Economic Contribution of the Western Rock Lobster Industry 2017

Summary
About this Report

The Western Rock Lobster Council (WRLC) engaged ACIL Allen to undertake a study to calculate the economic contribution of the Western Rock Lobster industry to the Western Australian economy.

This is the first time the economic contribution of our State’s Western Rock Lobster industry has been formally assessed and quantified.
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The Western Rock Lobster Industry is an intrinsic part of the economic and social fabric of many coastal communities in Western Australia.”
Introduction

The Western Rock Lobster Fishery is iconic. It is the largest wild caught commercial fishery in Western Australia and is based on a single species – the spiny lobster (*Panulirus cygnus*) – in an area along WA’s coast between Shark Bay and Cape Leeuwin.

The Western Rock Lobster industry is an intrinsic part of the economic and social fabric of many coastal communities in WA.

The industry began back in the early 1950s when commercial fishing first commenced in Geraldton, Lancelin and Fremantle. Back then, the tools of the trade were simple and the industry was developed and nurtured by a small group of fishers and their families. These families played a significant role in the establishment of many coastal towns in WA.

The industry has come a long way since then and has grown and evolved into a global leader in sustainable fisheries management. In 2000, the Western Rock Lobster managed fishery became the first fishery in the world to be certified as ecologically sustainable by the Marine Stewardship Council (MSC). The fishery has successfully maintained MSC Certification status since then, which recognises the high environmental values and sustainable practices maintained by industry members.
Independent research has found the MSC certification generates significant value to the industry through its social licence to operate, research and development direction and planning, improved management practices, credibility, government confidence and environmental responsibility.

The domestic sale and export of Western Rock Lobster – whether live, cooked or frozen – also allows the industry to generate opportunities in a range of other sectors across the economy, from ship and boat manufacturing, seafood processing, transport and tourism.

The Western Rock Lobster’s gross value of production is comparable to other key primary industries such as wool, sheep meat, and milk production.

Relative to other jurisdictions, the Western Rock Lobster industry is also a market leader, accounting for almost 58 percent of Australia’s lobster exports value, and more than double the exports of lobsters from New Zealand.

In 2000, the Western Rock Lobster managed fishery became the first fishery in the world to be certified by the Marine Stewardship Council, in recognition of its high environmental values and sustainable practices.
Benefits to Western Australia (2016-17)

The ACIL Allen study found the Western Rock Lobster industry is a sophisticated, sustainable and serious industry which is critically important to our State.

Contributes more than **half a billion dollars** to the WA economy **($505M)**

Contributes to the **economic prosperity** and **social fabric** of WA coastal communities

Generates more than **2,400** direct and indirect full time jobs across the State

The value of production is comparable to **other WA primary industries** including wool, sheep meat and milk

**Four key sectors** make up the Western Rock Lobster Industry supply chain:
- Managed Fishery
- Processed Seafood Manufacturing
- Boat Building
- Tourism
Employment

- In 2016-17, the industry generated 2,437 direct and indirect Full Time Equivalent (FTE) jobs.
- For every direct FTE job generated by the industry in WA, a further 1.77 FTE jobs are generated throughout the economy.
- This level of activity in turn generated a further $222 million in indirect economic value.

Economic contribution

- In 2016-17, the Western Rock Lobster industry generated $505 million for the WA economy across the industry supply chain.
- Of this amount the industry directly generated $282 million in economic value across the supply chain.
- This level of activity in turn generated a further $222 million in indirect economic value.
- The direct economic contribution of the Western Rock Lobster industry ($282 million) to the WA economy is greater than:
  - WA's shipbuilding industry
  - Beer manufacturing
  - Dairy industry
  - Coal mining industry

Employment

- In 2016-17, the industry generated 2,437 direct and indirect Full Time Equivalent (FTE) jobs.
- For every direct FTE job generated by the industry in WA, a further 1.77 FTE jobs are generated throughout the economy.
- Total employment generated by the industry (2,437 FTEs) is greater than the number of people employed in any of the ‘Big 4 banks’ in WA.
Benefits from Industry Supply Chain

The industry supply chain is made up of four sectors including the Managed Fishery, Processed Seafood Manufacturing, Boat Building and Tourism, which contribute to the industry’s economic impact in WA.

Economic impact across industry supply chain sectors:
- Managed Fishery – $399M
- Processed Seafood Manufacturing – $70.4M
- Boat Building – $28.5M
- Tourism – $6.6M

Employment across industry supply chain sectors (including direct and indirect jobs):
- Managed Fishery – 1,714 jobs
- Processed Seafood Manufacturing – 477 jobs
- Boat Building – 185 jobs
- Tourism – 60 jobs

The domestic sale and export of Western Rock Lobster – whether live, cooked or frozen – allows the industry to generate opportunities in a range of sectors of the economy, from ship and boat manufacturing, processed seafood manufacturing, transport and tourism.

Western Rock Lobster exports are WA’s 14th largest merchandise export, ranking alongside live animal exports, and 7 times the export earnings of the dairy industry.
The Western Rock Lobster industry makes a significant economic and social contribution to our State by creating jobs and supporting regional communities.

Many of the State’s coastal communities were developed and populated on the back of the growth of commercial rock lobster fishing in the early-1950s.

Since then, the industry has continued to underpin the economic prosperity of many coastal towns including Leeman and Cervantes where the industry accounts for more than 80 percent of the town’s economy in 2016-17.

Assessing the regional impact

Two major regions were identified for the purposes of the study; the Northern Zone and Southern Zone.

The Northern Zone includes the towns of Kalbarri, Geraldton, Dongara/Port Denison, Leeman, Jurien Bay, Cervantes, Ledge Point and Lancelin.

The Southern Zone includes metropolitan Perth, the town of Two Rocks, regional cities including Mandurah, Bunbury and Busselton and the South West region.

**NORTHERN ZONE**

- Kalbarri to Lancelin (including Geraldton)
  - The industry contributes **$123 million** to the State’s economy, and generates more than **500 jobs**

**SOUTHERN ZONE**

- Perth to Busselton
  - The industry contributes **$306 million** to the State’s economy, and generates more than **1,300 jobs**
The industry generates almost $50 million for the Geraldton economy, accounting for 24% of the total economic activity in the city.

The industry generates almost $25 million for the Cervantes economy, accounting for 75% of the total economic activity in the town.
Kalbarri

Geraldton

Dongara / Port Denison

Horrocks

Processors

KEY

Airport

Total Gross Value Add

Share of Gross

Town Product

Total employment

Airport

Leeman / Green Head

Jurien Bay

Cervantes

Lancelin

Ledge Point

Two Rocks

Perth

Mandurah

Bunbury

Busselton

$8.7m 13% 33 FTEs

$16.3m 14% 35 FTEs

$5.7m 23% 21 FTEs

$15.4m 15.6% 58 FTEs

$24.5m 75% 138 FTEs

$15.6m 32% 58 FTEs

$302m 1,272 FTEs

$2.3m 9 FTEs
2017-084 WRL IPA: Economic contribution of the Western Rock Lobster industry to Western Australia and Australia is supported by funding from the FRDC on behalf of the Australian Government