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The Consultation Panel
Phase out of the 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 – "International"

Reference is made to AgForce's "Domestic" submission of the same date.

**AgForce reiterates its strong opposition to the Australian government's policy position
to ban the live export of sheep by sea.**

This second submission outlines the concerns AgForce has with reputational damage that will be caused to Australia's international trade, as a result of the Government's policy position.

The policy places significant risk to Australia's status as a reliable, valued and trusted trading partner, and as a global leader for free and open trade. This risk extends beyond just agriculture, presenting risk to other trade-exposed sectors of the Australian economy.

The Government's policy is adversely influencing the operation of commercial market forces and creating the greatest non-tariff barrier-to-trade Australian agriculture has experienced.

Australia is recognised globally as being a strong supporter of establishing free trade agreements (FTA) around the world. As a result of the Government's policy, Australia's important status as an evidence-based negotiator in developing FTAs will be lost.

The Government should be enabling agricultural market access through negotiating technical and evidence-based rules around delivering plant and animal health, traceability and product integrity, and food safety; with the Government being the regulator of the trade, certifying and providing assurances to importing countries that Australia's agricultural products are what they say they are. The Government does this with the backing of strong and robust industry-government partnerships and regulatory frameworks, where these collaborative frameworks provide the Government prime opportunity to positively advocate for Australia's world-class animal health and welfare practices and standards. Australia's reputation for strong animal welfare credentials underpinning our international market access is the envy of the world.

Australia is the only country in the world that insists every international facility that receives its livestock, such as feedlots and abattoirs, must first meet Australian regulations; and Australia's regulatory framework helps set the minimum standards for animal welfare right around the world. Australia has a responsibility to ensure good animal welfare practices are adhered to and continuing to export livestock in such a way as to set the example for the rest of the world. Without Australia's presence as a world-leading exporter of live animals, the treatment of livestock in other countries and those animals being exported will significantly deteriorate.

Additionally, the Australian government needs to be acutely aware of the potential for trade retaliation as a result of this policy.

The 2011 ban of live cattle to Indonesia is a prime example of how trust can be so easily lost between trading partners. To this day, there remains a level of unease and distrust toward Australia by the Indonesian government and its people. Twelve years on, Australia is still not trusted to be a reliable supplier.

During the Australian Broadcasting Corporation's (ABC) 3-part series of sheep live exports on Landline¹, it became very clear the significant potential for retaliatory trade action.

During this investigative series, statements were made on the Kuwaiti government's \$12 billion investment in Australian infrastructure, such as airports, real estate, banking, and oil and gas, with Kuwait Livestock Transport and Trading Co. (KLTT) Chief Executive Osama Boodai stating that while these investments support "other sectors", the aim of such investments are to ensure food security for the desert nation.

Furthermore, ABC Reporter Mark Bennett spoke of the significant, state-of-the-art meat processing investments recently made within Kuwait at a cost of tens of millions of dollars, as well as newly built livestock storage. Mr Boodai spoke further to the 1,000+ Kuwaiti jobs that are now at risk.

The Australian government's policy has caused great concern in the Middle East, due to a lack of certainty for its people's food supply. Similar to Indonesia 2011, trust between the trading partners will be lost, which will take years to rebuild.

A ban of live sheep exports to Middle Eastern countries will potentially jeopardise other agricultural commodities, such as feed grain, boxed meat, and dairy, if retaliatory steps are taken.

As examples, according to the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), since 2020-21, Saudi Arabia is 1 of the top 5 export markets by volume for Australian barley (reflecting latest ABS export data available up to December 2022) making up 38 per cent of the Australian export program, followed by Japan (15%), Vietnam (8%), Thailand (7%), and Kuwait (6%). The Middle East emerges as a top destination for Australian Barley exports; and Australian Wheat production is estimated at 30.3 million tons in 2022-23, up 22% above the 10-year average with the Middle East being a prime candidate for these wheat exports to find a home. Shifts in trade status with Australia would remove these opportunities, and once again put a strong reliance on the single destination of China for grain exports.

Furthermore, Australia is a net importer of oil, with only around 12 per cent of refinery feedstock domestically produced; and where 80% of Australia's oil needs comes from the Middle East via Singapore.²

¹ [Landline](#) Series 2023 (31' mark)

² [Australian Government – Geoscience Australia](#)

At this time of increasing cost of living within Australia, where energy consumption is a significant contributing factor to these costs, Australia can ill-afford to lose the large proportion of our imports of oil, or face greater cost for the volume of imported oil.

The Government's policy position sets a worrying precedent: that a government can shut down any industry for domestic political advantage in response to ideologically motivated interest groups, regardless of the investments made in objectively improving export performance and the damage it will do to our national interest.

According to the United Nations, the global population will reach 9.7 billion people by 2050 and we will see a growing need for protein and high quality, ethically produced food and fibre. It is important that Australia maintains an influential seat at the international trading table. Live sheep export bans that are not based on objective data are not the way to secure trade deals with nations heavily reliant on food imports that importantly meet their specific cultural needs.

Is the Panel fully aware of the harm to the Western Australian agriculture sector and how much damage to Australia's international trading reputation this policy position will cause? How will the Panel put a price on Australia's international reputation; and a price on the decline in animal welfare standards from those trading nations that look to fill the gap left by Australia's ban of live sheep exports?

The Panel must be resolutely confident in the decisions and recommendations it makes.

AgForce implores the Panel to make recommendations supporting the need for independent economic impact assessment, both domestically and internationally, and further community sentiment studies which provide unbiased and robust analysis about the live export trade's performance and consequences of policy reforms, with comprehensive consideration to the international trade ramifications of this policy.

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

Please don't 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

A handwritten signature in black ink, appearing to read 'Georgie Somerset', with a long, sweeping flourish extending to the right.

Georgie Somerset
AgForce Queensland Farmers Limited President