have been instrumental in sharing valuable information and cultivating greater industry acceptability and trust.

## Seven West Media

Building upon the success of our previous twelve-month campaign with Seven West Media, WRL has again partnered to develop and implement a series of targeted campaigns in 2023. These campaigns have been designed to increase community engagement with the industry, raise community acceptance as well as to increase community awareness of the availability and accessibility of western rock lobster.

These campaigns encompass a variety of initiatives, such as WA Day, Easter, Sustainable WA, Guest Chefs, advertorials, and Social Media videos.

## Community Engagement Competitions

Over the past year, WRL hosted two engaging competitions aimed at connecting with our local community.

The WRL Photo Competition, launched in 2020, encouraged local fishers and community members to express their industry connection creatively. In 2022, we received over 100 image submissions, leading to the creation of a desk calendar showcasing 12 winning photographs. These calendars were distributed to key stakeholders, including WA Parliament members, and representatives from the tourism and hospitality sectors.

The WA's Best Lobster Restaurant Competition, part of the WA Cray Day campaign initiated in 2021, has now become an annual tradition. It encourages local lobster consumption beyond Easter, celebrating our State's Day in June. The campaign was promoted through various channels, with supporting promotional materials provided to partners to reinforce the initiative and assist in its promotion. Over 1000 community members participated in voting for their favourite restaurant, with five random voters receiving a \$150 restaurant voucher and a \$100 voucher for online Back of Boat lobster purchases.



# Industry Governance

The Western Rock Lobster Council is committed to supporting the continual improvement of its governance and standards through investment in industry's on-going training and development.

## Fishing Operations Committee

WRL's commitment to industry governance training and development commences with the Development Capacity Education Knowledge (DECK) Program and then steps up with the Fishing Operations Committee. This committee is constituted by young fishers from both the north and south zones, DPIRD scientists and management, the WRL CEO and is Chaired by a younger WRL board member. The committee gives an opportunity to young fishers to actively participate in industry governance and make decisions about current issues facing them day-to-day in their operations. To be appointed to the committee, fishers must have successfully attended the DECK Program and apply when Expressions of Interests open at the end of each year. Members of the committee can have hands-on-experience of meeting protocols and engaging in substantive discussions that can form recommendations to the WRL board. If young fishers are interested in the future of the WRL industry, this committee is the best platform to develop skills, confidence and capacity to become successful WRL board members.

## Australian Institute of Company Directors (AICD) and Governance Institute of Australia

At the end of 2022, the WRL Board committed to ensuring that all new directors on the WRL Board would be required to complete either the AICD Company Directors Course or the Governance Institute of Australia's Effective Director Course within one (1) year of them being appointed. The AICD Course will improve governance by providing an in-depth look at the responsibilities and expectations of directors, including:

- Further understanding director's roles, legal responsibilities and community expectations;
- Improving financial literacy and understanding of the strategic and financial levers that can help drive performance and sustainable value in an organisation;
- Exploring the tensions between short and long-term priorities and diverse stakeholder interests;
- Enhancing directors' judgement and decision-making skills;
- Deepening understanding of boardroom dynamics.



Alternatively, GIA's Effective Director Course offers a 3-day program that is designed to consolidate directors' understanding of the role of the director and board, and explores the duties of directors with a focus on the soft skills required to be an effective director in the boardroom environment. This course also offers directors the opportunity to network across different sectors. This new initiative has proved to be successful in further educating WRL directors on the core competencies required to be a director on an industry board. It ensures that our industry is represented by competent individuals who understand their duties and responsibilities.

### Ongoing Board Development

While WRL has established protocols to ensure that there is a gradual uptake in governance knowledge from the committee level to the board, ongoing governance learning is imperative to the optimum operating of any organisation. Accordingly, WRL directors took part in a strategic planning and risk management workshop in February. This workshop was run by governance expert, Andrew Lee from Horizon Point. The workshop was instrumental in guiding our directors through the necessary components and skills that are involved in updating the organisation's strategic objectives and risk register.

Since the workshop, the board has reviewed three risks contained in its risk register and one strategic objective at each board meeting during the year. Currently, the board has reviewed and revised 4 of 5 strategic objectives and 10 of its top risks. The full review by the board of both primary strategic documents will be finalised by the end of each calendar year.

# DECK Program

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The annual Development Education Capacity Knowledge (DECK) Program, organised by WRL, successfully completed its fourth edition. This industry forum, aimed at nurturing the next generation of leaders in the western rock lobster industry, provided valuable professional development and learning opportunities.

The event, held from midday on October 11th to midday on October 12th at the Geraldton Multipurpose Centre, brought together diverse experts from various fields. They addressed topics spanning technology, markets, governance, safety, science, industry management, financial planning, crew management, and succession planning. DECK's primary goal is to develop leadership capacity and confidence among younger participants through interaction with experienced leaders.

The program boasted 26 participants from coastal regions, industry professionals, and subject-matter experts, fostering valuable peer-to-peer exchange. Feedback from attendees was overwhelmingly positive, with 100 percent expressing their intention to recommend DECK to others and their willingness to attend similar events in the future.

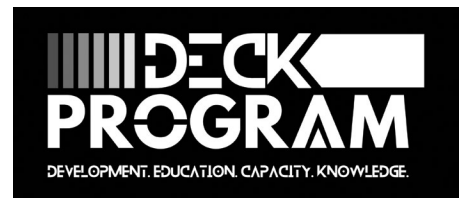
Participants, such as Nathan Cockman from Dongara, found immense value in the program, particularly in understanding the industry's history and the latest research. Rhys Towers, another participant, highlighted the importance of being actively involved in the evolving industry through a leadership role. Emerson Nugent expressed increased confidence in contributing to his family business after attending the program.

Sally Roberts, the Capability, Capacity & Culture Change Manager at the Fisheries Research and Development Corporation (FRDC), commended the program's consistency and its role in developing informed and engaged individuals. She travelled from Melbourne to join the program in Geraldton.

Completing the DECK Program encourages participants to take a more comprehensive interest in their fishery. They often get involved in local Professional Fishermen Associations meetings, nominate for roles on committees, attend leadership programs, and participate in industry conferences. Furthermore, participants interested in continuing their professional development are encouraged to reach out to the WRL Council for further educational opportunities and skills development linked to the industry, such as membership on the Fishing Operations Committee.

*"I liked how the event was split into 2, giving us the opportunity to have a group dinner in between sessions. This strengthens new bonds and allows connections to be made and ideas and info presented during day 1 of the program to be discussed which is very important for younger fishers/skippers who want to become industry leaders"*

- **Rhys Towers**, 2022 DECK Program participant.





# 2023 Annual Member and Stakeholder Survey

WRL's Annual Member and Stakeholder Survey helps our organisation monitor progress under our strategic plan, ensuring that we are maintaining confidence, sustainability and good governance in the western rock lobster industry.

In September this year WRL conducted its sixth Annual Member and Stakeholder Survey. The survey assists our organisation measure our industry's attitude regarding economic confidence, investment appetite and membership satisfaction. The annual survey also allows WRL to collect data about the views of its members and stakeholders on the current management of industry affairs, communications and governance as well as future priorities of the western rock lobster industry. Repeating this survey annually allows WRL to assess changes in sentiment over time and react to emerging areas of concern or opportunity.

A key objective for WRL is to proactively manage industry risk, reputation and development. In order to build an ongoing indicator, the survey asked respondents to rate the effectiveness of a range of industry management activities including representation, communications and interaction. This year's survey reflects that industry confidence in WRL to proactively manage industry risk, reputation and development is a dependable 71.9%. This result is a slight increase on previous years.

The western rock lobster industry's ability to attract and retain investment is identified in WRL's strategic plan. As in previous years, the questions surveyed our members' short and medium-term levels of confidence in the economic outlook of our industry. The results indicate members' confidence has improved slightly to 59.8% from last year's result of 52.3%, though it still remains lower than pre COVID and trade disruption levels. When looking at investment intentions for the next 12 months, there has been a marked increase in terms of equipment investment compared to the previous two years, however intentions of employing additional staff has dropped slightly.

Lastly, the survey results indicate that the highest rated priority tactic for maintaining a strong economic outlook are all very close and consistent with previous years. The order of priority is now 'ensuring access to the resource remains Australian owned', followed very closely by 'maintaining a well-managed quota'. The newly added 'resource access security' tied for 3rd spot, with 'ensuring a strong working relationship between government and industry'.

WRL will release the full Annual Member and Stakeholder Survey Report later in 2023.





# 2023 Community Perception Survey

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The 2022-23 Community Perceptions Survey was conducted by Western Rock Lobster Council (WRL) to gauge public sentiment and assess the social licence of the Western Rock Lobster industry. The survey aimed to measure various aspects, including awareness of the industry, perceptions, consumption patterns, and support for industry promotion initiatives.

In August 2022, WRL commissioned Research Solutions to conduct the survey, ensuring robust samples from the metropolitan area, coastal western rock lobster communities, and other regions of country Western Australia. The survey builds upon the inaugural study conducted in 2020.

## Key Findings

**Community Support:** The Western Australian community continues to express strong support for the western rock lobster industry, with 77.2% of respondents indicating overall support, and 53.6% stating they are very supportive. Additionally, 80.7% of the community reported trust in the industry. These results are consistent and slight improvements on the findings from the 2020 survey and are driven by factors such as pride in the industry, perceptions of sustainability, and custodianship of the resource.

**Industry Acceptability:** There is a noteworthy increase in industry acceptability, with 71% of the community perceiving that the industry is more concerned about and considerate of West Australians' views, up from 62% in 2020.

**Economic Contribution:** Industry continues to be viewed favourably for its economic contribution to the state (85.6%), status as an export industry (86.4%), and role as a significant employment source (84.4%).

**Affordability and Consumption:** Perceptions of western rock lobster being available at a reasonable price have improved significantly compared to 2020 (60%), with over 70% of respondents believing this in 2022. Approximately 40% of the community consumes western rock lobster at least once a year, with most regarding it as a special occasion food. As frequency of consumption increases, respondents are more likely to view it as an affordable luxury. The ease of sourcing western rock lobster strongly influences consumption patterns.

**Back of Boat:** The Back of Boat sales initiative enjoys strong community support, with one in four aware of it having purchased western rock lobster this way.

Notably, 25.1% of the community were aware of the Back of Boat initiative, even before the launch of the [backofboat.com](http://backofboat.com) website in September 2022.

**Other Industry Promotion Initiatives:** Awareness levels for various industry promotion initiatives include 16.2% for cooking shows on how to prepare lobster, 9.0% for festivals and market days at ports, 9.7% for information on the industry's history, and 7.0% for the WRL stand at the Perth Royal Show.

There was overwhelming support for all these initiatives across the board.

In conclusion, the 2022-23 Community Perceptions Survey indicates a positive reputation and outlook for the Western Rock Lobster industry in Western Australia, with continued community support, trust, and favourable perceptions. The industry's initiatives, such as Back of Boat sales, have garnered strong support, setting the stage for further engagement and growth in the future.



# Back of Boat Lobsters

WRL's Back of Boat Lobster initiative continues to evolve in response to the needs of both the community and fishers, ensuring that Western Australians can enjoy the freshest lobster directly from the fishing boats they trust.

Western Rock Lobster (WRL) is proud to celebrate significant milestones in its Back of Boat (BoB) initiative, a program designed to ensure that the Western Australian community maintains continuous access and a strong connection to the Western Rock Lobster fishing industry.

Since its inception in 2020, the Back of Boat initiative has transformed the way Western Australians access the freshest lobster. Collaboratively designed by WRL and DPIRD, it enables consumers to purchase live lobsters directly from fishing boats along the WA coast. This unique approach has been met with overwhelming support from the community.

Initially, the program set a maximum limit of 100 lobsters per landing. However, due to high demand, the industry requested an increase to 200 lobsters per landing. In December, during the traditional holiday peak season, the limit surged to 400 lobsters per day. As of 1st July 2023, this cap was once again expanded, now allowing for the sale of up to 999 lobsters per landing, highlighting the growing popularity of Back of Boat lobsters in Western Australia.

The WA community has really embraced the Back of Boat initiative since its introduction, achieving a significant milestone with the sale of 100 tons of live lobster directly to the public in December 2022. Since its launch in September 2020, a total of 102 different vessels have landed an astonishing 123,847 kilograms of Back of Boat lobsters at 21 ports stretching from Kalbarri to Fremantle along the WA coast.

To further enhance the program's accessibility and efficiency, WRL has introduced an online ordering and payment platform on the newly developed BackOfBoat.com website. This innovative platform streamlines the ordering process, enabling consumers to connect directly with participating fishers. It automates all transaction elements while offering valuable information on lobster handling, preparation, recipes, and sustainability, resulting in a stronger connection between the industry and the community.

In a move to increase flexibility, fishers can now consign up to 50 unsold Back of Boat lobsters per trip to a registered receiver. This not only ensures a risk-free supply for unplanned sales upon landing but also accommodates increased demand from existing customers at the point of sale.

As we move forward, WRL remains committed to its mission of connecting communities with the Western Rock Lobster fishing industry, fostering understanding, pride, and accessibility for all Western Australians. The Back of Boat initiative has consistently demonstrated its remarkable ability to achieve these goals.

[www.backofboat.com](http://www.backofboat.com)





# Financial Reports



Western Rock Lobster Council Inc

## Financial Reports

For the year ended 30 June 2023

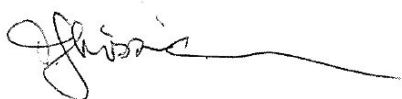
# Director's Declaration

The directors have determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the association declare that:

1. The financial statements and notes, present fairly the association's financial position as at 30 June 2023 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
2. In the directors' opinion there are reasonable grounds to believe that the association will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Western Rock Lobster Council Inc. Chair

**Terry Lissiman**



Finance and Audit Committee Chair

**Fedele Camarda**

Dated 31 August 2022

# Independent Auditor's Report

For the year ended 30 June 2023

## To the Members of Western Rock Lobster Council Inc

We have audited the financial report of Western Rock Lobster Council Inc. ('the Association'), which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, appropriation statement and statement of cash flows for the year 30 June 2023 then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the financial report of Western Rock Lobster Council Inc. has been prepared in accordance with the Associations Incorporation Act (WA) 2015, including:

- (a) giving a true and fair view of the Association's financial position as at 30 June 2023 and of its financial performance for the year ended 30 June 2023; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, and the Associations Incorporation Act (WA) 2015.

## 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 ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (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 - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the registered entity's financial reporting responsibilities under the Associations Incorporation Act (WA) 2015. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

## Responsibility of the Responsible Entities for the Financial Report

The directors of the Association are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Associations Incorporation Act (WA) 2015 and the needs of the members. The Associations' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the financial report, the directors are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so. The directors are responsible for overseeing the Association's financial reporting process.





## Auditor's Responsibilities 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 the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.
- Conclude on the appropriateness of responsible entities' 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 registered entity'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 registered entity 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 responsible entities 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.

Name of Firm: Stirling Auditors  
Name of Director: En Khong  
Address: Suite 5, 216 Stirling Highway,  
Claremont WA 6010  
Date: 17 August 2023

# Statement of Financial Performance

For the year ended 30 June 2023

		2023	2022
	Note	\$	\$
<b>INCOME</b>			
WAFIC General		–	323,543
DPIRD Direct Funding		525,450	323,543
2020-059 RD&E (New)		200,000	100,000
FRDC - IPA Project Funding		2,131,232	822,668
Industry Levy		217,200	203,700
IPA Management Fee		44,400	–
<b>TOTAL INCOME</b>		<b>3,118,282</b>	<b>1,773,454</b>
<b>OTHER INCOME</b>			
Interest Income		7,106	2,118
<b>GOVERNMENT SUBSIDIES</b>			
Small Business Hardship Grant		20,000	–
<b>TOTAL GOVERNMENT SUBSIDIES</b>		<b>20,000</b>	<b>–</b>
<b>TOTAL OTHER INCOME</b>		<b>27,106</b>	<b>2,118</b>
<b>TOTAL INCOME</b>		<b>3,145,388</b>	<b>1,775,572</b>
<b>EXPENSES</b>			
Chair, Directors and Independent Director Fees	2	68,750	57,500
Depreciation		49,237	21,234
Employment Expenses	3	414,101	486,791
Industry Levy Expenses	4	143,863	278,081
IPA Project Expenses	5	1,719,979	738,915
Operating Expenses	6	211,138	254,922
<b>TOTAL EXPENSES</b>		<b>2,607,067</b>	<b>1,837,442</b>
<b>OPERATING SURPLUS/ (DEFICIT)</b>		<b>538,321</b>	<b>(61,870)</b>

# Statement of Financial Position

As at 30 June 2023

		2023	2022
	Note	\$	\$
<b>RESERVES</b>			
Retained earnings		1,878,866	1,340,545
<b>Total Reserves</b>		<b>1,878,866</b>	<b>1,340,545</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	7	1,839,802	1,244,607
Reimbursement		4,931	83,950
Trade and Other Receivables	8	35,158	18,263
<b>TOTAL CURRENT ASSETS</b>		<b>1,879,892</b>	<b>1,346,820</b>
<b>NON CURRENT ASSETS</b>			
Property, Plant and Equipment	9	119,172	69,455
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>119,172</b>	<b>69,455</b>
<b>TOTAL ASSETS</b>		<b>1,999,064</b>	<b>1,416,275</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Provisions	10	70,329	50,873
Trade and Other Payables	11	49,869	24,857
<b>TOTAL CURRENT LIABILITIES</b>		<b>120,198</b>	<b>75,730</b>
<b>TOTAL LIABILITIES</b>		<b>120,198</b>	<b>75,730</b>
<b>NET ASSETS</b>		<b>1,878,866</b>	<b>1,340,545</b>

# Appropriation Statement

For the year ended 30 June 2023

	2023	2022
Note	\$	\$
<b>RETAINED EARNINGS AFTER APPROPRIATION</b>		
Retained Earnings at Start of Year	1,340,545	1,401,113
Profit/(Loss) Before Taxation	538,321	(60,567)
Retained Earnings After Appropriation	1,878,866	1,340,545

# Statement of Cash Flows - Direct Method

For the year ended 30 June 2023

	2023	2022
Note	\$	\$
<b>OPERATING ACTIVITIES</b>		
GST	(395)	(4,400)
Cash receipts from other operating activities	3,145,388	1,775,572
Cash payments from other operating activities	(2,557,831)	(1,814,906)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>587,163</b>	<b>(43,733)</b>
<b>INVESTING ACTIVITIES</b>		
Other cash items from investing activities	(609,884)	(75,464)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(609,884)</b>	<b>(75,464)</b>
<b>FINANCING ACTIVITIES</b>		
Other cash items from financing activities	12,718	14,385
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>12,718</b>	<b>14,385</b>
<b>NET CASH FLOWS</b>	<b>(10,003)</b>	<b>(104,813)</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents at beginning of period	135,288	240,101
Net change in cash for period	(10,003)	(104,813)
Cash and cash equivalents at end of period	125,286	135,288

# Notes to the Financial Statements

For the year ended 30 June 2023

## 1 Statement of Significant Accounting Policies

The director(s) have determined that the company is not a reporting entity and accordingly, this financial report is a special purpose report prepared for the sole purpose of distributing a financial report to members and must not be used for any other purpose. The director(s) have determined that the accounting policies adopted are appropriate to meet the needs of the members.

The financial report has been prepared on an accrual basis and under the historical cost convention, except for certain assets, which, as noted, have been written down to fair value as a result of impairment. Unless otherwise stated, the accounting policies adopted are consistent with those of the prior year.

The accounting policies that have been adopted in the preparation of the statements are as follows:

### Goods and Services Tax

Transactions are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

## 2 Chair, Directors and Independent Directors

	2023	2022
	\$	\$
Board Diem	35,000	35,000
Chair Honorarium	15,000	15,000
Independent Directors	18,750	7,500
<b>TOTAL CHAIR, DIRECTORS AND INDEPENDENT DIRECTORS</b>	<b>68,750</b>	<b>57,500</b>

## 3 Employment Expenses

Salaries & Wages	373,768	441,059
Superannuation	40,333	45,731
<b>TOTAL EMPLOYMENT EXPENSES</b>	<b>414,101</b>	<b>486,791</b>



#### 4 Industry levy

Management and Projects
MSC Audit
Promotion, Media and Communication
<b>TOTAL INDUSTRY LEVY</b>

2023	2022
\$	\$
20,297	65,363
12,200	24,400
111,366	188,319
<b>143,863</b>	<b>278,081</b>

#### 5 IPA Project Expenses

Mileage (64600)
Project - 12th ICWL
Project - Communications
Project - Communications, Education and Engagement
Project - Digitising the Western Rock Lobster Industry
Project - Understanding the Economics and Markets
Project - WA Institute Spiny Lobster Biz Plan
Project - 2020-059 RD&E
Project - 2020-060 WRL Professional Industry Development
Project - 2020-062 Minimising Plastic (Phase 1)
Project - 2020-063 Minimising Plastic (Phase 2)
Project - 2021-030 Digital Transformation
Provision for Leave Expense
Superannuation
<b>TOTAL IPA PROJECT EXPENSES</b>

2,260	–
42,799	581
11,670	278,244
286,528	–
273,669	168,205
251,817	145,719
34,159	26,110
126,981	47,942
42,944	52,983
5,403	1,460
–	135
600,254	2,450
8,989	–
32,506	15,085
<b>1,719,979</b>	<b>738,915</b>

# Notes to the Financial Statements

For the year ended 30 June 2023

## 6 Operating Expense Breakdown

	2023	2022
	\$	\$
Accounting/Audit	5,830	6,170
Bank Charges	944	664
Consultancy Fees	-	26,600
Communications Strategy	7,339	6,472
Fringe Benefits Tax	6,634	5,239
FBT Instalments Payable	-	1,302
Gifts	430	843
Insurance	8,187	13,423
Legal Costs	693	15,880
Meeting Expenses	2,588	15,373
Mileage	931	924
Motor Vehicle Expenses	7,044	7,964
Office Equipment and IT	16,884	11,631
Postage	1,201	440
Printing and Stationery	7,340	10,435
Provision for Leave Expense	10,467	(4,664)
Rent	62,429	64,870
Sponsorship & Promotions	2,309	10,901
Staff Amenities	3,490	1,319
Subscriptions	36,988	32,985
Telephone	6,348	5,416
Training	5,881	6,108
Travel & Accommodation	17,181	14,624
<b>TOTAL OPERATING EXPENSE BREAKDOWN</b>	<b>211,138</b>	<b>254,922</b>





## 7 Cash and Cash Equivalents

	2023	2022
	\$	\$
ANZ Business Online Saver	507,053	243,907
ANZ Cheque Account	119,894	79,943
ANZ FRDC Fund	398,263	51,629
ANZ Online Saver	5,391	55,346
ANZ WRLC 1916	9,166	11,748
ANZ Term Deposit #1 May 2021	-	401,000
ANZ Term Deposit #2 May 2021	-	401,000
CBA Term Deposit #1 Nov 2022	400,000	-
CBA Term Deposit #2 Nov 2022	400,000	-
Industry Fighting Fund Savings	23	23
Industry Fighting Fund Trans	13	13
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>1,839,802</b>	<b>1,244,607</b>

## 8 Trade and Other Payables

### CURRENT

GST	35,158	5,142
Trade Debtors	-	13,121
<b>TOTAL CURRENT</b>	<b>35,158</b>	<b>18,263</b>
<b>TOTAL TRADE AND OTHER PAYABLES</b>	<b>35,158</b>	<b>18,263</b>

## 9 Property, plant and equipment

### MOTOR VEHICLES

Motor Vehicles At Cost	50,777	50,323
Accum. Depr. Motor Vehicles	(29,399)	(22,424)
<b>TOTAL MOTOR VEHICLES</b>	<b>21,379</b>	<b>27,899</b>

### OFFICE EQUIPMENT

Office Equipment At Cost	73,271	46,067
Accum. Depr. Office Equipment	(66,769)	(46,067)
<b>TOTAL OFFICE EQUIPMENT</b>	<b>6,502</b>	<b>-</b>

### PROPERTY IMPROVEMENTS

Property Improvements	169,458	98,162
Accum. Depr Property Improvements	(78,166)	(56,606)
<b>TOTAL PROPERTY IMPROVEMENTS</b>	<b>91,292</b>	<b>41,556</b>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<b>119,172</b>	<b>69,455</b>

# Notes to the Financial Statements

For the year ended 30 June 2023

## 10 Provisions

### CURRENT

Provision for Leave  
Provision for Leave (IPA Projects)

### TOTAL CURRENT

### TOTAL PROVISIONS

	2023	2022
	\$	\$
	47,534	37,067
	22,795	13,806
	<b>70,329</b>	<b>50,873</b>
	<b>70,329</b>	<b>50,873</b>

## 11

### Trade and Other Payables

#### CURRENT

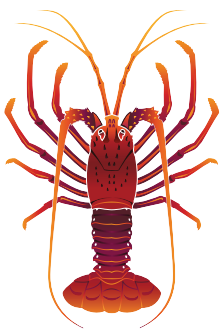
Amounts Withheld  
ANZ Credit Card  
FBT Instalments Payable  
Superannuation Payable  
Trade Creditors

#### TOTAL CURRENT

#### TOTAL TRADE AND OTHER PAYABLES

	25,794	16,360
	2,342	214
	-	(1,302)
	11,286	6,231
	10,448	3,355
	<b>49,869</b>	<b>24,857</b>
	<b>49,869</b>	<b>24,857</b>





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