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The Consultation Panel
Phase Out of Live Sheep Exports by Sea

By Email: livesheep.phaseout@agriculture.gov.au

Dear Consultation Panel Members

Re: Australian Government's Commitment to Phase Out Live Sheep Exports by Sea – 'Domestic'

AgForce is a peak organisation representing Queensland's cane, cattle, grain and sheep, wool & goat producers. The cane, beef, broadacre cropping and sheep, wool & goat industries in Queensland generated around \$10.4 billion in on-farm value of production in 2021-22. AgForce's purpose is to advance sustainable agribusiness and strives to ensure the long-term growth, viability, competitiveness and profitability of these industries. Over 6,500 farmers, individuals and businesses provide support to AgForce through membership. Our members own and manage around 55 million hectares, or a third of the state's land area. Queensland producers provide high-quality food and fibre to Australian and overseas consumers, contribute significantly to the social fabric of regional, rural and remote communities, as well as deliver stewardship of the state's natural environment.

AgForce strongly opposes the Australian government's policy position to ban the live export of sheep by sea.

Failure of Evidence-Based Policy Development

In a meeting with industry on Friday, 3 March 2023, Senator the Hon Murray Watt, Minister for Agriculture, Fisheries & Forestry stated the Australian Labor Party's election commitment to ban live sheep exports was based on the notion that the industry was in decline and had lost its social licence.

This policy position is ill-considered and ignores the thousands of livelihoods at risk and the decade of industry reform.

The Australian Labor Party have not listened to the evidence, which shows there has been significant improvements in animal welfare in recent years with improved conditions on board vessels such as decreased stocking rates and additional on-board monitoring, all of which have led to a decrease in mortality rates from 0.8% (2016) to just 0.2% since 2019¹.

Why are such proactive efforts by industry to maximise animal welfare outcomes and meet the expectations of community being simply disregarded by decision-makers, disincentivising further efforts by industry to continue to secure further improvement?

Furthermore, based on this Government's commitment to appease animal activist groups seeking to phase out animal agriculture, it is only logical that fear exists for the future of the live cattle trade. While the Government may claim to have no intention of closing down the trade, activist groups make no such distinction and actively advocate towards that end.

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¹ LiveCorp (May 2022) publication "[Australia's changing live sheep export trade](#)"

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The policy presents clear risks to agricultural trade in general. The most enduring commitment that could be made to Australia's \$1.2 billion live cattle trade and the cattle industry more broadly, would be not to proceed with the live sheep exports phase-out.

Supportive Community Sentiment

Recent community sentiment research conducted by Australian data science company VoconIQ², being the third in a series of national surveys of Australians since 2019 included a number of key insights, namely:

- That live exports are seen by Australians as an important part of the agriculture sector and important for farming communities. The position of live exports, socially and economically, has improved over the last four years – respondents either 'agreed' or 'strongly agreed' with this sentiment, increasing from 72% in 2019 to 79% in 2023 for economic benefits.
- That industry's responsiveness to change and willingness to implement improvements are strengthening over time, which is a strong driver of trust supporting industry's social licence.
- Australians are becoming more aware of industry's work to improve welfare outcomes and treatment of livestock in overseas destinations.
- The value proposition for the live export industry in Australia has improved significantly among Australian citizens since 2019. In 2019, the respondent score of 3.05 represented a balance with the community about the industry's costs and benefits to Australia, increasing to 3.12 in 2021 and remaining stable in 2023. A greater proportion of Australians feel the benefits of the industry outweigh its perceived negative impacts.
- When presented with information about mortality rates, a greater proportion of Australians felt these rates were lower than they expected.
- There is strong public confidence in the mechanisms (governing regulation) used to apply and enforce standards on the industry.
- There was no significant difference in the way that Australians view live sheep exports relative to the livestock industry in general.

Bright Trade Future

Additionally, industry and government are working closely with the Saudi Arabia market to ensure improved health protocols, with Saudi Arabia's commitment to the Exporter Supply Chain Assurance System (ESCAS) providing the potential to supply one million head of sheep annually, according to Kuwait Livestock Transport and Trading Co. (KLTT) Chief Executive Osama Boodai³.

Australia's live sheep export trade is far from decline; with industry's efforts to improve animal welfare validated by its improving social licence.

Policy decisions for Australian agriculture must not be based on emotion, rather they should be evidence based, strategic, inclusive, and collaborative.

Great Community Impact

AgForce is gravely concerned about the negative impacts that implementing this policy will cause to Western Australia's rural and regional communities, their economies and the overall economy of the state of Western Australia.

Through individual discussions and meetings with our Western Australian primary producer (sheep) counterparts, Queensland producers are deeply concerned for the well-being of those directly impacted by the Australian Labor Party's election commitment to ban live sheep exports.

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² [VoconIQ \(May 2023\) Live Exports and the Australian Community 2019-2023](#)

³ Countryman (30 May 2023) Live Export: Saudi live sheep market on the brink of reopening to Australia

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During these discussions and meetings, we have heard directly from Western Australian producers, many of whom have been brought to tears due to the lack of certainty and risk of losing this income source, their livelihoods, their businesses and what for many, has been generational growth in building their rural businesses.

We have seen it in Queensland over the last two decades, a reduction in sheep numbers leads to reduced employment opportunities, equating to less people living in our rural communities; consequently, leading to reduced services offered by government to those communities like schools, hospitals and other integral infrastructure; services which are taken for granted in metropolitan Australia.

It is estimated there are 3,500 Western Australians employed across the \$143 million⁴ per annum live sheep export trade and its associated supply chain, potentially 2,000 of whom are indirectly employed in supporting businesses; and as commented in recent Senate Estimates hearings, the future existence of the live export industry's research and development corporation, the Australian Livestock Export Corporation (LiveCorp), is also under threat from Labor's policy.

There will be over 3,500 families that will be worse off as a direct result of the Australian government's decision to ban live sheep exports by sea.

On-Shore Processing not the Answer

There has been comment that Western Australia's meat processing sector will have the capacity to increase through-put to account for the large number of sheep that are usually bound for live export. Irrespective of the meat processing sector's historical labour issues, roughly 66% of live sheep exports are aged wethers and the remainder are lambs and hoggets. Due to the west's short seasons and lack of pastures, merino wethers struggle to reach target slaughter specifications without additional feeding (*additional cost to the producer*); and where processors find this class of sheep less desirable because they are heavier and older, harder to handle and process, and do not meet the needs of Australian consumers. Meat processors impose discounts for these sheep.

ACIL Allen⁵ notes, there are potential negative impacts for Western Australian sheep producers with the removal of live exports as a disposal option if domestic price trends continue and Western Australian slaughter capacity can't absorb the additional sheep numbers.

Live exporters provide price competition for sheep farmers. Without this continued competition and subsequent strengthened prices for the producer, there will be enough discouragement to send farmers out of sheep entirely. Some Western Australian producers are already looking to exit the sheep industry altogether. Without sheep to kill, there is potential future risk to Western Australia's small animal meat processing sector, together with its hundreds of meat processing jobs.

End result, more Western Australian families worse off on top of the 3,500 mentioned above.

Impacts of Past Actions

The Australian government has not listened to industry and has blatantly disregarded the outstanding improvements and performance of the live sheep export trade.

In 2018, the cessation of the live sheep trade during the northern hemisphere summer saw annual volumes shrink toward 1.1 million head, costing the industry an estimated \$83.6 million in lost revenue nationally, with the subsequent 2019 moratorium costing an estimated \$65.8 million.⁶

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⁴ ACIL Allen (June 2023) Performance and value of the live sheep export trade – (5-year average)

⁵ ACIL Allen (June 2023) Performance and value of the live sheep export trade

⁶ [Mecardo, Impact of the live export sheep trade's self-imposed moratorium and regulatory changes, January 2020](#)

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The Australian sheep live export trade faced a temporary suspension which prompted regulatory changes related to heat stress and animal welfare requirements. Subsequently, industry implemented substantial 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.

Robust Transport Standards in Place

The Australian Standards for the Export of Livestock (ASEL) is a federal framework for minimum animal health and welfare conditions, applying to cattle, sheep, goats, buffalo, deer and camelids. To move anywhere, Australian livestock must be subject to ethical transport conditions.

Under ASEL, regulatory reform was instigated by the live sheep export industry, demonstrating the industry’s unwavering commitment to improve. Such changes have included:

- Industry initiated moratorium on sheep exported during the northern hemisphere summer which is now part of regulation;
- increased space available for each animal;
- improved ventilation requirements and independent auditing of ventilation systems;
- automated environmental monitoring on decks to record deck temperatures;
- independent government observers provide additional assurances, and their reports are public and;
- LIVEXCollect system implemented to ensure collection of consistent, comparable data.

In addition, ESCAS applies to the same species as ASEL and requires exporters to have pre-determined arrangements in place for the humane handling and processing of livestock in the importing country. This means Australian livestock are subject to Australian animal wellbeing standards in the importing country itself, without exception.

The changes implemented by industry have delivered exemplary animal welfare performance and since 2018, there have been no reportable mortality incidents, a requirement under the existing government-industry regulatory framework. The below table demonstrates improved performance over the past ten years based on average mortality rates on a ‘voyage’ and ‘daily voyage’ basis, with a significant improvement from 2019.

Australia is the only country in the world with this kind of regulatory system to safeguard animal welfare.

Table 1: Average voyage mortality rate⁷

Voyage Mortality Rates	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022* (Jan-Jun)
Cattle	0.11%	0.13%	0.10%	0.13%	0.10%	0.12%	0.10%	0.11%	0.08%	0.06%
Sheep	0.73%	0.72%	0.64%	0.80%	0.71%	0.47%	0.26%	0.22%	0.20%	0.13%
Daily Mortality Rates										
Cattle	0.0078%	0.0084%	0.0070%	0.0089%	0.0087%	0.0088%	0.0082%	0.0081%	0.0072%	0.0054%
Sheep	0.0287%	0.0292%	0.0287%	0.0345%	0.0303%	0.0201%	0.0122%	0.0102%	0.0091%	0.0058%

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⁷ LiveCorp (May 2022) publication [Australia’s changing live sheep export trade](#)

Note: Table 1 indicates the average voyage mortality rate and daily rate for sheep for the 6 months to June 2022 is a record low level. Compared to average voyage mortality rates of 0.22% in 2020, 0.64% in 2015 and 0.73% in 2013, the 2022 levels are now about one-sixth the levels they were in 2013.

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Ethically Meeting Customer Needs

Australia's international live sheep export customers, particularly the Middle East, will always have a need for fresh meat for their own domestic consumers' demand, as well as meeting their cultural and religious beliefs. Without Australian supply of high-quality live sheep, these customers will negotiate alternative supply chain pathways elsewhere around the world, none of which will have the same rigorous animal welfare standards that Australia boasts. Animal welfare outside of Australia are expected to deteriorate significantly, with Middle Eastern countries no longer required to adhere to ESCAS regulations, leading to poorer handling of live animals and a loss for global animal welfare.

National Implications

Whilst Queensland sheep are rarely traded directly with the western live export trade, there will be indirect impacts to Queensland's sheep producers as a result of a live export ban, especially during times of poor seasonal conditions and drought. During these times many Queensland sheep are transported to southern regions, some of which may end up being moved to the west destined for the live export market and where many south-eastern Australian sheep do already move west for the live export trade, freeing capacity for Queensland sheep to graze in New South Wales, Victoria and South Australia and assisting in mitigating negative animal welfare outcomes due to drought conditions.

Similarly, with a vibrant industry Western Australia acts as a reservoir that other states can draw upon during times of restocking from drought, enabling faster restocking and resumption of production than would otherwise be the case. This provides producers in other states greater confidence, enabling them to destock at the onset of a drought earlier and much more quickly, knowing that they can rapidly rebuild their flocks.

This circular supply of live animals will come under significant pressure, with many Western Australian sheep producers to exit the sheep and wool industry because of the Australian Labor Party's 2019 and 2022 election commitments to ban live sheep exports.

Immediate Implications for Live Cattle Trade

Another important factor supporting Western Australia's live sheep trade is that there are a significant number of cattle that are transported to Middle Eastern countries each year on the same vessels as sheep. Senate Estimates in May 2023 heard that to the end of March 2023, seven voyages had single species, while four voyages had multi-species (sheep and cattle) departing from the Port of Fremantle.

LiveCorp chairman, Troy Setter, has been quoted saying that approximately 75% of sheep vessels going to the Middle East also have cattle on them and that most of those voyages only work for cattle export because they have dual species on them.

The Department of Agriculture, Forestry & Fisheries' 'Reports to Parliament' on Sea Exports confirms these sentiments with 10-year statistics demonstrating multi-species voyages occur at an average of 70%. On a number of head basis, 795,715 cattle have been transported by sea to the Middle East and Israel during the period 2013 to 2022, where 560,334 head of cattle accompanied sheep on a multi-species voyage. Table 2 below demonstrates these livestock movements.

Mr Setter has also stated that Australian exporters are looking to open up more cattle markets because Middle Eastern countries are wanting to take more cattle but, that it would not be economically viable for an exporter to take part-loaded cattle ships or smaller vessels to those markets.

Western Australia's cattle industry is reliant on the live sheep trade and the Australian Labor government has no plan on how it will support the live cattle export industry without the sheep trade.

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Table 2: Livestock Numbers by Voyage Type (Reports to Parliament)⁸

Livestock Numbers by Voyage Type						
Departure Year	Livestock numbers (Loaded)	Cattle + Sheep Voyage	Cattle Only Voyage	Sheep Only Voyage	Total Livestock	% Livestock on Multi Species Voyage
2013	Cattle	75,303	56,643	-	131,946	57%
2013	Sheep	1,054,791	-	883,717	1,938,508	54%
2014	Cattle	95,811	12,077	-	107,888	89%
2014	Sheep	1,334,650	-	792,076	2,126,726	63%
2015	Cattle	73,123	14,892	-	88,015	83%
2015	Sheep	1,081,211	-	908,896	1,990,107	54%
2016	Cattle	87,880	54,648	-	142,528	62%
2016	Sheep	1,061,198	-	623,634	1,684,832	63%
2017	Cattle	55,142	10,063	-	65,205	85%
2017	Sheep	1,269,232	-	576,040	1,845,272	69%
2018	Cattle	45,256	16,210	-	61,466	74%
2018	Sheep	871,037	-	30,114	901,151	97%
2019	Cattle	60,096	33,339	-	93,435	64%
2019	Sheep	1,060,274	-	-	1,060,274	100%
2020	Cattle	32,092	19,513	-	51,605	62%
2020	Sheep	545,211	-	224,671	769,882	71%
2021	Cattle	21,179	6,154	-	27,333	77%
2021	Sheep	488,969	-	58,815	547,784	89%
2022	Cattle	14,452	11,842	-	26,294	55%
2022	Sheep	257,259	-	122,611	379,870	68%
TOTAL	Cattle	560,334	235,381	-	795,715	70%
TOTAL	Sheep	9,023,832	-	4,220,574	13,244,406	68%

Lack of Socio-Economic Impact Analysis

Additionally, there has been no economic analysis completed on what a reduced trade in Western Australia's live cattle exports may cause to other cattle producing states and territories around the country. Western Australia's excess cattle numbers have to go somewhere, with transporting to eastern states being the logical option.

What will the economic impact to eastern cattle trade and prices be, with western cattle moving from west to east?

A ban on live sheep exports by sea will devastate rural and regional communities and cost Australian taxpayers millions of dollars and there is no publicly available analysis to quantify the societal willingness to pay to cease live sheep exports from Australia.

We believe it is incumbent on the Panel members to fully investigate and report on these matters to the Minister for Agriculture, Fisheries and Forestry.

The Panel should call for full socio-economic analysis on all aspects of the decision to ensure all the relevant facts are known.

Closing Remarks

AgForce has stood alongside 24 other national agricultural bodies advising Minister Watt that the policy is a whole of sector issue, not just a livestock exports issue. AgForce will never support legitimate agricultural industries being closed for political reasons; where policy decisions for Australian agriculture must be evidence based, strategic, inclusive, and collaborative.

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⁸ <https://www.agriculture.gov.au/biosecurity-trade/export/controlled-goods/live-animals/live-animal-export-statistics/reports-to-parliament>

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AgForce fully supports other agricultural body's submissions to the Panel, particularly referencing the submissions by Sheep Producers Australia, Australian Livestock Exporters Council and WoolProducers Australia.

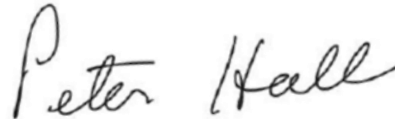
The Australian Labor Party would do well to remember its own election campaign mantra:

"No one is left behind"

We thank the Consultation Panel for the opportunity to express our concerns on behalf of the 6,500 farmers, individuals and businesses that support AgForce Queensland Farmers.

Please do not hesitate to contact AgForce Livestock Policy Director, Michael Allpass, allpassm@agforceqld.org.au or 0427 250 045, should you wish to consult further.

Yours faithfully



Stephen Tully
AgForce Sheep, Wool & Goats Board President

Peter Hall
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