



Phase Out of Live Sheep Exports by Sea

The North Eastern Wheatbelt Regional Organisation of Councils includes the local governments of Dowerin, Wyalkatchem, Nungarin, Trayning, Mt Marshall, Mukinbudin and Koorda. The NEWROC is a voluntary organisation of seven Councils, who have been working together for over 25yrs.

The NEWROC wishes to express our support for the live sheep trade by sea. The NEWROC as an organisation, inclusive of the member Councils do not support mechanisms to phase out live sheep exports by sea or potential ways to support the transition.

Our purpose is to work together for successful communities, and we have two long term goals in our strategic plan (out of four) that are relevant to our support for the live sheep trade by sea;

1. A stable to increasing population in the NEWROC communities and
2. Industry growth and diversification.

The agricultural sector in the NEWROC district has consistently had the highest number of businesses. Agricultural businesses across the seven local government areas contributed \$408m to the Western Australian economy in 2020/21 of which \$37m was from the sheep industry.

The agricultural output from businesses in the NEWROC district represents 6.8% of the Wheatbelt's total agricultural output (2022). The total value added by the businesses in the NEWROC agricultural sector represents 7.4% of total value added by agriculture to the Wheatbelt economy (2022) and it has consistently been the highest employing sector across the seven local governments, providing 52% of the jobs in 2022.¹

The sheep producers participating in live trade in the NEWROC predominantly supply the Fremantle port, contributing to the 12.2% of sheep sold into the live sheep trade nationally. The North East Wheatbelt is highly dependent on live sheep export, at 7.4% of total sales (ABARES AAGIS survey).² Western Australia due to its geography is a naturally export orientated state.

During the 2020/21³ financial year there was 402,574 sheep in the NEWROC district, and 180 businesses involved in the industry. Today there are a total of 702 businesses in the NEWROC, with the sheep industry representing just under a third of all businesses in the district. There are also a large number of businesses in the NEWROC and surrounding central and eastern Wheatbelt that rely on the sheep industry such as transport carriers, wool classers, shearers, stock agents etc – all of whom will be impacted by the phase out of live sheep exports by sea which will reduce industry growth and diversification. The negative impact on the businesses that support sheep producers will most certainly affect their bottom line, their viability and potentially their presence and valuable contributions in our communities, including our population.

¹ REMPLAN and Agricultural output and value added 2018 - 2022

² Value Analysis of the Australian Live Sheep Export Trade, Mecardo 2019

³ DAFF ABARES

Whilst we recognise that not all of the 180 businesses involved in the sheep industry participate in the live sheep trade, we do want to emphasise that the trade is a compliant and legitimate industry that provides an option for sheep producers particularly in dry conditions. Although the average annual rainfall has been stable in the Wheatbelt, it still fluctuates from year to year with natural variability. The live sheep trade provides a risk management tool for sheep producers to access when conditions dry, with less on the ground feed, when domestic abattoir bookings are at capacity and a selling alternative for surplus sheep.

We would also like to emphasise that the live sheep export market provides a stable price floor for producers. Even if the majority of the 180 businesses in the NEWROC district do not participate in the live sheep export market, they do benefit from it. There are fewer buyers present in the Western Australian sheep market compared to the eastern states. Thus, competition is heavily reliant on the presence of buying activity for the live export trade which improves competitiveness and prices received for stock.

The phase out of the live sheep trade by sea would most certainly impact our goal of having a stable to increasing population across the seven local governments, because:

- Nationally the industry employs on farm 1037 full time equivalents and across the live sheep supply chain 3,443 workers⁴ Farm businesses in the sheep industry (not just live sheep trade participants) and businesses that support them (shearers, stock agents, transporters etc) across the NEWROC communities are heavily reliant on the live sheep export trade and as a result will experience a downturn in income generation resulting in job losses both on farm and in towns, and
- These job losses will flow onto essential services such as schools, potentially causing a ripple effect on their sustainability and the NEWROCs population.

The phase out of the live sheep trade by sea would most certainly impact our goal of industry growth and diversification across our communities because:

- Value chain analysis indicates that 44-49% of revenue earned from the live sheep export trade is retained on farm. ⁵This is significant as this revenue retained on farm is then expended in local communities and the region e.g. retail spending, club sponsorships, community bank deposits and transactions (Bendigo Bank Mukinbudin) etc, and
- Participation in the live sheep trade enables sheep producers in our communities to have a diverse business and income base, without reliance on one or two markets.

In addition to the above reasons, the NEWROC members can foresee a significant impact on our local road network as inevitably more cereals are grown to compensate for the phase out and pulses are sent to market, rather than consumed by stock. As more cereals and pulses are grown, the volume of grain on our local road network increases as it gets transported to storage or port. The increase in freight movement will result in the deterioration of our local road network at a quicker rate and the cost will be passed onto our rate base.

The sheep producers in the NEWROC communities are essential contributors to our local, regional, state and national economy, so too our communities. The phase out of live sheep trade by sea will result in the loss of this economic and community contribution. Establishing markets such as the live sheep trade has taken decades of time, energy, resources and investment by both the private sector and government.

We will also see a decline in animal welfare standards as overseas markets take on our well established trade. As reported on ABC Landline on Sunday 28 May 2023, the number of deaths per 1000 sheep on a live sheep boat was averaging 2 and since 2018 the industry has

⁴ Value Analysis of the Australian Live Sheep Export Trade, Mecardo 2019

⁵ Value Analysis of the Australian Live Sheep Export Trade, Mecardo 2019

continually improved their practices and met compliance set down by ESCAS and the Government.

We do not support the phase out of the live sheep trade by sea nor the panel's Terms of Reference to see the trade transition. Furthermore the Terms of Reference include no assessment on the status quo (as a benchmark to the policy) or social and community impacts.

North Eastern Wheatbelt Regional Organisation of Councils

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