

Submission

Phase out of live sheep exports by sea

This submission springs from a sense of duty to speak up on a subject I am well qualified to comment on, with more than 30 years experience in public policy.

I hold degrees in Economics and Jurisprudence. I grew up in a sheep and cattle farm and a few kilometers from one of only 2 export licensed sheep abattoirs in Western Australia.

I have served as Research Economist, Legal Officer, Industrial Director, Deputy Executive Director NFF and Executive Director of the WA Farmers Federation.

I no longer have any financial interest in the industry and therefore well placed to provide an objective assessment of the consequences of prohibiting the live export of sheep.

This Inquiry is an opportunity to prevent a third mass slaughter of WA livestock in living memory caused by Federal Labor. It is an opportunity to mitigate the impact of bad policy.

This Inquiry is not empowered to question the merits of the proposed prohibition but rather to find a way of lessening the damage the policy will generate.

What are the natural and obvious consequences of preventing a resource from being exported? What would happen to the domestic price for iron ore, coal, gas, wheat etc. if producers had to sell only on the domestic market?

We have conclusive evidence of what happens to prices when all sheep must be sold to local processors only. I witnessed excellent sheep being sold to the local abattoir for 55 cents per sheep. At the time the cost of processing was \$12 per head. Whenever the processor's costs would rise, they would pay less for the livestock.

In theory, cheaper livestock should result in greater investment in processing capacity. In practice, the barrier to entry for every abattoir is such that for the foreseeable future, abattoir profits will rise, capacity will increase only at the margins and farmers will face the prospect of either giving their stock away or shooting them.

Labor government policy has in the past resulted in more than 11 million sheep being shot. The government assistance provided at the time amounted to the cost of the bullet per head.

When each of the reasons for banning the live sheep trade are examined in detail, they collapse under the evidence.

Replacing the export of an unprocessed commodity with domestic processing will take many years of planning, capital raising, obtaining permissions etc. etc.

The fact is that on-shore processing will never completely replace international demand.

Since the agrarian revolution and from the earliest days of agriculture in Australia, it is known that a sheep/wheat rotation is symbiotic, requiring less artificial fertilizer and producing greater yields.

From an economic perspective the sheep numbers are where they are because economic indicators demonstrate a need for live export.

From a husbandry perspective fewer sheep numbers mean a lower genetic potential, fewer husbandry skills and fewer specialists such as veterinary services etc.

From an animal welfare perspective, a rapid decline in sheep numbers will see a repeat of mass shooting, neglect, and sheep dying in situ because the cost of freight is greater than the price the abattoir will pay for the sheep.

From a humanitarian perspective the policy will take the food from the mouths of millions. Do the advocates of the ban see the link between their policy and distress of human beings?

So will domestic consumers enjoy lower meat prices? In the short term, yes as sheep prices fall. However, a long term decline in sheep numbers will see Australian consumers pay more than ever for sheep meat.

It is good to keep one's promises, but is it good to keep a bad promise? No, the right thing to do is to break a bad promise. A bad promise includes things that produce results contrary to those intended.

This is the situation the Federal Government has placed itself in. If it could be honest, it could admit that the policy is wrong on every count and, subject to the strictest welfare standards, the trade should be permitted to continue.

A more realistic position is for the government to admit that there is insufficient processing capacity to meet the needs of our trading partners, and that the trade will continue until such time as the processing capacity is actually in place.

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