



# SRL STRATEGY 2022



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## FOREWORD

Southern Rock Lobster (*Jasus edwardsii*), sustainably harvested from the cool, clean waters of the Southern Ocean is the finest seafood in the world. Highly regarded by discerning consumers it holds a premium market position, especially in China, and, through this plan, we aim to keep it that way.

SRL Strategy 2022 underpins the recently renewed Industry Partnership Agreement with the Fisheries Research and Development Corporation and provides the context, themes, priorities and actions for its research, development and extension activities over the next five years.

This Plan will ensure that the industry is able to capitalise on the growing market for safe, sustainably sourced and premium seafood products, locally and overseas, thereby maintaining its position as a significant contributor to the local economies of South Australia, Tasmania and Victoria.

Prof. Colin Buxton  
Chairman, Southern Rocklobster Ltd

## ACKNOWLEDGEMENTS

In developing this Strategy 2022 Plan, we acknowledge the input and support provided the Fisheries Research and Development Corporation (FRDC) and Ridge Partners.



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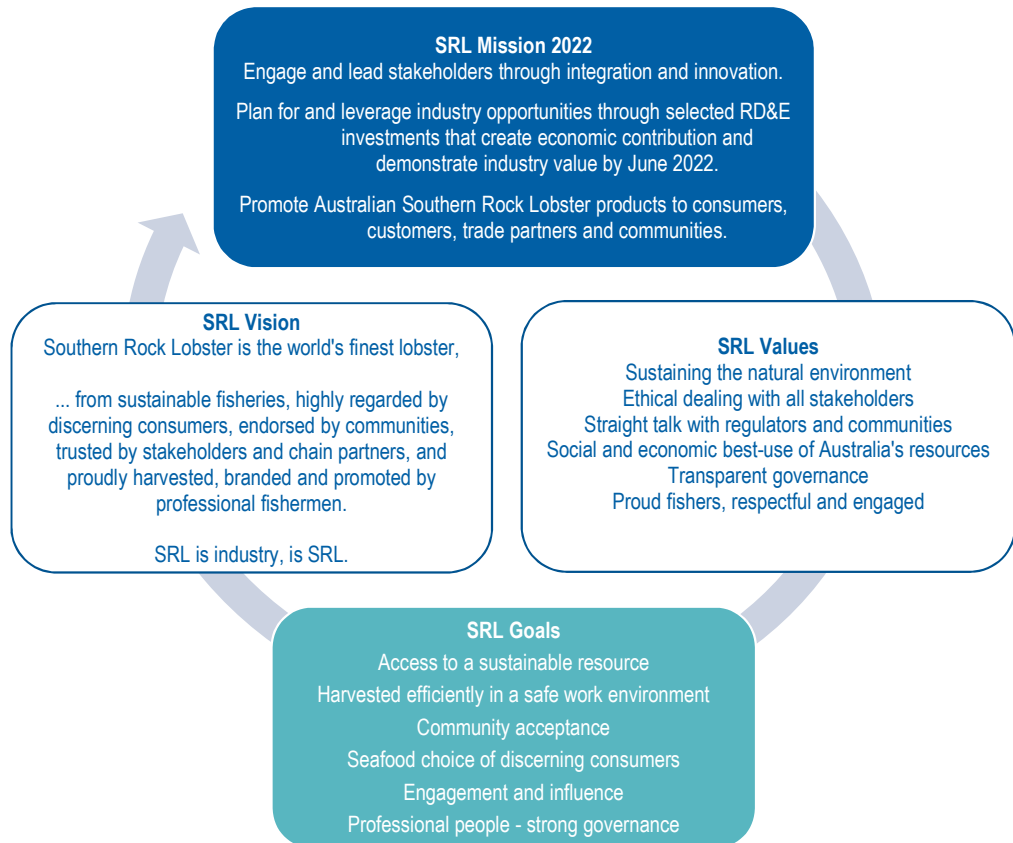
# 1. STRATEGY FRAMEWORK

Southern Rock Lobster fisheries contribute over \$200 million in landed seafood value to the Australian economy each year. Professional fishers across South Australia, Tasmania and Victoria operate licenses, vessels, pots and harvest infrastructure with an estimated capital value of \$2.3billion, landing over 3,000 tonnes of premium lobster seafood.

This Plan aims to position the sector to take best advantage of its options and choices over the next five years.

This Plan draws these strategic themes, priorities and actions together in a document that Southern Rocklobster Ltd (SRL) will implement on behalf of its Members. The Plan also provides SRL with a sound and united platform to leverage its Research, Development and Extension (RD&E) investment via a new Industry Partnership Agreement (IPA) with the Fisheries Research and Development Corporation (FRDC).

## STRATEGIC PURPOSE AND INTENT



SRL has considered the key strategic issues, risks and goals for Southern Rock Lobster (*Jasus edwardsii*) in global and domestic markets, the priorities for sustaining its fisheries, and creating, leveraging and preserving value from the harvest along the

chain to market. SRL is also mindful of the expectations of investors and the community regarding the performance of businesses in the sector and the community.

We have identified our organisational Vision, Mission and Values so that outcomes will be achieved over the next decade.

This Plan draws a clearer focus on realistic action and investment by SRL, especially over the next five years to 2022. The Plan is a living document that will be regularly updated and evaluated with a major review to be undertaken in late 2021.

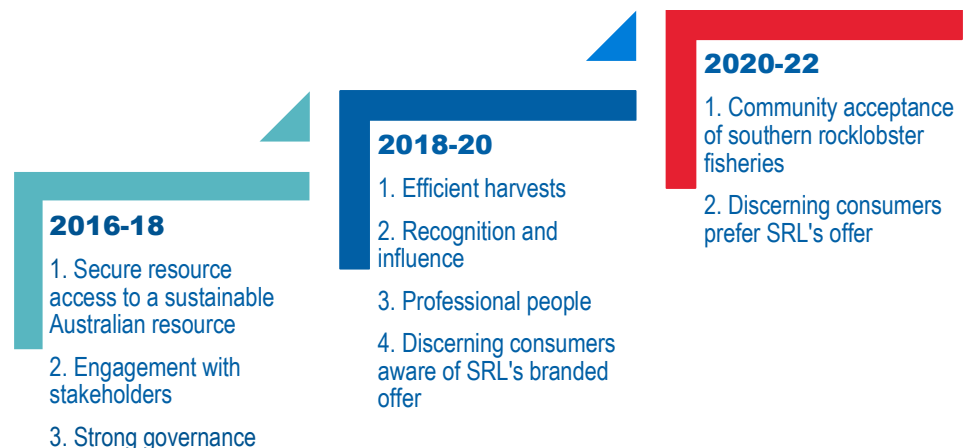
## STRATEGIC GOALS

The Australian Southern Rock Lobster sector is a mature global supplier of premium live and fresh seafood. It has long enjoyed, and continues to benefit from strong market and margin growth, most recently serving emerging Chinese middleclass consumers.

Five strategic goals have been identified by SRL to be achieved over the next five-year planning horizon.

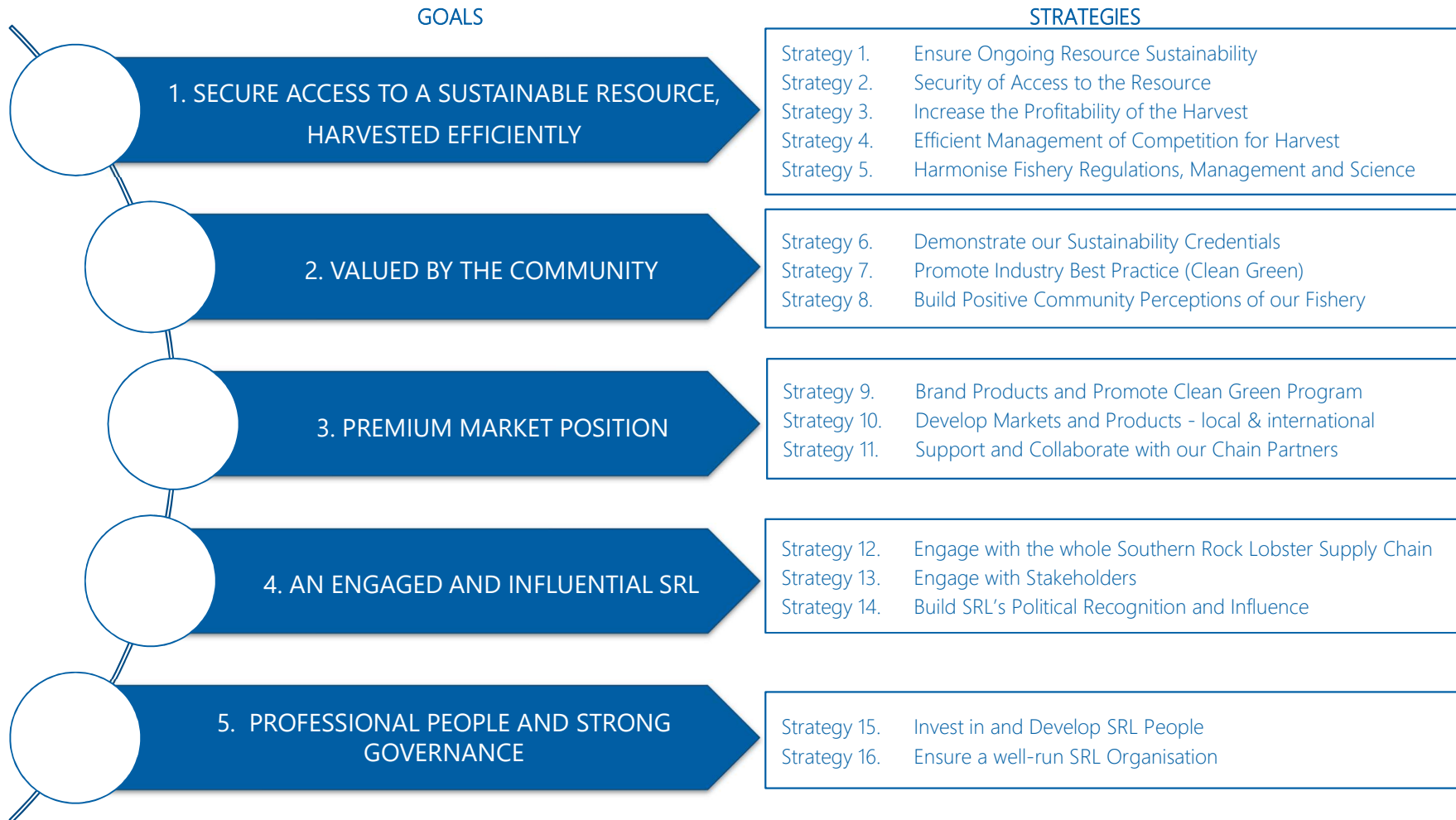
1. Secure access to a sustainable resource, which is harvested efficiently and safely in collaboration with other fishery users
2. Community engagement with and acceptance of southern rock lobster fisheries and policies
3. Discerning seafood consumers prefer SRL's offer, in Australia and overseas
4. An SRL that is engaged and influential in industry, communities and government
5. Professional people and strong governance.

All five goals are important to SRL's delivery of its integrated Strategy 2022. Members intend that their staged investment in and management of these goals will enhance the performance of their fisheries and businesses over the five-year term of this Plan.



## GOALS AND STRATEGIES

SRL is a global supplier of premium Southern Rock Lobster. Our strategic landscape will be framed by the following Goals and Strategies



## 2. INDUSTRY CONTEXT

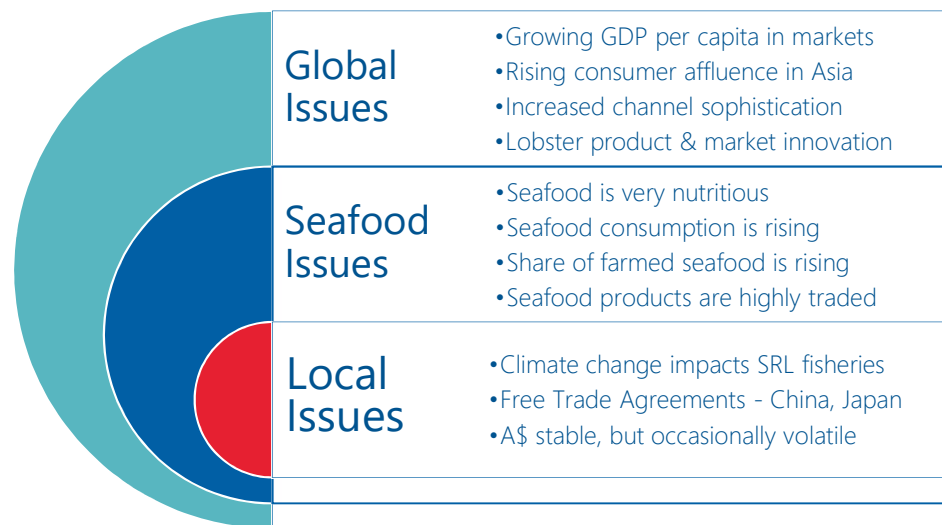
### BACKGROUND

Global population and middle class income growth drive resource demand. By 2030 an extra billion consumers (to 8.3 Bn) will add 30 million metric tonnes (to 186 MMT) to global seafood demand<sup>1</sup>. Today, fishery products are one of the most globally traded animal protein human food commodities<sup>2</sup>, and seafood is the most consumed by volume. While birth rates ultimately drive food demand, it is the evolution of lifestyle shifts to higher value foods, product credence, and health choices for established and aspiring consumers that are central to SRL's 2022 strategy.

This change is most aggressive in Asia and especially greater China, a growing market giant for spiny lobster products, but also includes domestic opportunities linked to the burgeoning tourism market.

### ISSUES FOR SRL

The World Bank 2013 has identified key uncontrollable global trends that will impact seafood industry supply, growth, and sales over the next 14 years to 2030.



SRL has a long track record of strategic thinking and planning. Southern Rock Lobster fishers are sophisticated investors and managers of fishery and seafood businesses, accustomed to competitive harvesting, processing and export of premium seafood.

<sup>1</sup> World Bank, Fish to 2030, World Bank Report #83177-GLB, December 2013

<sup>2</sup> The FAO reported that 38% of all fish produced in the world in 2010 was exported. World Bank, Fish to 2030, December 2013

But there is a concern. Australian Southern Rock Lobster fishers and supply chain partners are largely dependent on the Chinese market – single market exposure poses a risk. SRL partners need to preserve and extend their premium market position in China but at the same time create new market opportunities locally and abroad.

The near-term planning and investment described in this Plan will ensure returns are optimised within SRL's control.

## LOBSTER PRODUCTION & TRADE

American lobster (*Homarus americanus*) from Canada and the USA dominate (53%) global wild catch supply. Scampi (*Nephrops norvegicus*) is the second largest group, sourced in the north-eastern Atlantic Ocean and parts of the Mediterranean Sea.

Global Lobster and Australian SRL Production (FAOStat)										
2014 Rank by tonnes '000		2008	2009	2010	2011	2012	2013	2014	2014 Cum %	Growth %pa 2009-14
1	Canada	59	58	67	67	75	75	93	30%	+10%
2	United States	39	46	55	60	70	71	69	53%	+9%
3	United Kingdom	46	46	41	38	36	31	34	64%	-6%
4	Australia (ABARES)	13.83	12.20	10.14	9.888	9.146	10.333	10.432	67%	-1%
	<b>Southern RL</b>	<b>4.109</b>	<b>3.497</b>	<b>3.140</b>	<b>3.132</b>	<b>2.948</b>	<b>2.955</b>	<b>3.053</b>		<b>-2.6%</b>
	VIC	0.356	0.276	0.274	0.300	0.300	0.307	0.311		+2%
	SA	2.309	1.810	1.554	1.557	1.550	1.552	1.577		0%
	TAS	1.444	1.411	1.312	1.275	1.098	1.096	1.165		-4%
	<b>Western RL</b>	<b>8.961</b>	<b>7.637</b>	<b>5.947</b>	<b>5.247</b>	<b>4.890</b>	<b>6.066</b>	<b>5.857</b>		<b>-4%</b>
	Eastern RL NSW	0.122	0.122	0.122	0.129	0.142	0.138	0.146		+4%
	Tropical RL	0.641	0.946	0.940	1.380	1.166	1.174	1.377		+21%
5	Indonesia	10	6	8	11	14	17	10	71%	+15%
6	Ireland	10	8	8	9	11	9	10	74%	+6%
7	Brazil	7	7	7	7	7	7	7	76%	-1%
8	Bahamas	7	7	10	9	10	6	7	78%	+2%
9	Nigeria	2	3	4	4	4	5	5	80%	+11%
10	Nicaragua	4	4	4	4	4	4	5	81%	+6%
11	Cuba	6	4	5	5	4	5	5	83%	+3%
12	Honduras	4	3	4	4	5	5	5	84%	+8%
13	Mexico	3	2	3	3	3	4	4	86%	+16%
14	France	5	6	6	6	4	4	4	87%	-7%
15	New Zealand	3.390	3.150	3.794	3.539	3.482	3.639	3.652	88%	+3%
	98 other suppliers	26	26	34	34	26	26	23	100%	-0.2%
	<b>Total</b>	<b>255.4</b>	<b>253.0</b>	<b>284.8</b>	<b>285.7</b>	<b>299.1</b>	<b>294.0</b>	<b>307.2</b>	<b>100%</b>	<b>+4%</b>

Spiny rock lobster is the third most commercially significant group. Among the many species harvested, Australia and New Zealand are the only suppliers of Southern Rock Lobster, *Jasus edwardsii*. Together, their contribution of this species amounts to 2.2% of total global lobster supply.



Globally, the supply and trade of farmed lobster (on-growing of wild catch juveniles), continues to expand. In 2014 the FAO<sup>3</sup> recorded annual global farmed lobster supply at a three-year average of around 1,323 tonnes. However, ACIAR<sup>4</sup> confirms 1,500 tonnes production per year from Vietnam (*Panulirus ornatus*), with an additional 200-300 tonnes from Indonesia (*Panulirus homarus*). Australia has been a world leader in spiny lobster aquaculture research. While annual global farmed lobster supply is likely to be around 1,800 tonnes, more growth is expected, particularly now that the life-cycle has been closed and hatchery rearing becomes a reality.

Global Lobster Imports (FAO)								
2014 Rank by Tonnes	2008	2009	2010	2011	2012	2013	2013 Cumm. %	Avg. Growth %pa 2008-13
1 USA	48,957	45,050	52,411	53,202	55,529	56,925	30%	3.4%
2 Canada	15,250	17,836	22,565	27,401	31,671	30,139	45%	15.1%
3 China Greater <sup>5</sup>	13,285	15,449	20,364	20,944	20,206	20,486	56%	9.8%
4 France	15,851	17,240	19,399	17,558	15,661	15,190	64%	-0.4%
5 Italy	16,284	17,474	18,014	17,218	14,210	13,845	71%	-2.8%
6 Spain	18,723	17,052	17,787	17,119	13,880	11,735	77%	-8.5%
7 UK	6,274	5,795	5,538	5,270	5,106	4,857	80%	-5.0%

In 2013, three markets - USA, Canada, and Greater China - together received 56% of lobster imports. Putting aside the large USA - Canada cross-border trade in *Homarus americanus*, China is the standout global growth market. The ongoing rise of China's middle class consumers is also an attractive market for Australia's high quality lobsters.

Two key trends are unfolding in global lobster markets - a move away from frozen to chilled product in response to consumer preferences as well as improved cold chain technologies, and rising demand for higher quality seafood by China's expanding middleclass. SRL's 2022 Strategy can benefit greatly from these trends.

### Southern Rock Lobster

Australia is the largest global producer and exporter of spiny lobster species. Fisheries in the three SRL jurisdictions (SA, TAS, VIC) contribute a relatively stable 30-34% of Australia's commercial lobster harvest. New Zealand is also a large fisher and exporter of *Jasus edwardsii*. Both countries source this species from wild fisheries.

Australian southern rock lobster harvest tonnages have stabilised over the last

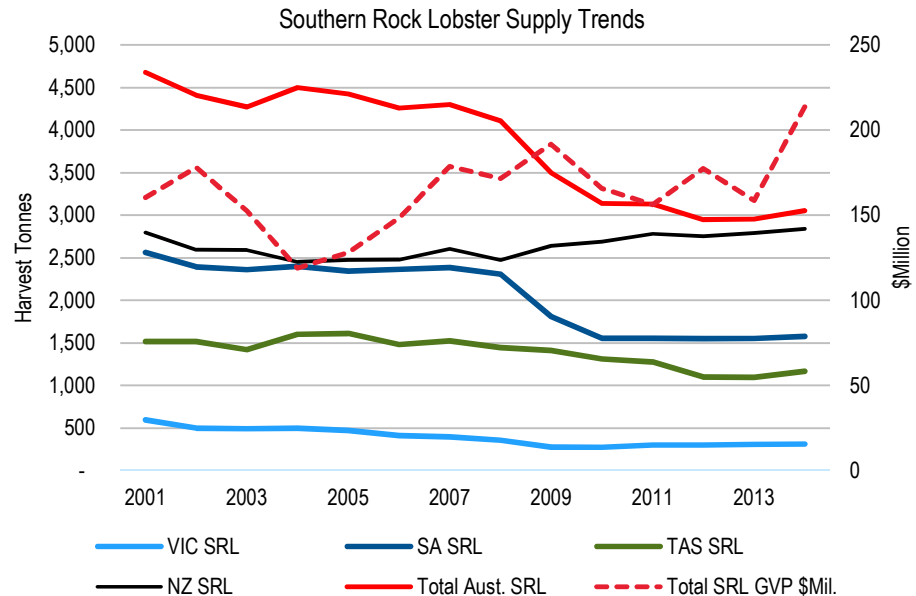


<sup>3</sup> FAOStat database (Table B1, p52) records global average annual lobster aquaculture supply of 1,323 tonnes for 2012-14.

<sup>4</sup> Spiny lobster aquaculture development in Indonesia, Vietnam and Australia, Proceedings 145, ACIAR 2015.

<sup>5</sup> Greater China includes mainland China, Hong Kong and Macau

decade, especially in response to strategies seeking to maximising economic yield. The landed (and market) value of the harvest has surged significantly as demand from middle class consumers in China has risen sharply. China takes more than 93% of Australia's total lobster harvest, and more than 95% of the respective product value.



### Market Dynamics

Recent research<sup>6</sup> concludes that Australian rock lobster (Southern and Western) and New Zealand Southern Rock Lobster are considered by Chinese consumers to be equivalent substitutes. Export prices to China are rising in response to both decreased Australian supply, and increased Chinese demand and household wealth.

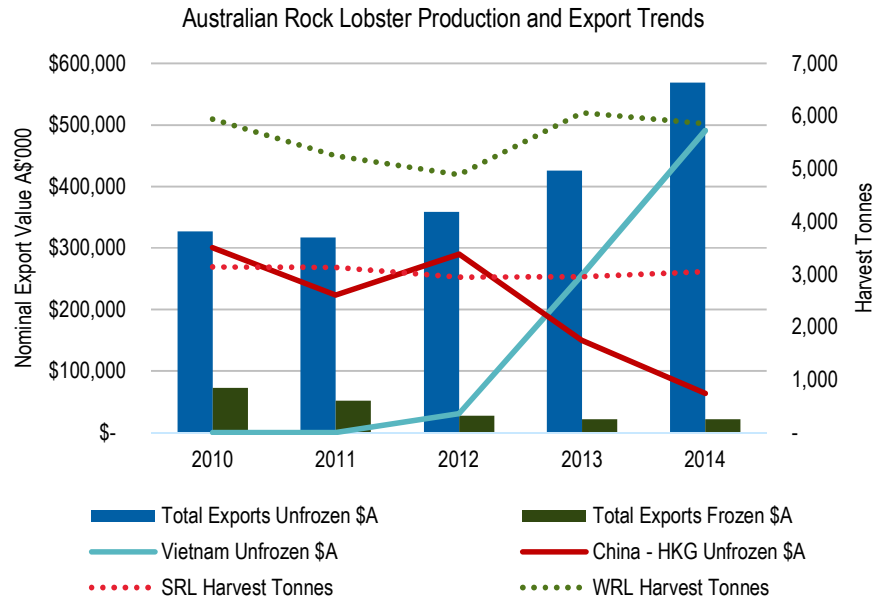
Growth in Chinese lobster demand has been outstripping lobster supply – so while China's landed volumes have increased dramatically, market and beach prices for Australian and New Zealand rock lobster have not fallen. Net \$US revenues for exporters (Australia, NZ, USA, Canada) are therefore increasing as volumes rise. Over the last five years a falling A\$ has had a positive impact for Australian based suppliers.

Overall, the harvest volume of Australian lobster (Southern and Western) has remained reasonably stable, while the market in Greater China has built considerable import momentum. The following chart confirms the strong growth in Australian nominal exported value since 2011, driven by the switch from frozen to non-frozen formats including live, fresh, and chilled products.

The dominant export trade flow to Greater China has been facilitated by a dramatic rise in the so called grey trade via Vietnam. The recent signing of ChAFTA (China-Australia Free Trade Agreement) will formalise Australia's supply channels for lobster to China

<sup>6</sup> An Analysis of the Demand for Western Rock Lobster, 2015, WA Department of Fisheries.

and enable direct exports of Australian lobster products to compete in that market on a similar footing to NZ lobster.



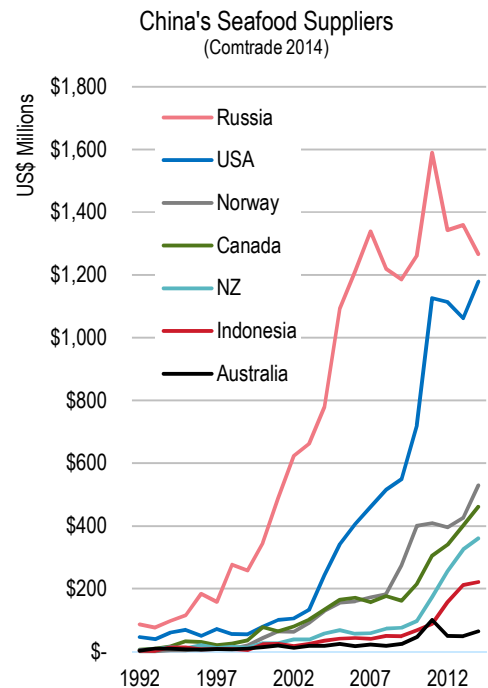
The Australian Southern Rock Lobster sector plans to work closely with its supply chain processors and export partners to differentiate and promote its product offer in primary markets. Opportunity also exists for SRL to collaborate with the Western Rock Lobster sector, and the New Zealand industry to enhance mutual lobster export outcomes.

### Chinese Consumers Online

The ongoing rise of Chinese consumer markets (including Hong Kong, Macau and overseas Chinese) is dramatically changing global seafood production and supply.

Australia is the seventh largest seafood supplier to China, by \$US value. All seven suppliers except Russia, are major global producers of lobsters.

China's imports of American lobsters (*H. americanus*) are rising, but those consumers are also attracted to tropical spiny lobster species. Emergent lobster farmers (eg. Vietnam and Indonesia) are also targeting China's middle class consumers.



China has a long tradition of global emigration to Australia, Canada, USA, Singapore and other Chinese communities. In 2015 over 50 million Chinese nationals were studying or working, and living overseas.

In Australia in 2015, 36% of the 292,352 international students enrolled in Australia were from China or Hong Kong<sup>7</sup>.

In 2015, 1.02 million Chinese tourists visited Australia (2<sup>nd</sup> behind NZ) spending \$8.3 billion<sup>8</sup>. Tourism Research Australia notes that in 2015 annual growth in Chinese tourism to Australia was 21%; NZ tourist growth was only 5%.

## REGULATORY FRAMEWORK

Australian Southern Rock Lobster fisheries operate on a single stock across a multi-jurisdictional regulatory environment. The participating jurisdictions include the states of South Australia, Victoria, and Tasmania.

Each jurisdiction maintains its own management regime regulating its fishers and downstream partners. While some regional operating activities require localised solutions, there is potential to reduce duplication of some on-water services. There are clear economic benefits for all fishers if their joint investment in RD&E and market development can be enhanced through collaboration on single projects to address key RD&E challenges and investment areas.

To mitigate the potential risks and costs of duplication in the sector, SRL is working with its Members, fishers and cross jurisdictional regulators to identify areas where operational and harvest scale can be enhanced, and where harmonisation and efficiency can be introduced or extended.

<sup>7</sup> Institute of International Education, [www.iae.org](http://www.iae.org). *Project Atlas* was launched by IIE in 2001 as a global forum to monitor international trade in education. It is supported by many global partners including the Australian Government, U.S. Dep't of State, British Council, and China Scholarship Council.

<sup>8</sup> Australian Tourism Snapshot, 31 December 2015 Australian Bureau of Statistics

### Lobsters Online to China

22 Oct 2014 [www.fis.com](http://www.fis.com)

Dalian based Chinese seafood giant, Zhangzidao Group has acquired an existing lobster plant in Nova Scotia, Canada. The Chinese investors plan to export between 2,300 to 4,500 tonnes of lobster to China in 2015 through the plant.

17 Feb 2015 [Sinosphere.nytimes](http://Sinosphere.nytimes)

According to the Lobster Council of Canada, shipments to China have almost doubled annually since 2010. Harvested in the wild from pristine waters, Canadian lobsters have become a hit among Chinese consumers whose fears of domestic seafood have created a growing market for crustaceans from countries with stricter environmental controls, like Australia and Canada.

[Food & Beverage Weekly April 2015](http://Food & Beverage Weekly April 2015)

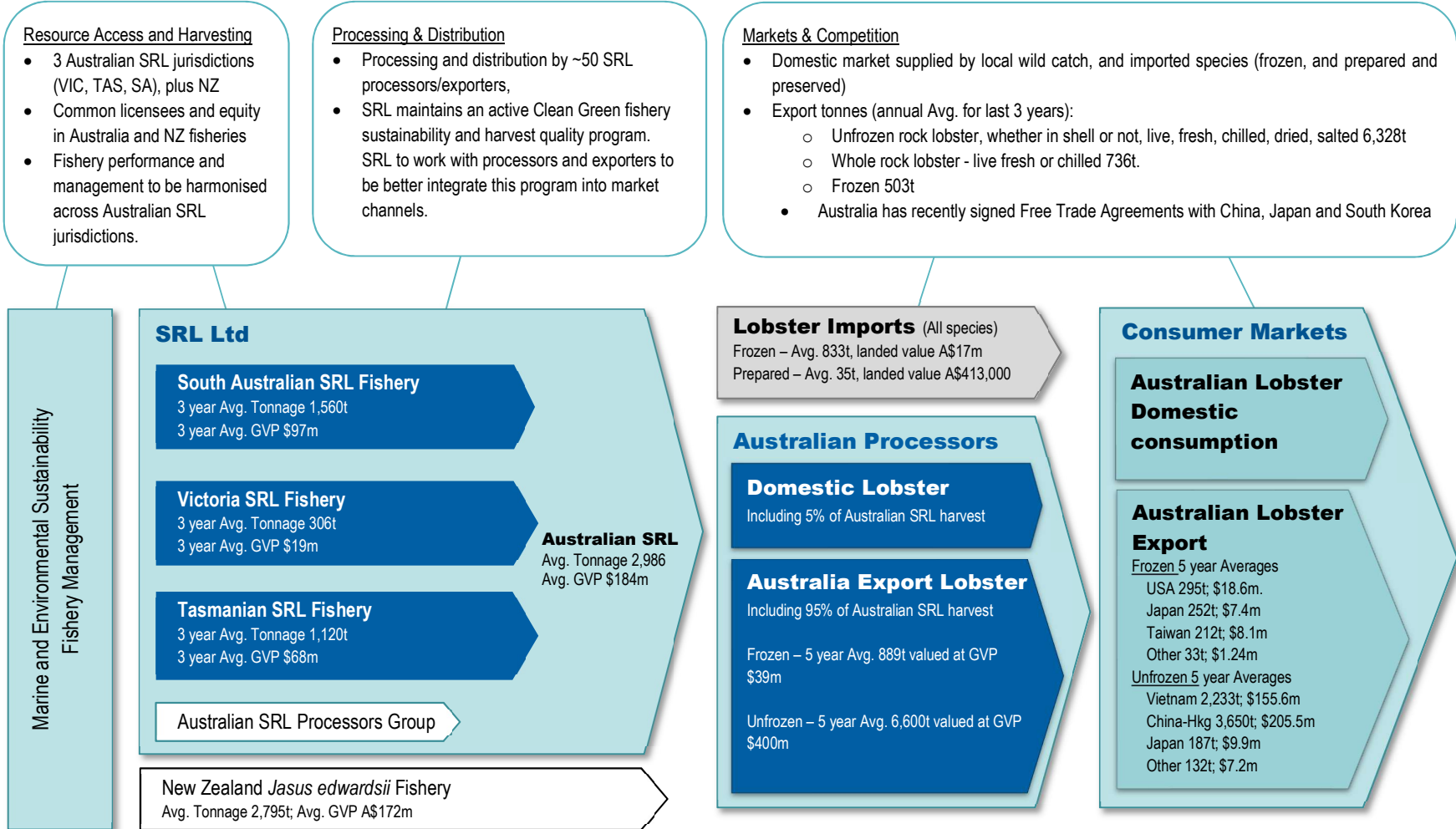
Chinese online retailer TaoBao claimed 20,000 Canadian lobsters were sold online in 2013. The air-flown lobsters, weigh around three pounds, and are promoted with "more meat, hard shells and very full bodies"

4 Sept 2015 [www.fis.com](http://www.fis.com)

Zoneco (previously Zhangzidao) executives based in Nova Scotia will use the name "Boston lobster" to trade the crustacean in China. The Chinese consumer eats lobster two or three times a year – but will they be able to distinguish a difference between lobster from Atlantic Canada and the US? Zoneco has a promotional campaign including a feel-good video featuring crews who catch and process the lobster caught off Nova Scotia.

## ROCK LOBSTER SUPPLY CHAIN

Average figures are based on last 3 years of available data



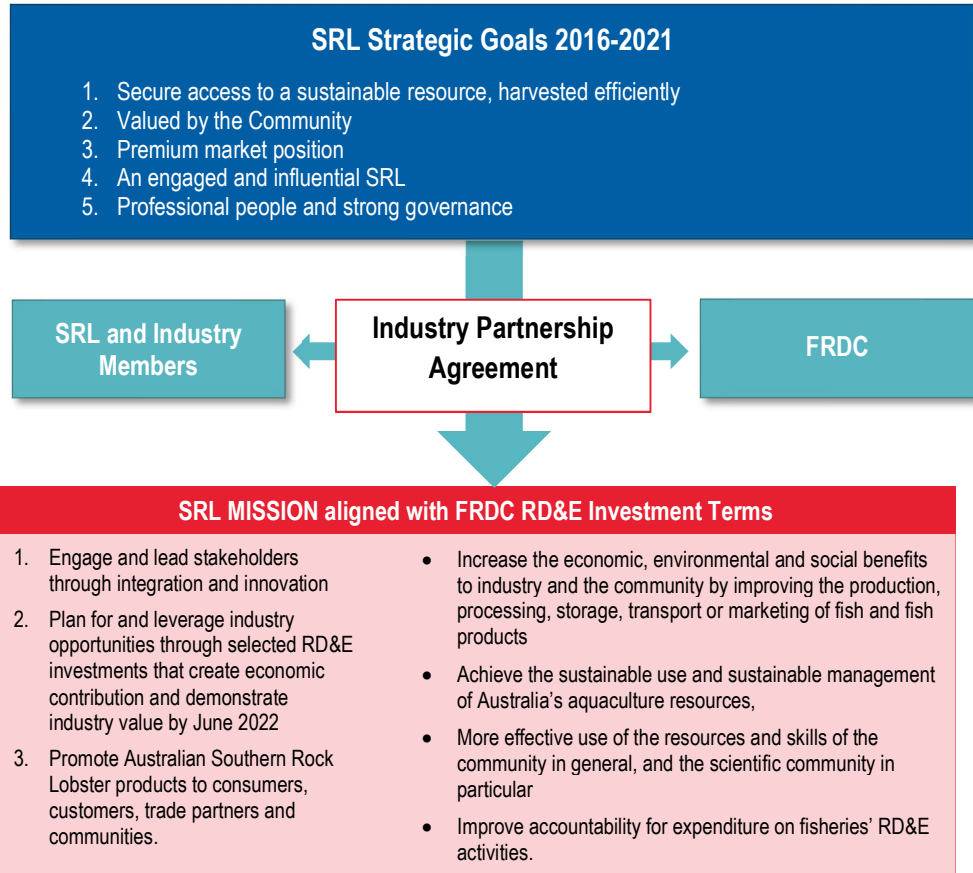
## INDUSTRY PARTNERSHIP AGREEMENT

SRL has renewed and realigned its existing IPA arrangement with the FRDC. The IPA which runs from 2015-2020 will improve the flexibility, performance and leverage SRL achieves from its collective precompetitive RD&E investments.

The IPA enables investment in industry projects against agreed industry strategic needs. SRL will assess individual investment options to determine if they are best funded from inside or outside the IPA.

SRL will address and lead national issues on Members’ behalf. It will continue to support state organisations, Fishery Managers and collaborators, especially where harmonisation of regulations and data management can achieve economic benefits. The IPA establishes a customised contractual framework to better align SRL Members’ aspirations directly with FRDC’s investment tools and leverage.

An IPA is an Industry Partnership Agreement between the FRDC and a sector body to manage the sector’s RD&E program or a suite of projects. IPAs have a budget allocation, based on forecast contributions, and FRDC “matching” contributions, (less an 8% FRDC service fee). Under an IPA the FRDC partners with an industry sector to deliver against that sector’s RD&E Plan. The obligations of the parties signing an IPA are detailed in the Agreement.

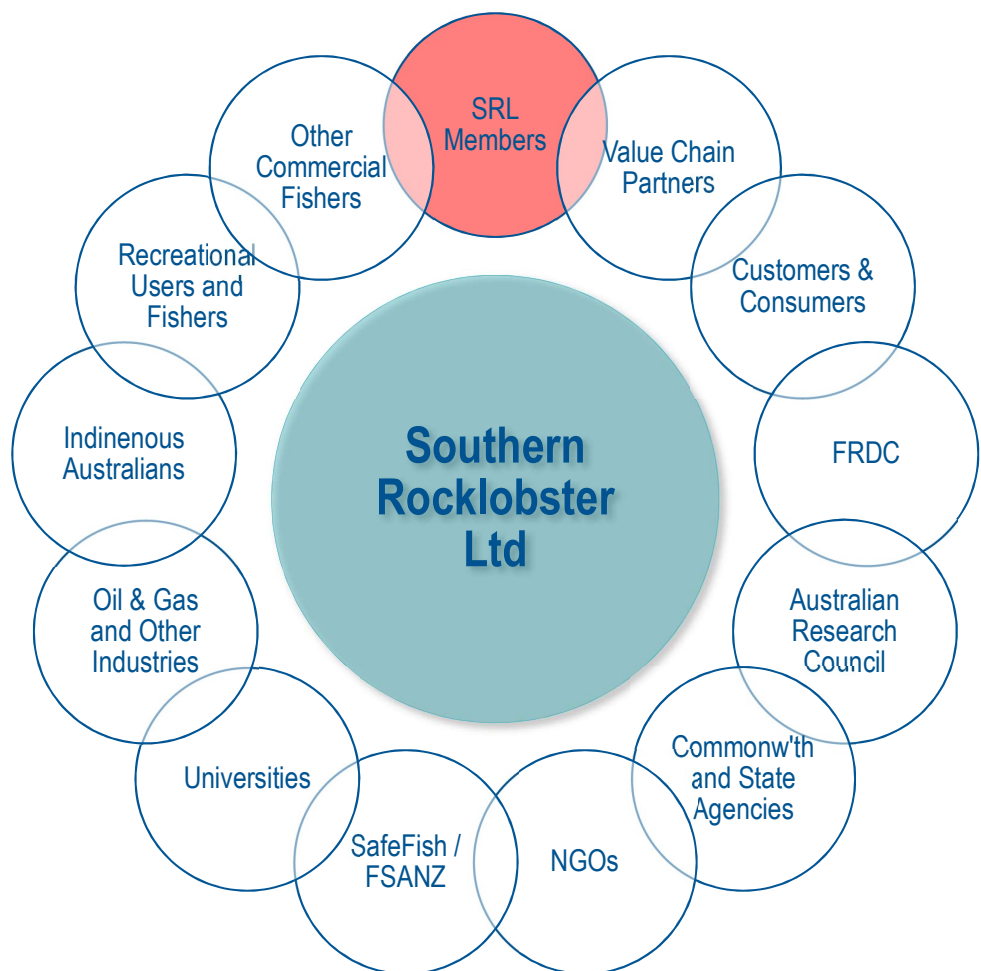


### 3. INVESTMENT PROGRAM

#### INVESTMENT COLLABORATION

SRL works with Members, seafood processors, value chain partners and many stakeholders to establish its Strategic and RD&E priorities and objectives. In turn, these priorities drive the SRL Investment Program for both RD&E and Market Development.

The following figure summarises SRL's partners and collaborators in precompetitive RD&E and market development investments.



RD&E investment and approval is achieved via a collaborative process between SRL and research providers, with priorities developed and agreed at RD&E meetings.

This Strategic / RD&E Plan formalises this approach and embeds it into the IPA Framework. It provides clear direction on priority areas, roles, responsibilities, timelines and expected outputs and outcomes.

## FUNDING THE INVESTMENT

SRL Members contribute funds via their individual states to the FRDC for the funding of RD&E activities. Under the PIRD Act these industry funds are matched by the Commonwealth Government. Members also voluntarily contribute additional funds on an annual basis, which are not matched.

Further leveraging of industry contributions is obtained via Cooperative Research Centres, the Australian Research Council and other federal funding initiatives, as well as through the contributions of research providers and state management agencies.

Under the Industry Partnership Agreement with the FRDC, SRL takes a lead role in the investment of this funding to achieve strategic RD&E objectives. SRL recognises the need to investigate new sources for the conduct of market development and product promotion activities.

SRL's investment strategy emphasises collaboration and partnership with other key players to leverage funding and to ensure that the right people are involved. These partners may include other Australian Rock Lobster Sectors (Western and Eastern Rock Lobster), international sectors (New Zealand Rock Lobster) and downstream processors of Southern Rock Lobster products.

This Plan identifies a number of new challenges and opportunities for SRL and its Members over the next five-year horizon. It proposes a more comprehensive strategy to address RD&E priorities, market development and product promotion.

Additionally, SRL have developed working relationships with a number of research organisations to conduct RD&E for the industry, most of which have also provided leverage opportunities for funding, whether these be cash or in-kind. SRL will continue to maintain relationships with these research providers seeking opportunities to partner in RD&E. Major organisations in this category include the University of Tasmania through the Institute of Marine and Antarctic Studies, the South Australian Research and Development Institute, and the Department of Economic Development, Jobs, Transport and Resources Victoria.

Funds will be sourced from a number of RD&E and Market Development streams:

- ▶ Leveraged RD&E Contributions. Within the IPA terms, funds leveraged through FRDC will be invested in SRL/FRDC approved RD&E Projects, including SRL administration and precompetitive market research. Leverage of SRL funds is also obtained for RD&E through other research funders and research providers (eg. ARC, IMAS, CSIRO, SARDI, DPIVic) for specific projects aligned with this SRL Strategy.



- ▶ Unleveraged RD&E Contributions. Within the IPA terms, SRL may choose to use unleveraged funds to undertake projects not suitable for leverage, such as activities outside the scope of RD&E.
- ▶ Market Development is of special interest. SRL will work with Members and supply chain partners to assess the cost-benefit of raising funds for Market Development activity eg. SRL export brand development, promotion of SRL product in China, export supply chain support. The funding options include voluntary Member or state contributions, sponsorships, and a national market development levy. SRL will determine if and how these matters will be managed within the IPA framework.

The source of funding is summarised in the following table.

The subsequent pages identify the use of these funds across five Investment Areas.

## INVESTMENT CAPACITY

The following table summarises the drivers of investment capacity for SRL. Funding sources include industry contributions to RD&E, and leveraged funds from the Australian government. All funds will be contributed, leveraged, managed and invested under the IPA between SRL and the FRDC.

SRL BASE CASE		Years	Actual	Actual	Estimate	Estimate	1	2	3	4	5
Nominal A\$ values		ending	2013	2014	2015	2016	2017	2018	2019	2020	2021
		June									
Actual & Forecast Harvest - forecast growth of 0%	SRL	Tonnes	2,955	3,053	3,000	3,000	3,000	3,000	3,000	3,000	3,000
	SA		1,552	1,577	1,550	1,550	1,550	1,550	1,550	1,550	1,550
	TAS		1,096	1,165	1,150	1,150	1,150	1,150	1,150	1,150	1,150
	VIC		307	311	300	300	300	300	300	300	300
Est. Sector GVP - forecast growth @3.0%	Nominal	\$Mill.	158.681	213.656	220.066	226.668	233.468	240.472	247.686	255.116	262.770
Forecast Beach Price	Nominal	A\$/kg	53.70	69.98	73.36	75.56	77.82	80.16	82.56	85.04	87.59
<b>INDUSTRY INVESTMENT CAPACITY</b>											
GVP Rolling 3 Year Average	Nominal	\$Mill.	164.085	183.230	197.468	220.130	226.734	233.536	240.542	247.758	255.191
RD&E Contribution to FRDC @ 0.25% Max.	Nominal	\$'000	410	458	494	550	569	584	601	619	638
Net Industry RD&E Contribution available (less 8%)	Nominal	\$'000	377	421	454	506	521	537	553	570	587
Leveraged FRDC Funds	Nominal	\$'000	377	421	454	506	521	537	553	570	587
<b>Total Leveraged FRDC RD&amp;E Funds Available</b>	<b>Nominal</b>	<b>\$'000</b>	<b>754</b>	<b>843</b>	<b>908</b>	<b>1,013</b>	<b>1,043</b>	<b>1,074</b>	<b>1,106</b>	<b>1,140</b>	<b>1,174</b>

## Investment Area 1. Secure Access to a Sustainable Resource, Harvested Efficiently

Investment Strategies	Risks and Rationale	RD&E Activities
1. <b>Ensure Ongoing Resource Sustainability</b>	The Southern Rock Lobster fishery must be operated sustainably, not only in terms of lobster stocks but also bycatch and the wider ecosystem and environment which supports it. There is a risk to reputation and production if stocks are not maintained above scientifically based reference points.	<p><i>Near Term 2017-18</i></p> <ul style="list-style-type: none"> <li>a. Bioeconomic modelling of harvest strategies and other regulations (regional management, size limits, TAC changes, closures etc).</li> <li>b. Improved pot design</li> <li>c. Bait security</li> <li>d. Improve spatial and temporal management</li> <li>e. Understanding &amp; monitoring harmful algal blooms (HAB)</li> </ul>
2. <b>Security of Access to the Resource</b>	As a significant contributor to local and regional economies, the fishery needs greater political recognition and security of access to the resource, particularly in relation to competing uses such as conservation (marine parks) and energy security (oil and gas).	<p><i>Mid Term 2019-20</i></p> <ul style="list-style-type: none"> <li>f. Ecosystem impacts and environmental influences on productivity.</li> <li>g. Impacts of seismic surveys and other exploration and extraction activities at both the species and population level.</li> <li>h. Capability to access, test and analyse harvest data</li> <li>i. Incorporate current and forecast economic data (supply chain, and market) into harvest strategy</li> <li>j. Sharing data across harvest, management &amp; chain partners</li> <li>k. Collate and share information (especially harvest and market quality) back to fishers and chain partners</li> <li>l. Model market efficiency management techniques and impacts</li> <li>m. Respond to opportunities for increasing profitability found through HS analyses</li> <li>n. Field test and deploy efficiency and stock building innovations</li> <li>o. Incorporate economic drivers into catch rate standardisations</li> </ul>
3. <b>Increase the Profitability of the Harvest</b>	<p>The size of the sustainable harvest can be improved by better matching of size limits and quotas to the biology of the stock, which varies from region to region.</p> <p>Production can also be increased by techniques such as translocation, seeding artificial reefs, aquaculture, new pot design and alternative baits.</p>	<p><i>Long Term 2021-22</i></p> <ul style="list-style-type: none"> <li>p. Respond to any shortcomings in best practice management, including ensuring fisheries meet certification benchmarks (regardless of whether certification is pursued or not)</li> <li>q. Expand on efficiency and stock building innovations</li> <li>r. Trial / implement improved market management techniques.</li> </ul>
4. <b>Efficient Management of Competition for Harvest</b>	The fleet is composed of hundreds of different fishers who compete for catch. There are opportunities to prevent erosion of profitability of the fishery, for example when fishers waste effort on a location that was fished the day before, or coordinating landings to smooth supply and raise price.	
5. <b>Harmonise Fishery Regulations, Management and Science</b>	Our fishery spans multiple jurisdictions and each of these has different zones. These spatial controls can be useful for managing production but they also risk creating inefficiency for vessel movements, supply of product, duplication of management efforts, and enforcement.	

## Investment Area 2. Valued by the Community

Investment Strategies	Risks and Rationale	RD&E Activities
<p>6. <b>Demonstrate our Sustainability Credentials</b></p>	<p>For the community to accept that the fishery is sustainable it needs to be reviewed and assessed independently against well accepted, standard benchmarks. This includes levels of egg production, response to interactions with marine mammals, and how we respond to environmental events.</p>	<p><i>Near Term 2017-18</i></p> <ul style="list-style-type: none"> <li>a. Map and benchmark Southern Rock Lobster accreditation standards against international competitors</li> <li>b. Develop a food / tourism Industry strategic partnership and alliance strategy</li> <li>c. Product development ideas for 'processed' product that would otherwise not be considered 'premium export grade'</li> <li>d. Traceability (Sense T)</li> <li>e. Increase adoption of Clean Green in the fleet</li> </ul>
<p>7. <b>Promote industry Best Practice (Clean Green)</b></p>	<p>The Clean Green program is an important process for training and testing sustainability at the level of the individual operator. The system needs to be independent, robust and promoted if it is to enable and attract community endorsement.</p>	<p><i>Mid Term 2019-20</i></p> <ul style="list-style-type: none"> <li>f. Create tools and social media events to engage communities and learn about SRL fisheries</li> <li>g. Sustainability reporting on an annual basis</li> <li>h. Form strategic alliances and partners in the food and tourism industries</li> <li>i. Sense T phase 2</li> </ul>
<p>8. <b>Build positive community perceptions of our fishery</b></p>	<p>SRL needs to develop a communication strategy that promotes our Clean Green industry credentials to a wider stakeholder group if it is to achieve community support and acceptance</p>	<p><i>Long Term 2021-22</i></p> <ul style="list-style-type: none"> <li>j. Support broader seafood industry initiatives that communicate industry's right to fish</li> <li>k. Respond to any shortcomings in best practice management, including ensuring fisheries meet certification benchmarks (regardless of whether certification is pursued or not).</li> </ul>

### Investment Area 3. Premium Market Position

Investment Strategies	Risks and Rationale	RD&E Activities
<p><b>9. Brand Products and promote Clean Green</b></p>	<p>Discerning global consumers are increasingly advocates for sustainable harvesting of wild catch seafood. Certification of the sustainability of its fisheries and products will differentiate SRL's consumer offer and underpin its marketing activities.</p>	<p><i>Near Term 2017-18</i></p> <ul style="list-style-type: none"> <li>a. Quantify and understand how SRL should develop markets in China and elsewhere</li> <li>b. Explore mechanisms to protect the SRL Clean Green brand (and support traceability), eg. secure unique RFID Tags on Lobsters</li> <li>c. Exploit opportunities arising through Free Trade Agreements</li> </ul>
<p><b>10. Develop Markets and Products – local and international</b></p>	<p>The Chinese market is evolving rapidly and SRL must undertake market research if its offer is to be targeted, competitive and responsive to changing market needs. Food safety and quality continues to be important but there is also rapid growth in third party sustainability certification.</p>	<p><i>Mid to Long Term 2019-22</i></p> <ul style="list-style-type: none"> <li>d. Trial / deploy brand protection technologies (in conjunction with WA and /or NZ)</li> <li>e. Establish an Australian Exporters Forum</li> <li>f. Develop market strategies for export and domestic sales</li> <li>g. Building sustainability credentials:                             <ul style="list-style-type: none"> <li>o free of chemicals, high welfare standards, high confidence in reporting of TEPs (Threatened, Endangered and Protected species) interactions, low ecosystem impacts</li> <li>o supply chain actively managed to ensure authenticity</li> <li>o fishery and seafood health managed and physiology understood and managed to ensure there's a reputation for healthy shipments</li> <li>o ability to anticipate market trends and expectations</li> </ul> </li> <li>h. Further market development.</li> </ul>
<p><b>11. Support and Collaborate with our Chain Partners</b></p>	<p>The ongoing success of Southern Rock Lobster in export markets will rely heavily on supply chain efficiency and collaboration. The bulk of profit margin is created in the fishery, but this will be lost unless SRL collaborates with chain partners to mutually preserve, leverage and deliver this to consumers via chain efficiency, education and in-market promotion.</p> <p>SRL will try to shorten its supply chain to the Chinese middle class consumer by leveraging promotion on the back of the new ChAFTA</p>	

## Investment Area 4. An Engaged and Influential SRL

Investment Strategies	Risks and Rationale	RD&E Activities
<p><b>12. Engage with the whole Southern Rock Lobster Supply Chain</b></p>	<p>SRL’s purpose is to represent and lead the fishery across all three states – SA, TAS and VIC. In order to be effective in this role we need to communicate more effectively especially to the fishing community – we need to be able to clearly communicate and listen to our stakeholders. A challenge ahead is broadening this communication beyond people directly involved in fishing.</p>	<p><i>Near Term 2017-18</i></p> <ul style="list-style-type: none"> <li>a. Develop a communication and stakeholder engagement strategy</li> <li>b. Survey stakeholder perceptions</li> <li>c. Facilitate joint market development and participation with downstream processing export and distribution partners</li> <li>d. Support STAG (Seafood Trade Advisory Group)</li> <li>e. Frequent release of SRL news items</li> <li>f. SRL participation in state rock lobster fishery member meetings</li> </ul>
<p><b>13. Engage with stakeholders</b></p>	<p>Many issues facing the Australian <i>Jasus edwardsii</i> fishery also involve stakeholders that may be:</p> <ul style="list-style-type: none"> <li>• local, regional, or national in scope,</li> <li>• private businesses, not-for-profit organisations, or industries,</li> <li>• NGOs, public organisations or agencies.</li> </ul> <p>They require professional engagement by SRL.</p>	<p><i>Mid Term 2019-20</i></p> <ul style="list-style-type: none"> <li>g. More active participation in political debate over issues that affect the sector</li> <li>h. Further development and promotion of Clean Green</li> <li>i. Potential commercialisation of Clean Green</li> <li>j. Engagement with the new peak body, Seafood Industry Australia</li> </ul>
<p><b>14. Build SRL’s Political Recognition and Influence</b></p>	<p>Many external governance and political issues facing the Australian <i>Jasus edwardsii</i> fishery are national in scope and require measured and sustained political responses and interaction.</p> <p>Examples include interaction with oil and gas producers, and trade negotiations. SRL requires political capacity, recognition and influence to be effective in this role.</p>	<ul style="list-style-type: none"> <li>k. Identify sources of funds and collaborators to join with SRL on joint issues</li> <li>l. SRL to play an active role in national issues that are beyond the fishery, such as vessel seaworthiness standards and accreditation, and seafood handling standards</li> </ul> <p><i>Long Term 2021-22</i></p> <p>nil.</p>

## Investment Area 5. Professional People and Strong Governance

Investment Strategies	Risks and Rationale	RD&E Activities
<p><b>15. Invest in and Develop SRL People</b></p>	<p>SRL’s ability to lead and prosecute its preferred future requires a strong team of experienced and active professional fishers and managers, working together in a professional organisational framework.</p> <p>The organisation needs to continually communicate with Members, stakeholders, fishery communities, agencies and other third parties to identify develop and refresh both its people and its governance structure for this critical task.</p>	<p><b>Near Term 2017-18</b></p> <ul style="list-style-type: none"> <li>a. SRL to identify list of candidates for career and professional development programs, including Australian Rural Leadership Program, National Seafood Industry Leadership Program etc</li> <li>b. SRL Executive Officer to do AICD course</li> <li>c. Investigate ways of building better on-line access to all SRL Intellectual Property assets &amp; artifacts - virtual ‘knowledge-base’ for SRL activities</li> <li>d. Supporting and representation at Trans-Tasman Rock Lobster Conference and the International Rock Lobster Conference</li> <li>e. SRL attendance at peak body AGMs and other meetings</li> <li>f. Foster trans-Tasman relationships</li> <li>g. Mentoring</li> <li>h. Succession planning</li> <li>i. Sponsoring participation in SRL activities</li> </ul>
<p><b>16. Ensure a well-run SRL Organisation</b></p>	<p>SRL represents a large group of stakeholders who jointly benefit from the contribution of public funds.</p> <p>SRL has a responsibility to Members, stakeholders and the Community to ensure that the organisation is well-run and efficient, and its performance is optimising economic and community returns.</p> <p>The development of structured collaboration with processors is a fundamental step to achieve these outcomes.</p>	<p><b>Mid Term 2019-20</b></p> <ul style="list-style-type: none"> <li>j. Establish formal relationship with seafood processing sector</li> <li>k. Confirm processor representation on SRL Board</li> </ul> <p><b>Long Term 2021-22</b></p> <p>nil.</p>

## Glossary

ABARES	Australian Bureau of Agricultural and Resource Economics and Sciences
ACIAR	Australian Centre for International Agricultural Research
AGM	Annual General Meeting
AICD	Australian Institute of Company Directors
ARC	Australian Research Council
ChAFTA	China-Australia Free Trade Agreement
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DPIVic	Department of Primary Industries, Victoria
FRDC	Fisheries Research and Development Corporation
FTA	Free Trade Agreement
IMAS	Institute for Marine and Antarctic Studies, a centre within the University of Tasmania
IP	Intellectual Property
IPA	Industry Partnership Agreement between SRL Ltd and the FRDC
MMT	Million metric tonnes
NGO	Non-Government Organisation
RFID	Radio Frequency Identification
SARDI	South Australian Research and Development Institute
SARLAC	South Australian Rock Lobster Advisory Council
SRL	Southern Rocklobster Ltd
STAG	Seafood Trade Advisory Group
TEPs	Threatened, Endangered and Protected species
TRLFA	Tasmanian Rocklobster Fishermen's Association
VRLA	Victorian Rock Lobster Association