

**INQUIRY INTO IMPACT OF THE PHASE-OUT OF
AUSTRALIAN LIVE SHEEP EXPORTS BY SEA ON NEW
SOUTH WALES**

Organisation: WoolProducers Australia

Date Received: 20 September 2024

Inquiry into the impact of the phase-out of Australian live sheep exports by sea on New South Wales

WOOLPRODUCERS
AUSTRALIA

The Hon Mark Banasiak MLC

Chair

Legislative Assembly Portfolio Committee No. 4 – Regional NSW

Parliament of New South Wales

Via email: portfoliocommittee4@parliament.nsw.gov.au

20 September, 2024

Dear Chair and Committee Members

On behalf of WoolProducers Australia, I would like to thank you for the opportunity to present this submission into the *Inquiry into 'the impact of the phase-out of Australian live sheep exports by sea on New South Wales.'*

WoolProducers is the peak representative body for Australian woolgrowers, representing and advocating on behalf of all woolgrowers in the country, rather than just certain sectors. Our mission is to develop constructive and profitable outcomes for woolgrowers nationally.

WoolProducers represents the single largest body of woolgrowers through our fee-paying State Farm Organisation membership network and three democratically elected Independent Directors and is the only national organisation that can speak on behalf of the mainstream wool industry and represent the concerns and interests of all Australian wool producers. Our representation capacity includes the industry's commercial, superfine, broad wool and stud breeding sectors.

NSW Farmers Association, being a member of WoolProducers, has provided a detailed submission into this process. WoolProducers provides our submission in strong support and endorsement of NSW Farmers Association's views on this issue and draws on their economic analysis and detail provided in their submission.

WoolProducers Australia submit this document in strong opposition to the proposed ban on live sheep exports. We believe that the ban is an ideologically driven policy that disregards the interests of farmers, their suppliers, and rural communities for political gain.

WoolProducers have made our position on the banning of live export of sheep by sea very clear and have made numerous representations and participated in the Federal Government's consultations on this issue. The submission into the recent House of Representatives Standing Committee on Agriculture inquiry into the Export Control Amendment (Ending Live Sheep Exports by Sea) Bill 2024, is attached for reference, outlining our key concerns with this decision.

While the live sheep export trade is primarily concentrated in Western Australia, which has significant structural differences compared to eastern states' sheep markets, it is important to note that NSW holds the largest share of Australia's national sheep flock (38% according to 2022 data) and will face changes in market and supply chain dynamics due to the removal of live exports from the sheep production system.

The movement of sheep from Western Australia (WA) to New South Wales (NSW) typically remains modest in normal years. However, post-drought periods can see significant transfers. For instance, in

2020 and 2021, about 1.36 million sheep moved from WA to eastern states, primarily benefiting NSW farmers who found restocker lambs from WA to be substantially cheaper—by approximately 38% or \$56.10—than those available in NSW or Victoria.

In the short term, the WA Government anticipates a 10% reduction in flock size, leading to an influx of about 9.4% more lambs and sheep in national markets. This surplus is projected to depress lamb and mutton prices by 14.1%, translating to an estimated loss of \$125.5 million in gross production value for NSW sheep and wool producers annually.

Even if the sheep flock in WA decreases by only 5%, NSW sheep and wool producers could face a shortfall of around 135,000 sheep during subsequent droughts, resulting in an additional cost of \$7.57 million. With droughts expected to occur once every decade and applying a 5% discount rate, the present value of these increased costs amounts to \$15.03 million.

The cessation of live sheep exports will have direct financial repercussions for NSW farmers, limiting their ability to effectively manage drought and post-drought conditions. This in turn, will make sheep and wool production less attractive to NSW producers and will see these industries being lost to competitive land use.

There will also be impacts on the current wool harvesting labour supply. In recent years there has been a significant shortage of both shearers and wool handlers which has seen shearing rates paid significantly higher than the current Award rate.

The WA Shearing Association estimates a 20% reduction in shearers due to the decline in live sheep exports, which may lead to increased reliance on interstate shearers from NSW. This could increase seasonal demand, with NSW shearers potentially rising from 46 to 72. Given the existing labour shortage in NSW, this could drive shearing costs up by 2% (\$3.12 million annually), culminating in a total present value impact of \$61.85 million.

Australia's live export industry is recognised for maintaining the highest animal welfare standards globally. The Export Supply Chain Assurance System (ESCAS) is the first and only regulation of its kind in the world, ensuring animal welfare throughout the export process. Alongside the Australian Standards for the Export of Livestock (ASEL) and domestic animal health regulations, animals exported under this trade are legally protected from the farm to their destination markets.

ESCAS and ASEL are unique in their global scope, as they provide continuous protection for Australian animals throughout the live export process, even after the point of sale. The loss of the Australian live sheep export trade would represent a setback for global animal welfare. Our trading partners adhere to these standards, viewing Australia as a reliable supplier of high-quality livestock essential for their food security.

The Australian Government's decision to ban live sheep exports by sea by May 2028 is ill-informed and harmful to numerous Australian sheep and wool enterprises, ancillary industries and regional communities, which must be reconsidered. The government's lack of attention to the significant improvements in the live sheep export trade since 2018, along with insufficient consultation and analysis regarding the phase-out implications, sets a concerning precedent for future agricultural policy decisions.

In conclusion, the live sheep export industry is vital to not only the WA agricultural sector, but the national wool industry and should not be banned. The evidence presented here demonstrates the widespread opposition to the ban, the lack of support for the government's position, and the positive

impact of the industry on both Australian and international communities. We urge the committee to consider these facts during this important inquiry.

Again, thank you for considering this submission.

Should you wish to discuss our submission further, please contact me on _____, or via email _____.

Yours Sincerely,

Jo Hall
CEO
WoolProducers Australia

Attachment: WoolProducers submission into the House of Representatives Standing Committee on Agriculture inquiry into the *Export Control Amendment (Ending Live Sheep Exports by Sea) Bill 2024*

**Inquiry into Export Control Amendment
(Ending Live Sheep Exports by Sea) Bill
2024**

WOOLPRODUCERS
AUSTRALIA

Via email: Agriculture.reps@aph.gov.au

6 June, 2024

Dear Committee Members

On behalf of WoolProducers Australia, I would like to thank you for the opportunity to present this submission into the Inquiry into *'Export Control Amendment (Ending Live Sheep Exports by Sea) Bill 2024'*.

WoolProducers Australia submit this document in strong opposition to the proposed ban on live sheep exports. We believe that the ban is an ideologically driven policy that disregards the interests of farmers, their suppliers, and rural communities for political gain.

An election commitment should not override the need for good policy. The government's motivation should be to enact policies that are in the best interest of all Australians, not just a select few. The Western Australian Government, agricultural peak bodies, and the WA community are united in their opposition to the ban. The only entities in favour are animal activists who have an agenda to end all livestock production, along with the Albanese Government, which appears to be prioritising east coast votes over the livelihoods of WA farmers.

The process by which this committee was formed and the hasty timeline for submissions and reporting are evidence of the government's disregard for the agricultural sector. The one-week submission period and the brief two-week period for the committee to report are insufficient for a thorough examination of the legislation's potential harm. This rushed process suggests that the government's intent is to expedite the ban without proper scrutiny.

The backflip by Minister Watt, who initially committed to a Senate inquiry with hearings in WA but then assigned the task to a House of Representatives committee, is seen as a manoeuvre to avoid senate crossbench scrutiny. This change is perceived as a way for the Minister to claim that he has fulfilled his promise of an inquiry while maintaining tighter control over the process.

The manner in which the proposed ban was announced, during a severe dry season and a market depressed by the proposed ban, was a disgrace. The joint briefing for agricultural peak bodies and activist groups demonstrated a lack of judgment and respect for the agricultural sector. The Minister's conduct and social media activity following the announcement showed a disregard for the wellbeing of WA's people, communities, and businesses.

The government's claim that the \$107 million package is generous is not supported by the facts. With only \$60 million earmarked for transition funding over four years, it is clear that the package is inadequate to support farmers, processing capacity, and rural businesses. This has been rejected by both the WA Government and industry stakeholders.

The farming community in WA has made its position clear through a convoy of over 2000 vehicles, demonstrating the extent of their opposition. The "Keep the Sheep" campaign, which has raised over \$250,000 in five days and gathered over 42,000 signatures in less than a week, shows the level of Western Australian and national community support for the live sheep trade. This grassroots movement challenges the government's assertion that the industry has lost community support.

Further, the 2023 research conducted by Voconiq, commissioned by LiveCorp, provides a balanced perspective on community sentiment. The majority of Australians believe that the benefits of live exports outweigh the costs, and there is a growing acceptance of the industry's role in supporting overseas nutrition. The government's rejection of a briefing from Voconiq indicates a closed-mindedness to the facts regarding community sentiment.

Contrary to the government's claims, the live sheep export trade is not in decline. Australia's total livestock exports have increased, with sheep volumes up by 30% in 2023 compared to 2022. Mortality rates for sheep are also significantly lower than a decade ago, reflecting improvements in animal welfare practices and despite what the Minister may claim is comparable to cattle mortality rates on live export ships.

In conclusion, the live sheep export industry is vital to not only the WA agricultural sector, but the national wool industry and should not be banned. The evidence presented here demonstrates the widespread opposition to the ban, the lack of support for the government's position, and the positive impact of the industry on both Australian and international communities. We urge the committee to consider these facts and reject the proposed ban on live sheep exports.

Again, thank you for considering this submission.

Should you wish to discuss our submission further, please contact me on _____ or via email _____.

Yours Sincerely,

Jo Hall
CEO
WoolProducers Australia

Contents

Executive Summary	1
About WoolProducers Australia	3
About this submission.....	3
Wool Industry Background	4
Impacts of a ban – intended and unintended consequences.....	8
International trade relations and domestic labour shortages.....	8
Regional Economies	9
A Queensland perspective: Sheep – the cornerstone of sustainable and diversified farm businesses and regional economies.....	9
Mental health and wellbeing	12
Policy based on emotion over fact	12
Least Harm Implementation Pathway	14

Executive Summary

WoolProducers oppose the proposed ban on the live export of sheep by sea, however we offer this submission in the interests of providing evidentiary data on the impacts of such a ban on not only the Western Australian wool industry, but the national wool industry and the economies that they support.

WoolProducers' policy on live sheep export is as follows:

The wool industry continues to support the live export of sheep contingent on adherence to animal welfare standards underpinned by science.

Robust sheep and wool industries are vital to many regional economies due to the labour-intensive nature of sheep and wool production and the associated industries and businesses that they support.

The negative precedence on small towns and their services when large volumes of sheep are removed from districts has been evidenced through wild dog impacts across Australia, which has illustrated the reliance of things like education, banking and health services in rural and remote areas on a thriving sheep and wool industry.

Talk of value adding and increased job creation by shutting down the live sheep industry, is naïve, ideological and not based in reality. Australia is facing a serious worker shortage, which has been acknowledged by the current Federal Government through the convening of the Jobs and Skills Summit in September 2022, so for domestic processing and expansion of international trade of boxed meat to be touted as a solution to shutting down this trade, can only be regarded as rhetoric as in reality the meat processing industry is currently struggling to find workers.

Similarly, suggestions of moving to alternate industries such as cropping, cell- or plant-based protein production as a remedy of the live export ban are also simplistic and ill-informed. Sheep play a vital role in ensuring many Western Australian primary producers have a holistic and sustainable business model. The complimentary nature of sheep production with cattle or cropping enterprises provides producers with the option to remain profitable through diversified income streams.

Many in opposition to the live export trade point to the reduction in market size and revenue over time as a way of suggesting that the industry is a 'dying trade', however what is failed to be acknowledged by those against the trade is that to remove this viable market option, not only ceases that direct market revenue, but it may well remove the impetus to have sheep and wool as part of a sustainable business model.

Even as the world's largest supplier of apparel wool, the Australian wool industry is only producing 328 Mkg annually, down from the industry high of one million tonnes in 1990. Any significant loss in wool production, as is being foreshadowed by Western Australian producers, may have serious ramifications on national wool production and its substantial \$3.5 billion contribution to the national economy in exports alone.

The mental health impacts of the decision to ban live exports cannot be overstated. As a cohort, primary producers are already overrepresented in suicide rates as compared to the general public, a responsible government should be developing policies to reduce this incidence, not making decisions that add further stress.

WoolProducers is supportive of the vision for Australian agriculture to become a \$100 billion industry by 2030. Opportunities for the industry to benefit from its reputation for producing safe, high-quality

food and fibre will enable agriculture to work towards achieving this vision. But to do so, the industry must be supported by regulatory and public policy settings that support the industry to grow.

Opportunities for the Australian Government to assist the wool industry contribute to this vision include maintaining and expanding export market opportunities, investing in infrastructure that supports farm businesses and reduces supply chain costs, providing improved connectivity in regional and remote areas, and encouraging the next generation of workforce in the wool industry, which will all contribute to enabling sustainable wool growing businesses.

Conversely, the Australian Government shutting down a legitimate industry such as live sheep exports by sea due to perceived concerns about animal welfare, when the industry is meeting and exceeding government set metrics on animal welfare, is counterintuitive to establishing a thriving economy and makes no sense economically or logically.

The short consultation phase for this submission has made it impossible to provide robust and realistic options, guidance and advice on what a feasible transition away from the trade due to a ban would look like, however it goes without saying that any move to implement this ban must be conducted over a long-time frame, with fair and reasonable compensation to all impacted parties to be paid by the Commonwealth, along with a guarantee from the Government that producers, industry and the economy is no worse off due to the implementation of this policy.

This ill-informed policy decision must be reversed.

About WoolProducers Australia

WoolProducers is the peak representative body for Australian woolgrowers, representing and advocating on behalf of all woolgrowers in the country, rather than just certain sectors. Our mission is to develop constructive and profitable outcomes for woolgrowers nationally.

WoolProducers represents the single largest body of woolgrowers through our fee-paying State Farm Organisation membership network and three democratically elected Independent Directors and is the only national organisation that can speak on behalf of the mainstream wool industry and represent the concerns and interests of all Australian wool producers. Our representation capacity includes the industry's commercial, superfine, broad wool and stud breeding sectors.

About this submission

As the red meat supply chain is an important, but secondary consideration to the wool industry, this submission will focus on not only how the live export industry supports the Western Australian and national wool industry, but also the importance of sheep to regional economies.

As Western Australia is the third largest wool producing state, any threat to significant reductions in the volumes of wool produced has consequences to the viability of the Australian wool industry.

While the Government has stated that this public consultation is not about the merits or otherwise of the decision to ban live sheep exports, it must be acknowledged that as industry was not properly consulted on this issue before the decision was made, that it is remiss of the Government to not allow proponents of the trade the opportunity to provide evidence of the devastating consequences, both intended and unintended, that this decision will inflict on producers, industry and regional economies.

Given WoolProducers' absolute opposition to the proposed ban of the live sheep export trade, the submission draws heavily on both anecdotal and economic information of the devastating consequences of removing large volumes of sheep in regional Australia. In order to illustrate this point, the decimation of the Queensland sheep industry, largely due to the impacts of wild dogs, has been outlined as a comparative case in point. To further empathise the importance of sheep to regional economies there is also reference to economic data which demonstrates how a healthy sheep and wool industry from the reintroduction of sheep to regional areas is essential to thriving and vibrant regional communities.

Wool Industry Background

The wool industry is a significant commodity in Australian agriculture and makes a substantial contribution to the national economy. The map below indicates the main wool production areas in Australia, many of which are in regional and remote areas¹.

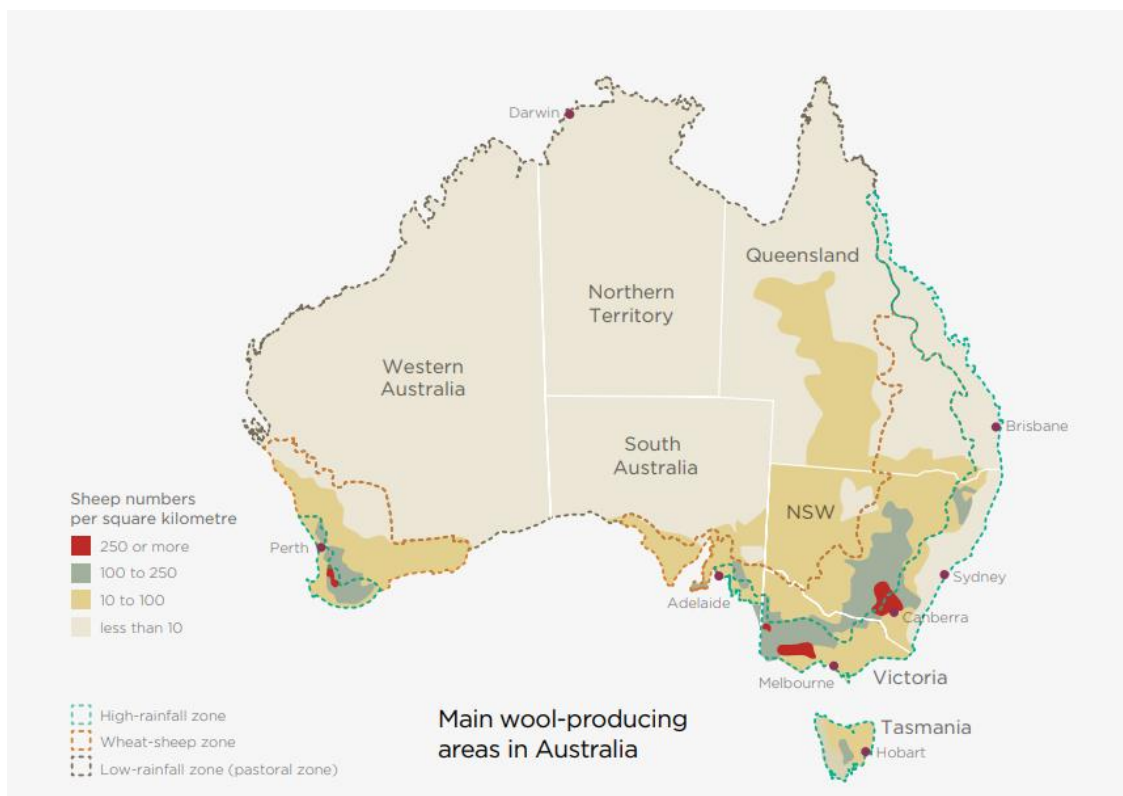


Figure 1 Main wool producing areas in Australia

As of June, 2022 there were 66,610 wool levy payers, with 46,493 wool levy payers that had paid \$100 or more in levies in the previous three years².

The industry employs approximately 200,000³ workers including ancillary industries, such as shearers, shed hands, wool brokers, etc and contributed \$3.6 billion in exports in 2021-22. Australia is forecast to produce 328Mkg of wool this year⁴, and is the world's largest producer of raw wool, which makes up 1.2 per cent of the global apparel market by volume but 8 per cent by value⁵ and accounts for 83% of the world's superfine wool.

¹ Adapted from www.learnaboutwool.com

² Australian Wool Innovation, 2021/22 Annual Report

³ Australian Wool Innovation, 2021

⁴ Australian Wool Production Forecast Report, April 2023

⁵ National Council of Wool Selling Brokers and Agents, www.woolbrokers.org

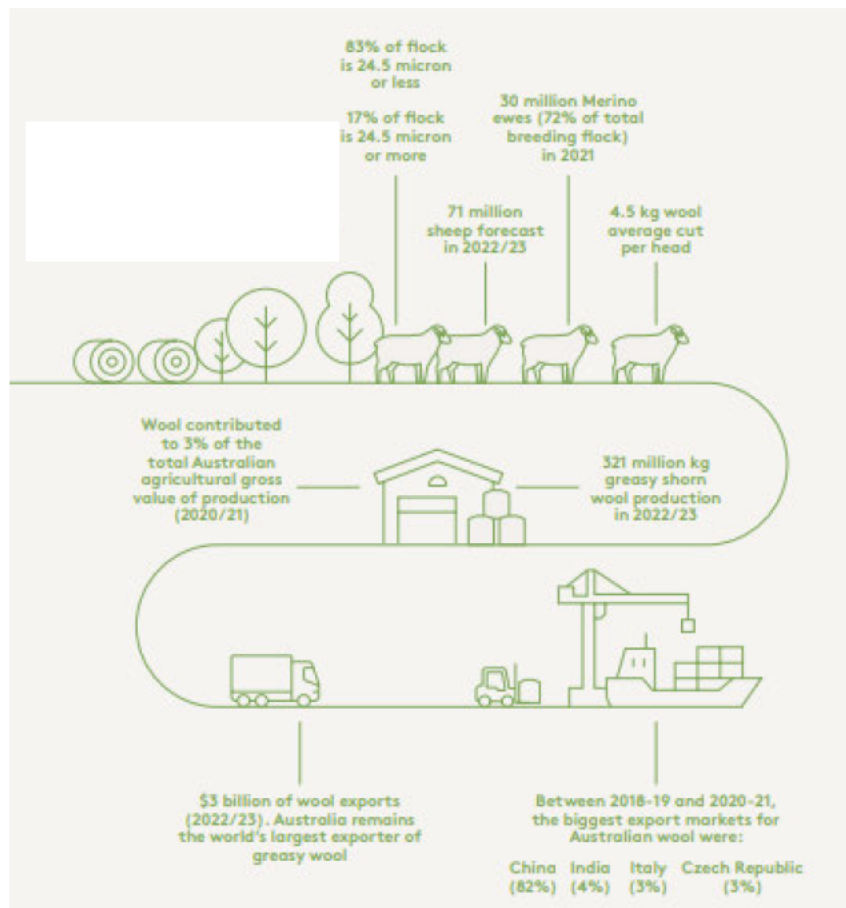


Figure 2 Australian Wool Domestic Supply Chain 2022⁶

The Australian wool industry contributed 3% of the total Australian agricultural gross value of production in 2020-21, which is additional to the 8% that the lamb and mutton industries contributed.

Whilst there is an increased forecast in wool production this year as demonstrated in Table 2, this is in the context of a flock rebuild phase following an historical 100 year low of the national flock in 2019 due to severe drought in sheep production areas.

Due to its relative size and production capacity, any loss of wool production in Australia has the potential to impact the global wool supply chain. The forecast reduction in Western Australian wool production will have a negative impact on the national flock.

⁶ Australian Wool Innovation, 2022-2025 Strategic Plan

WA Wool Industry Background

The Western Australian sheep flock is the third largest in Australia with 13 million head shorn for the 2022/23 season out of a national 71.5 million sheep shorn.⁷ From these sheep it is predicted that 60.6Mkg of wool will be produced this year.

Season	NSW	VIC	WA	SA	TAS	QLD	AUSTRALIA
2020/21 (Mkg greasy)	99.2	70.7	56.5	51.5	9.4	7.2	294
2021/22 (Mkg greasy)	113.3	73.9	61.2	56.1	10.3	8.9	324
Change y-o-y (%)	14.2%	4.5%	8.3%	8.9%	9.6%	23.6%	10.0%
2022/23 Fourth Forecast (Mkg greasy)	119.0	70.0	60.6	56.7	10.2	11.3	328
Change y-o-y (%)	5.0%	-5.3%	-1.0%	1.1%	-1.0%	27.0%	1.3%

Table 1 Shorn Wool Production, April 2023⁸

The composition of the WA ewe-base is predominantly Merino at 84%. In self-replacing Merino flock's wether portion are retained for wool production, with many culls or cast for age wethers being destined for the live-export trade, demonstrating that the live export trade is a vital component of the Western Australian wool industry.

WA's shorter seasons and lack of pastures in more marginal areas inhibit the ability of Merino wether lambs to reach target specifications for slaughter without supplementary feeding.

The live export market provides a market channel for semi-finished stock, such as Merino wether hoggets or mature-age wethers, that do not meet ideal specifications for slaughter for either domestic meat markets or packaged meat exports. The preferred specification for live export mutton is for animals in good condition that exceed 50kg liveweight (lwt). In comparison, local processors prefer mutton below 50kg lwt and impose price penalties for larger, mature sheep.⁹

Having the option of live trade as an accessible market ensures that Western Australian wool growers can retain a viable wool growing business and allows for an adaptable business model that can pivot as required due to seasonal and other variable factors. The removal of this option may make wool production in the West less attractive.

It is worth noting that already WA producers are reporting a strong forecast fall in wether flock numbers in the next 12 months (forecast to fall 45%),¹⁰ which will have a detrimental impact on WA's wool production volumes.

The ability to raise sheep must be viewed as a sustainable and holistic business tool that is key to many primary producers in WA. The removal of this option must also be considered in the context that sheep play an important role in sustainable land use and that not all types of land are suitable for running anything other than small stock.

⁷ Australian Wool Production Forecast Report, April 2023

⁸ Wool Production Forecasting Committee, April 2023

⁹ Mitch Braithewaite, LSS/Beaufort River meats

¹⁰ MLA & AWI Sheep Producers Intentions Survey, May, 2023

	(Million head)	
	WA	AUS
Ewes- Merino	5.7	25.4
Ewes- Other	1.1	12.2
Total Breeding Ewes	6.9	37.6
Merinos as % Ewes	84%	68%
Rams & Wethers	1.6	7.8
Lambs	4.2	22.6
Total Sheep & Lambs	12.7	68.0

Table 2 Sheep flock by category, WA v Australia, 2021¹¹

There is currently strong negative sentiment among sheep producers in Western Australia, which has been highlighted in MLA and AWI's May, 2023 Sheep Producers Intention Survey stating a massive 48% decline in producer confidence.¹² Sheep turnoff is currently double the processing capacity in Western Australia with the phase out of live export heavily weighing on sheep producers' minds.

The Australian Wool Production Forecast Committee has reported that young sheep that were not able to be processed due to limited processing capacity and older ewes were retained on-farm due to the falling mutton price. An estimated 1.4 million sheep will be carried over into the new season.

Scanning rates in southern sheep regions were better than last year. Retained ewes were joined and will be lambled down prior to selling in the new season. Live export numbers are currently slightly up as is the mutton kill, however processors are now booking in lambs for processing and will move away from mutton. The current negativity will impact sheep production in the new season and into 2025.

Low sheepmeat prices and wool returns are making wool production gross margins unfavourable for mixed farming enterprises. The Australian Wool Production Forecast Committee expects many mixed farmers to move out of sheep following their spring shearing. The value of mutton will be a key factor determining the speed of the move away from sheep (i.e. a slow exit or dramatic sell-off)¹³.

Australia only has three wool selling centres, two on the East Coast in Sydney and Melbourne and one in Fremantle, WA. While there is also an Australian Wool Testing Authority Laboratory situated in Bibra Lake, WA. Obviously, these services have been established to cater for the WA wool industry (374,863 bales in 2021/22)¹⁴, any reduction in Merino numbers would have a detrimental impact on WA's wool production, for example a 15% reduction in the WA Merino flock, would reduce WA's wool production by approximately 55,000 bales¹⁵.

It should be noted that a reduction in wool production in WA would have negative impacts on both the Western Wool Selling Centre and Western Australian AWT facility, with some industry people suggesting that the live sheep ban and predicted reduction in sheep numbers may see the closure of the selling centre.

¹¹ Source: ABS Agricultural commodities, Australia 2020-21

¹² MLA & AWI Sheep Producers Intentions Survey, May, 2023

¹³ Australian Wool Production Forecast Report, April 2023

¹⁴ Australian Wool Testing Authority

¹⁵ Mecardo, AUSTRALIAN LIVE SHEEP EXPORT TRADE ANALYSIS, May 2023

Impacts of a ban – intended and unintended consequences

There is far-reaching concern about the proposed live sheep export phase out, domestically and internationally; internally within the sheep and wool industries and also across other ag sectors including grain. The precedence that would be set by a government imposing a ban on a viable and legitimate trade is of utmost concern as it creates uncertainty as to what future industries or industry practices could be shut down on a whim of a government, particularly by a government who has not taken technical, trade or scientific advice into consideration and who are merely chasing a populist vote.

The damage that would be done to the current Government in terms of relations with the agriculture sector if this ban is to proceed cannot be underestimated, as it will lead to a complete loss of confidence in this Government's ability to support a viable agriculture sector going forward.

International trade relations and domestic labour shortages

Many people have expressed concern about the way this decision has been handled, both in terms of the Government developing the policy in Australia and the apparent lack of consultation trading partners.

The Middle East and North Africa (MENA) region continues to import a significant number of live sheep and goats, with over 9 million imported in 2021. Australia currently fills around 600,000 head of sheep in this region. Forecasts indicate a potential increase to 10 million in 2022. This highlights the sustained demand for live sheep and the opportunity for Australia to maintain or grow its share in this market.

Opponents of the trade suggest that chilled and frozen meat exports could replace the live export trade, how analysis suggests that there is low correlation between monthly Australian live sheep export volumes and sheep meat export volumes to the Middle East. Nor has there been an increase in the boxed meat trade since the introduction of the live sheep export summer moratorium in 2018¹⁶.

Further, but no doubt incredibly relevant, the suggestion of replacing live export with domestic processing for chilled and frozen meat exports, ignores the fact that Australia is currently facing severe and sustained worker shortages in the meat processing sector, including in WA.¹⁷ This is without increased kill capacity, so to have this offered as a solution to the proposed ban is not realistic without first addressing the labour shortfall.

Many markets, including those in the MENA region, prefer freshly killed meat due to cultural and religious customs. If Australia were to cease supplying live sheep, these markets would source their livestock from other countries such as South Africa, Somalia, Sudan, Spain, Portugal, Romania, among others. Maintaining current levels of live imports is important to meet the demand and cultural preferences of these markets and for Australia to continue to have an impact on animal welfare within the region.

Ultimately, there is strong demand for this trade due to Australia's reputation for high quality sheep meat and reliability of supply. While countries within the UAE have replaced live sheep meat from competitor countries due to the restrictions Australian exporters have faced over the years, they are

¹⁶ Mecardo, Australian Live Sheep Export Trade Analysis, May 2023

¹⁷ <https://www.farmweekly.com.au/story/7869548/labour-logjam-for-processors/>

clear that their preference still sit with Australian sheep. Importantly, the cost of live Australian sheep is becoming more closely matched to our competitors.

Regional Economies

Robust sheep and wool industries are vital to many regional economies due to the labour-intensive nature of sheep and wool production and the associated industries and businesses that they support.

The negative precedence on small towns and their services when large volumes of sheep are removed from districts has been evidenced through wild dog impacts across Australia, which has illustrated the reliance of things like retail, educational and health services in rural and remote areas on a thriving sheep and wool industry.

The May, 2023 Sheep Producers Intentions Survey provides a stark insight into the current thinking of WA sheep producers, who have indicated that they will decrease breeding ewe numbers by 18%; wether numbers are expected to be cut by 45% and a 5-point reduction in sentiment regarding wool.¹⁸

“Producers in WA are having a clear dampening impact on the national results. The analysis opposite (Table 3) shows the impact from these producers. The impending decision on the live export trade for sheepmeat is weighing heavily on these producers”.

Future of wool. . . .	Nett sentiment:	+13
	Non-WA producers	+15
	WA producers	+1
Future of sheepmeat. . . .	Nett sentiment:	+27
	Non-WA producers	+37
	WA producers	-48

Table 3 Producer Sentiment WA v Aus, 2023¹⁹

The flow on effects of significant reduction in sheep numbers for affected regional economies will be dire.

A Queensland perspective: Sheep – the cornerstone of sustainable and diversified farm businesses and regional economies

Economic analysis and studies undertaken on the impacts of wild dogs on the sheep and wool industry provides good information on the detrimental impacts of removing large volumes of sheep from regional economies, and conversely, there is also recent studies on the positive impacts of increasing sheep populations.

Sheep numbers in Queensland fell from over 8.5 million in 2001 to 1.8 million in 2016, a decline of over 80% due to a number of factors including the collapse of the wool reserve price scheme, climatic extremes, but predominantly the inability to run sheep due to wild dog predation.

¹⁸ MLA & AWI Sheep Producers Intentions Survey, May, 2023

¹⁹ MLA & AWI Sheep Producers Intentions Survey, May, 2023

During this same period, agricultural jobs declined by 28% in the 15 years to 2016 across Queensland demonstrating the labour intensity of sheep and wool production.²⁰

The sheep and wool industries support many jobs, both on-farm including farm hands, shearers, shed hands, wool classers, livestock and farm contractors, and also off-farm vocations including meat processors, wool brokers, livestock agents, vets, transporters, rural suppliers and regional retailers in general.

When money at a farm-gate level is reduced, the flow on effect to these ancillary services is also impacted, ultimately resulting in a loss of regional employment. The further impacts from loss of regional employment is the impact on services including health, banking and education. Once these services go, the population mass starts an irreversible downward spiral.

Remote Area Planning and Development Board (RAPAD) is a group of local governments in central Queensland who work collectively to support and encourage the region's community, environmental and economic development. Participating Councils include Barcaldine, Barcoo, Blackall Tambo, Boulia, Diamantina, Longreach and Winton. These areas encompass a large part of the Queensland sheep producing country. The RAPAD area reported a 26% population decline from 2001 to 2016.²¹

Mr David Counsell is a landholder near Barcaldine, who was interviewed by ABC's Landline in 2015,

*"Muttaborra had six shearing teams in. It's just up the road. They might have one shearer left in Muttaborra and that's the story on all our little country towns."*²²

To highlight that fact, it is worth noting that in the year 2000, Muttaborra had a population of 246 people while the 2016 Census reported Muttaborra's population being just 88.²³

A key focus of RAPAD's work is the 'Queensland Feral Pest Initiative – Cluster Fencing. The reason for this focus was determined by:

"Between 2011 and 2015, during widespread drought, the number of people living in the region aged 54 or younger declined by 12.5%. RAPAD and other concerned members of the community held meetings searching for a solution.

*It was identified the importance of the sheep and wool industry for creating employment was key..."*²⁴

By supporting the establishment of cluster fences, this initiative provided landholders who had to go out of sheep due to wild dogs an opportunity to reintroduce or expand numbers of small stock on to their properties. This project demonstrates the importance to regional Australia of having sheep as a viable option for landholders.

Samios Trading Post is a business based in Mitchell, selling a range of products from rural supplies through to clothing and accessories, owner Mr Bruce Jones:

"Since we bought it (the retail business) and the cluster fence started, we've gone from two employees to six employees, its definitely a big part of it. Definitely the small animals

²⁰ <https://notjustafence.org/>

²¹ Monitoring, Evaluation, Reporting and Improvement Plan, Hall Chadwick Chartered Accountants and Business Advisors, RAPAD QFPI Cluster Fencing Program Rounds 1,2&3 Report April 2023

²² <https://www.abc.net.au/local/archives/landline/content/2015/s4306852.htm>

²³ ABS, 2016 Census

²⁴ <https://rapad.com.au/projects/queensland-feral-pest-initiative-cluster-fencing/>

(sheep and goats) allow a person to produce what might be more profitable on the day or diversify their business so they're not just cattle or just one particular thing.

"... the flow on effect throughout the community right down through the supply chain, people are more profitable, so they're able to spend more money in town, they've been able to improve their places further. They're able to employ more people and we're able to employ more people."²⁵

The following quotes are again from Mr David Counsell, who is speaking about the ability to rebuild his sheep numbers following the introduction of cluster fences, once again highlighting the positive impacts of sheep numbers on regional economies:

"We'll do a full shearing schedule this year, and a full crutching schedule. All young people in town that will be out here in those teams with shearing contractors. (I'm) still using plenty of day workers, spending money, making the (my) business better. (My) New shed's going up, so locals are used to build those and then the electrician will turn up to wire that up because we have a profitable business.

"... if we lose the amount of work that goes on in wool sheep properties out of the district, our towns really, really struggle. That's where the real benefit of this investment ends up falling to. It falls to all the people in town that get jobs because we run a much higher labour unit per farm..."²⁶

The cluster fence initiative and subsequent reintroduction of sheep back into central Queensland is a success story that has demonstrated the importance of sheep to prosperous regional economies.

In 2021, Blackall-Tambo Regional Council mayor Andrew Martin said the first entirely Blackall shearing team had returned to the area after 15 years as sheep numbers increased.

"There is a better return to the community in sheep as every \$1 a wool grower makes creates \$6 (in the supply chain)."²⁷

Based on producer feedback, an evaluation by consultants Hall Chadwick has forecast sheep numbers in the region will increase by 727,000 and cattle will reduce by 57,000 by 2031, generating a regional gross margin increase of \$28 million, an extra 140 agricultural jobs and a total regional economic benefit of \$33.55 million.²⁸

A government policy to shut down a feasible trade which removes the economic incentive for businesses to run sheep, which subsequently severely impacts regional and remote communities in which they operate, is unconscionable.

The live export trade provides producers with the option to run a profitable, sustainable and diversified business, which has significant positive impacts on regional economies.

The decision to ban live export of sheep, for many Western Australian growers, will remove the opportunity to include sheep in their business plans which will ultimately hurt not only producers, but their local, state and national economies.

²⁵ Bruce Jones, Samios Trading Post case study, accessed via <https://notjustafence.org/>

²⁶ David Counsell, Out west, when the jobs go, the people go too, accessed via <https://notjustafence.org/>

²⁷ <https://www.sheepcentral.com/sheep-flock-growth-to-continue-in-western-queensland/>

²⁸ Monitoring, Evaluation, Reporting and Improvement Plan, Hall Chadwick Chartered Accountants and Business Advisors, RAPAD QFPI Cluster Fencing Program Rounds 1,2&3 Report April 2023

“Enterprise diversity is a recognised improver of productivity in agricultural industries where commodity prices are variable. Improved productive capacity can lead to optimised economic returns, no matter the commodity prices thus providing improved resilience.”²⁹

Mental health and wellbeing

In recent years, there has been a growing focus on the mental health and well-being of Australian farmers. The National Farmer Wellbeing Report 2023, a joint project between Norco and the National Farmers' Federation, examines the impact of external pressures on farmers. Natural disasters, rising inflation, global competition, and the physical and emotional demands of farming have collectively taken a toll. The report highlights the following statistic:

“the average suicide rate in Australian farmers to be almost 59% higher than the general population - the equivalent of 1 farmer taking their own life every 10 days.”³⁰

The MLA & AWI Sheep Producers Intentions Survey, May, 2023 has demonstrated the loss of confidence being experienced by Western Australian sheep producers. To pursue this ban could be a high risk move by the Government in terms of facilitating negative mental health and wellbeing outcomes.

These detrimental impacts to mental health due to this decision of Government is already acknowledged by the Department of Agriculture, Fisheries and Forestry (DAFF) consultation website regarding this proposed phase out.

The website contains a ‘Social support and wellbeing’ section stating that there is an understanding that this phase out will be ‘distressing for some people.’³¹ Yet the decision to push ahead with this ban, not based on evidence, and without the chance for industry to put its case forward to retain the trade has been made. This highlights that the decision to ban the live sheep export trade is not a responsible decision.

Policy based on emotion over fact

As the Government has stated, this decision to phase the trade out was an election commitment during the previous two federal elections, however this broad statement fails to recognise the substantive work that industry has undertaken to address animal welfare issues in the trade.

Recent opinion polling conducted by Voconiq on behalf of LiveCorp and MLA on community sentiment towards live exports, which is the third such report over a number of years, found a generally positive trend in regard to public opinion on the trade.

Key findings³²

- When asked whether live exports should be stopped regardless of the impact on farmers, 29% of participants agreed in 2023, while 42% disagreed (increasing from 37% in 2019).

²⁹ QFPI Cluster Fence Rounds 3 & 5 Group Sessions Report, GR Consulting, April 2023

³⁰ [National Farmers Federation, Norco, National Farmer Wellbeing Report 2023](#)

³¹ <https://www.agriculture.gov.au/biosecurity-trade/export/controlled-goods/live-animals/livestock/live-sheep-exports-phase-out>

³² Live exports and the Australian community 2019-2023, May 2023

- In 2023, 64% of participants agreed the industry supports the diet and nutrition to people overseas (increasing substantially from 55% in 2019).
- Agreement that “conditions for animals on live export ships are not in line with Australian animal welfare standards” decreased by 14.7%, from 53.7% in 2019 to 39% in 2023.
- On the question “the live export industry is prepared to change its practices in response to community concerns”, 37% agreed in 2023 compared to 24% who disagreed.
- In the 2023 survey, six questions asked about livestock export generally were also adapted to examine attitudes toward the export of sheep, specifically. The results showed that there was no significant difference in the two sets of answers.

WoolProducers, along with many others were horrified by the events surrounding the 2018 Awassi Express incident. As live export had been considered more of a red meat issue until that time, WoolProducers did not have specific policy regarding live export.

So was the level of outrage felt by WoolProducers on the treatment of those sheep, along with concern on how industry was responding to the incident, the WoolProducers Board considered the need to develop policy on the issue and ratified the following:

The wool industry continues to support the live export of sheep contingent on adherence to animal welfare standards underpinned by science.

Following the Awassi Express incident, industry has implemented a range of reforms and voluntarily imposed a trade moratorium from 1 June 2019 to 22 September 2019 to support ongoing animal welfare outcomes. The moratorium was enforced through government regulations.

Since 2018, the industry and its regulatory framework has undergone significant change, which include:

- Industry initiated moratorium on sheep exported during the northern hemisphere summer which is now part of regulation.
- Independent government observers provide additional assurances and reports are public.
- A system called LIVEXCollect has been implemented to ensure there is consistent comparable data being collected.
- Increased space available for each animal as outlined in the updated [ASEL 3.2](#).
- Improved ventilation requirements and independent auditing of ventilation systems.
- Automated environmental monitoring on decks to record deck temperatures.

The changes implemented by industry have delivered impressive animal welfare outcomes and, since 2018, there have been no reportable mortality incidents.

While the industry recognises voyage mortality rates are not the only measure of welfare, they are objective and have historically been used as the measure of live export mortality performance by Government.

Given industry’s demonstrable improvement in animal welfare and its ability to meet and exceed the government-imposed animal welfare indicators, the decision of this Government to pursue the ban

under the guise of an election promise, rather than as a policy based on evidence is of huge concern on how this Government may deal with future issues, where populist opinion can trump fact.

Another well touted election commitment made by the current Government was '*no one held back, and no-one left behind*'. The decision to ban live sheep export and the ramifications it will cause is contradictory to that particular Government commitment.

Least Harm Implementation Pathway

As outlined, there are too many detrimental direct and indirect consequences that will result in pursuing this flawed policy decision, and as such WoolProducers has not been able to provide definitive responses to timelines and mechanisms.

With this in mind, WoolProducers calls on the Government to not commence this ban at least until it can guarantee that producers, supply chain participants, industries (including the wool industry), communities and regional economies are no worse off under the ban, measures that must be undertaken to ensure this include:

- a long phase in – which must be conducted over a number of years for producers and supply chain partners to adapt and adjust focus
- suitable alternate industries are identified and established that enable the flexibility that sheep offer farming enterprises
- suitably trained workforce ready to be applied to alternate industries
- adequate monetary compensation is paid to individuals, businesses and regional economies affected

