

Western Rock Lobster Risk Register Summary



The Top 11 Risks

- 1. Reliance on a single market**

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

Strategic
- 2. Lack of capital to re-position industry and process new product forms**

Because the capital structure of the WRL industry supports exporting live lobster to China, targeting new markets may result in large debt holdings and skills shortages, which will impact Processors' business viability

Risk Rating: 12

Strategic
- 3. Lack of funding and resources to support industry development and ongoing solvency of WRL**

Due to trade restrictions, GVP-based funding could be reduced which would impact the Council's ability to support and advocate for the industry.

Risk Rating: 12

Financial
- 4. Uncertainty around legislative framework for resource access and security**

Continued uncertainty increases volatility with operators and financing sector.

Risk Rating: 9

Strategic
- 5. Reduction in government funding for resource management**

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: 9

Strategic
- 6. Serious health event at sea or on shore**

A serious health event occurring at sea or onshore involving any WRL crew, could expose gaps in the medical emergency response capabilities of boat owners and skippers, which would impact industry's public image, social licence and litigation exposure (including industrial manslaughter charges).

Risk Rating: 9

Safety
- 7. Decline in industry adherence to safety standards**

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

Safety
- 8. Loss of confidence in the quality of the product by customers and markets**

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

Risk Rating: 9

Reputational
- 9. Lack of business succession plans in industry**

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

Risk Rating: 9

Operational
- 10. Competition from alternate industry bodies**

Increases the risk of WRL not being recognised as industry peak body by government and other stakeholders.

Risk Rating: 9

Operational
- 11. Seismic surveys and drilling for oil and gas**

Due to oil and gas 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: 9

Environmental

Western Rock Lobster Top 11 Risks



	Risk and Risk Description	Probability (1-4)	Consequence (1-4)	Overall Risk Rating	Related Strategic Plan Goal	Related Strategic Plan Objective	Risk Responses
Strategic	1. Reliance on a single market 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.	3	4	12	Develop new and existing markets	E – Market diversification and development	<ul style="list-style-type: none"> Develop and maintain new markets for long term, reduce vulnerability to market collapses. Market diversification plan. Maintain strong collaboration with STAG.
Strategic	2. Lack of capital to re-position industry and process new product forms Because the capital structure of the WRL industry supports exporting live lobster to China, targeting new markets may result in large debt holdings and skills shortages, which will impact Processors' business viability	4	3	12	Develop new and existing markets	E – Market diversification and development	<ul style="list-style-type: none"> Continue to bring all the processors together through the WRL Markets Working Group. Liaise with state and federal governments for possible financial assistance for processors. Remain well-informed about the changing macro trade environment. Collaborate with other rock lobster fisheries in Australia.
Financial	3. Lack of funding and resources to support industry development and ongoing solvency of WRL Due to trade restrictions, GVP-based funding could be reduced which would impact the Council's ability to support and advocate for the industry.	3	4	12	Review the strategy for securing independent funding	B - Advocacy and co-management through self-funding and resourcing	<ul style="list-style-type: none"> Maintain appropriate level of savings in WRL. Progress the development of a self-funding model. Identify and utilise any available government assistance. Ensure the Finance and Audit Committee meeting outcomes feed into following Board meeting. Provide members with more information about importance of independent funding to the industry. Work with WAFIC and government for a GVP rearrangement.
Strategic	4. Uncertainty around legislative framework for resource access and security Continued uncertainty increases volatility with operators and financing sector.	3	3	9	Resource access security through legislative change	A – Secure resource access rights	<ul style="list-style-type: none"> Continue to progress the Strategy for Independence and Security. Achieving industry's desired resource access security.
Strategic	5. Reduction in government funding for resource management 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.	3	3	9	Review the strategy for securing independent funding	B – Advocacy and co-management through self-funding and resourcing	<ul style="list-style-type: none"> Independent funding; FRDC funding. Increase use of industry vessels for research.
Safety	6. Serious health event at sea or on shore A serious health event occurring at sea or onshore involving any WRL crew, could expose gaps in the medical emergency response capabilities of boat owners and skippers, which would impact industry's public image, social licence and litigation exposure (including industrial manslaughter charges).	3	3	9	Identify and implement new digital applications	D - Social licence	<ul style="list-style-type: none"> Fund investigation into ability of crews to manage a serious health event at sea and on shore. Fund the development, implementation and ongoing auditing of a WRL industry safety standard, SeSAFE.
Safety	7. Decline in industry adherence to safety standards 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.	3	3	9	Identify and implement new digital applications	D - Social licence	<ul style="list-style-type: none"> Fund the development, implementation and ongoing auditing of a WRL industry safety standard, SeSAFE.
Reputational	8. Loss of confidence in the quality of the product by customers and markets The quality of the premium WRL product could be discredited causing market and reputational damage.	3	3	9	Develop new and existing markets		<ul style="list-style-type: none"> Conduct research to understand and demonstrate the characteristics and quality of the product to disprove any potential smear campaigns.
Operational	9. Lack of business succession plans in industry Not being able to hand down fishing units to family without incurring cost as seen in the agriculture industry.	3	3	9	Resource access security through legislative change	A – Secure resource access rights	<ul style="list-style-type: none"> Lobby government to change laws to transfer of entitlement for WRL industry.
Operational	10. Competition from alternate industry bodies Increases the risk of WRL not being recognised as industry peak body by government and other stakeholders.	3	3	9	Review the strategy for securing independent funding	B – Advocacy and co-management through self-funding and resourcing	<ul style="list-style-type: none"> Engage further with industry to build understanding of the significance of self-funding and increase industry's support of and trust in WRL as their peak body.
Environmental	11. Seismic surveys and drilling for oil and gas Due to oil and gas 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.	3	3	9	Resource access security through legislative change	A – Secure resource access rights	<ul style="list-style-type: none"> Invest in research to determine effect of seismic surveys on lobster biology and habitat. Invest in research to determine legal compensation strategies. Investigate the legal requirements / protocols for environmental impact surveys to be conducted before seismic surveys are approved. Investigate protocols for sharing seismic survey data with industry.