

18 August 2020

NSW Parliament
Upper House Committee
Portfolio Committee 4
Inquiry into POCTA Amendment Bill 2019



Supplementary Question Responses

Question 2: Could the outcome of the bill result in large numbers of Merino sheep being offloaded into the sale-yards? What would be the effect of this in the sheep and wool markets in NSW? Would a possible outcome be large scale slaughter of wool producing sheep?

At present there are large sheep production areas that are in the process of drought recovery. This may mitigate the off-loading of merino's as producers re-assess their production options for sheep, or look to alternatives (cattle, cropping etc.). In the current CV19 environment, the wool market has come under pressure, so there is a risk that the sector could be seen as too difficult to manage given the constraints, labour requirements and returns.

The older sheep market would be affected with a lowering of prices, again being exacerbated by the lessening of demand in our export markets due to the CV19 conditions. The medium-term outcome could be an increased (large scale) slaughter as producers adjust their land use.

The biggest impact is the strong possibility that in many areas the sheep industry will move below its 'critical mass', whereby the current number of processors will not be supported by the sheep numbers. The lowering of competition, and increased kilometers to processing are major risks for the viability of producers in the longer term. The impact on regional communities could be significant.

Question 3: If the bill were to pass in its current form would it trigger or require an Industry Adjustment Package from government? What would the impact on employment be in regional NSW?

If the Bill is passed in its current form, the inclusions separate from mulesing will also have an impact on the perceived viability of the sheep industry, however the major labour and cost impact will probably come from the proposed mulesing ban. The combined affect along with depressed world markets due to CV19 could lead to calls for an Industry adjustment package.



The largest impact on employment from a sheep-meat viewpoint would be in the processing sector, which is one of the largest employers in regional Australia. A decline or closing of abattoirs can severely affect the economic viability of a township, which many NSW regions could attest to. The knock-on effects in transport, packaging and the multiplier effect of spending in a rural town cannot be underestimated.

I will not comment on the affect on the wool (shearing contractor, wool stores, transport etc...)

Yours sincerely,

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