

Live Export of Sheep by Sea Phaseout Feedback

As a 26-year-old sheep farmer [REDACTED] I am at a loss as to why the live export of sheep is being phased out. It is a successful industry that has reformed since the negative media it received in the wake of some ill-fated voyages. Live exported meat freshly processed is a more sustainable industry than shipping a chilled plastic wrapped product halfway across the globe at artificial temperatures and thus seems like an industry that should be expanding and developing not shut down.

As the Albanese Government is determined to shut down this perfectly valid industry, they MUST take their time and carefully plan a phaseout. It is my hope that the panel will provide the feedback to Minister Watt that the phaseout will not be a simple or quick process if it is to be done right and avoid the devastating impact of the sudden Cattle Export Ban. Though I don't agree with the proposal I believe it can be done but the government must stop making vote grabbing commitments and properly plan and invest in a long-term solution of a gradual phaseout. With proper planning and time to develop, WA can transition away from live export pain free. I don't have a perfect plan, neither do the government, and yet I will be the one to suffer the consequences far more so if it isn't done right. Slowdown, plan it, do it properly, make it painless. My future depends on it.....

1) How should the government implement the phase out of live sheep exports by sea? Why should the government use this approach?

The best option for the Labor party to implement changes to the live export of sheep from Australia is to begin by reviewing its policy and objectives from its position in government as opposed to opposition when the commitments were first made. Now having the government ability to utilise departmental reports and committees, a review into the industry should be made to determine the long-term effects of a phaseout policy. A six-month, four-person panel reading sub 3-page feedback submissions and holding half a dozen two hour town hall meetings will not be able to provide an accurate representation of the true extent of damage a phaseout done incorrectly will cause nor who it will effect and how deeply. This will be additionally difficult due the direct nature of the governments approach. Leading to understandable hostility from those affected by the change who stand to cop financial and emotional damage because of a policy being driven by many who are unaffected and thousands of kilometres away. Thus, the best starting point would be to start from square one and look at the industry inside and out and develop a proper plan, not a vote winning, short and snappy, election commitment. Once completed a gradual phasing out period should be established taking time for alternatives to develop properly for minimal impact to industry.

From an international diplomacy perspective this is of equal importance as live export is not only a local issue, but it also involves the customer nations on the far end from whom we are cutting off the supply of meat. Food security is no joke, and many countries are not as fortunate to have the large food surpluses we have in Australia. Suddenly cutting off an established trade, with recurring consequences to those dependent on it, stands to poorly reflect our nation on the global stage and potentially hurt other trade deals. How will fear of another Cattle Live Export ban since having had one in the past and now stopping sheep exports hurt our ability to market cattle overseas?

2) What is an appropriate timeframe to phase out live sheep exports by sea? What are your reasons for proposing this timeframe?

'How long is a piece of string?'

Arguably the biggest mistake and costly error the government can make in this process is setting a time frame. Yes, one may need to be set or else it's likely to never happen, but it must be appropriate not just the likely 2027 (Phaseout commitment not in this term would imply the Albanese Government would endeavour to complete it in their following term in an election leadup, ie. 2027).

Once again, this falls back to not enough research and planning having yet been completed. The often leant upon argument for an alternative market source for West Australian sheep is chilled and frozen meat processed locally. If this is to be the main strategy and additional numbers are to be produced locally then how long will it take to build new abattoirs and where will the funding come from? Currently WA is still working its way through a

construction boom with a backlog of new building projects, whilst heading towards likely economic downturn. Thus, it's likely new abattoirs will be years in the building and companies may not be willing to invest tens of millions of dollars into new infrastructure with the hopes of supplying a market that isn't proven to have a demand for chilled or frozen products. Therefore, I don't see it likely a practical seamless phaseout can be completed in less than 8-10 years.

3) Will you or your business be impacted by the phase out of live sheep exports by sea? If so, please provide details of the impact.

Yes, likely quite substantially if the phaseout is done poorly. We are a small family farming business. Approximately 90% of our annual turnover is sheep, both meat and wool. Our property is not well suited to cropping, with large percentages of undulating granite rock grazing country. A drop in the value of sheep or the inability to sell livestock for an appropriate price would devastate our business. Currently we are still carrying additional animals from last season due to the recent unavailability of bookings with processors. As we do not grow cash crops and only sell surplus feed grain in better years, we are unable to spread livestock any further over the farm in the event we cannot sell, and such an event will result in overstocking, reduced animal welfare standards and land damage and erosion.

We are also in a generational transition with parents retiring and a son coming home to the farm. A sudden drop in the livestock income which comprises almost the entirety of the business would make the transition near impossible as the farm tries to support two families during this period. Selling the business at this point would result in serious undervaluation due to the low cropping value and lack of cropping machinery with grazing land and livestock devalued. Leaving a lifetime of hard work unrewarded and preventing the 6th generation of the family from continuing.

4) What will the phase out mean to you, your employer or employees, suppliers, customers, friends and family, and/or your community?

If the phaseout is badly executed, it will mean significant financial loss to all involved. Emotional hardship upon people and communities will be huge. It will hurt the whole state. Sheep prices falling will drop cattle prices and increase cropping. Livestock carriers will compete for grain cartage, margins will fall. Servos will sell less ice coffees etc. and the government finds itself needing to stimulate the economy from recession. \$150 million dollars annually is no small amount to suddenly take away from the regions and WA as a whole, let alone the inevitable shock waves it will send that will multiply this hit. Regional towns will suffer, many jobs will be lost and mental wellbeing will plummet.

5) What barriers and/or constraints might there be for exporters, farmers, and other participants across the supply chain to transition away from live sheep exports by sea?

Fear of the potential for massive loss as with the sudden stopping of the live cattle trade. Many businesses and people have their livelihoods built around live export of sheep. Given enough time and support the reliance can be reduced. Finding alternative markets for farmers, which will provide livestock for truck drivers to cart, alternative investment opportunities for export companies as feed lotters etc. However, this burden should not be placed upon those effected. The industry is being shut down through no fault of their own and it falls upon the government who have made this decision, to remove the barriers and make it a smooth transition for all involved.

6) How should supply chain participants be supported as they transition away from live sheep exports by sea?

Support needs to come in the form of investment from the government. Not subsidies due to the potential implications (see Barley Trade Tariffs with China). Proper investment in alternative markets, local production/consumptions and reducing production costs. It's not necessarily about how much investment but how well it is utilised and being given time to properly build the support. A stable platform of alternative demand needs to be developed and that requires investment and time to implement and to ensure stability.

7) What would you or your business and/or other supply chain participants need to do to transition away from live sheep exports by sea?

There is not a lot we can do as farmers. We are price takers. We can't strike up a trade deal with India for the 2000 sheep we have to sell. Nor can we profitably or easily transition our farming enterprise to produce an alternative product, if we could have, we would have done so already. It also should not be our requirement to do anything to transition away. The industry has already made all the requested changes asked of it over recent years, at our own cost, in order to appease the problems it faced. Having done that and had a decision made that a transition is required, the duty of carrying out the transition belongs to the government for making the decision. The government needs to invest in supporting the sheep industry and gradually phase out live export in a way that has minimal to no impact on our business and the supply chain. We do not have the ability to make the transition, the government does.

8) How long do you think it will take for you and/or other supply chain participants to transition away from live sheep exports by sea?

See Point 2.

9) What can be learnt from other countries that have ceased live sheep exports? What lessons can be learned from Australian states or territories that no longer export live sheep by sea?

That it is possible if done correctly, but, can and likely will result in live export from alternative sources such as Africa with lower welfare standards to fill the demand.

Perhaps this can be best explained by putting the WA and NSW Premiers in front of each other to decide the split of GST. WA is not the east coast and never will be. We are hugely geographically different, and our industries are drastically different. Tasmania was hardly affected when cattle exports were banned nor is the Northern Territory likely too concerned about salmon exports. These states don't export for a variety of reasons most of which have been driven by economics, not sudden political pressure stopping them from doing so outright.

10) What opportunities should the government and/or industry pursue in the lead up to and following the transition out of live sheep exports by sea? (e.g., expanding domestic processing and value adding, increasing sheep meat exports, other)

Industry should not need to pursue any opportunities. It has already done so in building the successful live export system being phased out. If that is the governments wish, then it is upon the government to find alternatives for the industry and establish and support them. Local processing companies cannot be expected to suddenly expend on expanding processing that they do not wish too or see need to do on their own. If the federal government cannot develop other sales pathways for the livestock, then the quota of additional animals needs to be distributed nationally as the government appears to identify this as a national issue. WA should not be made to suffer.

11) What would industry participants need, or need to do, to take advantage of opportunities?

Nothing, if the opportunities are good and financially viable. They will take them up given time and live export can phase out gradually and successfully.

12) What are the barriers and/or constraints to pursuing opportunities?

Uncertainty. Farming is seasonal. If something works or doesn't work, you have to wait 12 months to try again to see the same or a different result. If an alternate market opens for instance, it's fine to sell produce there, but how do you know they'll want to buy again next year if you invest in growing for them again? How do you know that you won't be undercut or that it's not a one-off surplus buy?

Certainty is needed, both in the opportunities arising and in the phaseout of live export. A clear and planned roadmap so that uncertain steps become more certain, risks become worth taking and the outlook looks positive, not bankruptcy and starring down a rifle at a valueless sheep.