

# WA SHEARING INDUSTRY ASSOCIATION

## SUBMISSION FOR

### PHASE OUT OF LIVE SHEEP EXPORTS BY SEA



WA SHEARING INDUSTRY  
ASSOCIATION (INC)

MAY 31ST, 2023

## About WASIA

WASIA is a not-for-profit industry association representing the interests of the shearing industry in Western Australia. Our representation and membership includes shearing contractors, woolclassers, shearers, shed hands, wool handlers/pressers, suppliers, trainers, and training organisations. WASIA provides vital information and support to its members and wool growers, wool buyers and brokers and all interested WA shearing industry stakeholders.

Since 1988 our purpose has been to lead and promote excellence in practice for shearing industry contractors and workers. We promote knowledge, quality, and safety for all associated within the WA Shearing Industry and advocate on their behalf.

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## Our Position on Phase Out of Live Sheep Exports

Any phaseout and ban of live sheep exports by sea will have significant detrimental, negative, and damaging impacts on the shearing industry and regional communities and so WASIA and its members do not support this policy.

We support a sustainable and regulated live export trade based on evidence-based science.

The export of live sheep from Australia is a long-standing industry and has contributed considerable value to Australian agriculture and regional economy. Removing it creates uncertainty for farmers and their families and has detrimental effects on the shearing industry and regional communities.

## Industry Survey

During May 2023 WASIA surveyed its members to gather data to inform this submission. Over 50% of members respond with 49 responses from 80 members which indicates the level of concern they have with this policy. Respondents operated in all wool growing areas of the state. The data and responses provided by WASIA members have been included in the following submission questions and answers.

## Consultation questions

The government's decision to phase out live sheep export will have devastating impacts to the shearing industry in WA and our regional communities. WASIA vehemently disagrees with this policy and whilst it is understood that this submission is supposed to provide suggestions on how to phase it out, WASIA will be answering all questions based on informing the panel of these impacts why the live sheep trade should be continued.

### Mechanism

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

WASIA disagrees with this policy, believing it should not be phased out and supports the continuation of the live sheep trade by sea. The current practices are sustainable and regulated. The export of live sheep from Australia is a long-standing industry and has contributed considerable value to Australian agriculture and regional economy.

The live sheep export industry employs shearers, truck drivers, fodder suppliers, livestock agents, veterinarians, farmers, producers, and their families. Removing it creates uncertainty for farmers and their families, all of those in the supply chain including the shearing industry and has detrimental effects on regional communities.

### Timeframe

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

WASIA disagrees with this policy, believing it should not be phased out and supports the continuation of the live sheep trade by sea. The current practices are sustainable and regulated.

### Impact and adjustment

- 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.**

88% of respondents shear on farm for growers preparing sheep for live export.

Growers that shear on farm retain the wool clip so thereby gaining value from the wool and the animal traded. Some animals are shorn but don't end up going for export or may go to the abattoirs.

- On average each contractor shears for 35 growers a year that are specifically preparing sheep for live export with some having 50, 80, 100 and even 150 live export clients. In total these members work for over 1000 live export growers.
- Shearing for live export on farm employs around 395 shearers and 343 shed hands per year.

- Each contractor shears on average almost 45,000 sheep on farms that are potentially bound for live export with contractors estimating a total of 1.3m being shorn on farm. Many are not taken or are shorn a couple of times before being taken or may end up going to abattoirs.
- Annual revenue for shearing contractors for this work is estimated at an average of \$423,500 and a total across our members of \$11m.
- On average these contractors estimate this revenue to constitute 28% of their total revenue.

“There will be less work for us all. 90% of young wethers we shear in the Wandering Pingelly shire go to live export. It represents 20/25 % of our turnover.”

### 12% shear at an export shed.

Growers may sell their animals unshorn for higher values and the exporter retains the woolclip. The exporter engages shearing contractors to carry out their year-round shearing requirements.

- Export shed work constitutes a large percentage of revenue for these shearing operations who often sub-contract other shearing teams during busy times to augment their own staffing numbers.
- Export sheds have more stands than farm shearing sheds and so these contractors employ larger teams that can shear large numbers in a short period of time. Teams can include 20 shearers and 15 shed hands working at one time and around 35 shearers across the season plus sub-contractors.

“Often on-farm sheep sales to exporters will be outside the farmers normal annual shearing cycle and therefore getting sheep shorn at short notice on-farm is highly problematic. The necessity of getting sheep shorn is often passed on to the exporter, in our case Emanuel Exports with whom we have had a very long-standing arrangement to carry out their year-round shearing requirements for every shipment they supply.”

The below is an example of activity in recent years from one export shed - *Source: Emanuel Exports*

Year	Sheep Shorn	Wool Bales Produced
2017/18	305,378	4,022
2018/19	274,342	3,332
2019/20	285,132	3,314
2020/21	213,147	3,096
2021/22	181,940	2,488
2022/23	217,007	2,823
<b>Total</b>	<b>1,476,946</b>	<b>19,075</b>

## Flock Size

If 500,000 sheep are currently going to live export, this needs 2 million ewes to produce 2 million lambs, half of which are suitable for live export (1 million) and half of them get selected.

The current WA flock size is 12 million, of which 6 million are ewes. Banning live export could potentially reduce the ewe flock size by one third from 6 million to 4 million and bring the overall flock size to 8 million.

- "Farmers will sell their sheep which would result in us not being able to keep staff employed and our business would most likely fail."
- "It brings revenue to the whole industry. Without live export farmers will without doubt cut back numbers or go out of sheep totally."
- 'If live sheep export were banned in WA, a large percentage of merino growers would leave the industry.'
- 'Sheep numbers will fall dramatically Which will affect us as a business, also our workers and the farmers which in turn affects the communities.'

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## Time of Year

Shearing for live export aligns well with normal shearing as it is often done outside peak periods.

- "Keeps my staff working in the months that are my quiet time of year."
- "Extra shearing times and work for my business and staff."
- "Keeping more staff employed over a longer period of time, staff will not stick around if they are not getting continuous work."
- "Much of the live export work we do is during our quiet period."
- "Extra work in the quieter months"

"Banning live export would put more pressure on me and my staff because we will have to try and fit extra shearing into the months that we are busy in instead of shearing them for the boats in May June."

## Employment

Stopping the live export trade will impact shearing employment for two reasons:

1. Reduced flock size reduces the overall work. Workforce calculations in shearing generally assume that a shearer can shear 25,000 sheep per year - that is 4 less shearers for every 100,000 decrease in flock numbers. For every shearer, one shed hand is needed in the team.

- 500,000 = 20 less shearers + 20 less shedhands = 40 less trained and skilled people
- 1,000,000 = 40 less shearers + 40 less shedhands = 80 less trained and skilled people = 10% of the shearing workforce
- 2,000,000 = 80 less shearers + 80 less shedhands = 160 less trained and skilled people = 20% of the shearing workforce

2. Shearing for live export creates work outside of the shearing season which provides much needed work continuity. Keeping shearers and wool handlers employed throughout more of the year keeps them in the industry and keeps them in their local regional communities.

47% of survey respondents said they will employ less staff if live exports cease and a further 47% were currently not sure. Anticipated staffing cuts ranged from 10 - 38 people.

63% thought that staff would be more likely to leave the industry if live sheep export is stopped and 37% were unsure.

Comments from the survey:

- Less sheep by a large amount instead of steady decline will make the industry forcibly shrink creating unemployment
- Probably go to the mining industry
- Less sheep = less work Less work = less money to be made
- Shorter season means shorter work, less work they are already casual
- It's not a matter of leaving the industry instantly but less seasonal work in general
- If there isn't sufficient work, we will lose staff
- Will have down size our staff, which means less income for both parties, it'll be a huge impact on rural community businesses also less children going to our local school
- Less work around. If we don't have enough work for our workers, they will look for other jobs, leaving the industry, making it hard to find replacements.
- There will be less sheep to shear therefore we won't have the continuity of work to keep our staff employed. Without continuity of work our staff will look for other jobs that can give them more job security.

"The employment that one animal creates from the time of birth on farm to the unloading of the sheep at its final destination. They are not only a source of food, they are a source of income to many people of many nationalities around the world."

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

Comments from the member survey - staffing, business, the shearing industry impacts:

- Will have down size our staff, which means less income for both parties, it'll have a huge impact on rural community businesses and also less children going to our local school.

- If live sheep export were banned in WA, a large percentage of merino growers would leave the industry.
- My staff will travel to find work and I will have to start all over again when I get started again finding new staff
- Reducing flock numbers and a decline in available work during the year.
- Less work around. If we don't have enough work for our workers, they will look for other jobs, leaving the industry, making it hard to find replacements.
- A major impact to the entire community ie- people having to look elsewhere for work.
- Affecting all aspects of the community as monies will not be spent due to live export being phased out.
- Farmers already planning more cropped less or no sheep
- Farmers will sell their sheep which would result in us not being able to keep staff employed and our business would most likely fail.
- May have to lay off staff
- The impact will be profit loss and less work for staff.
- The industry would affect a lot of loyal and local people who have been working and supporting the live sheep export who live in the city moved there to be closer to their families due to the opportunity to work close to home.
- We will lose business, and will have to travel a lot further to find work . Small towns will suffer.
- There will be less sheep to shear therefore we won't have the continuity of work to keep our staff employed. Without continuity of work our staff will look for other jobs that can give them more job security.
- Sheep numbers will fall dramatically which will affect us as a business, also our workers and the farmers which in turn affects the communities.
- Loss of wages for me and staff local business will suffer if there is not as much money around harder to get staff to stay if there is less work around
- There will be less work for us all. 90% of young wethers we shear in the Wandering Pingelly shire go live export. It represents 20/25 % of our turnover.
- Loss of income to the Growers, shearing contractors, shearers and shed staff. The shearing industry will suffer as it is harder to get workers as it is and more growers will get out of lamb production. "
- Massive unemployment and reduction in income by a catastrophic amount, less income for our staff meaning looking for more work elsewhere.

Comments from the member survey - community impacts:

- Huge shearing industry in our small rural community, is the largest employer also we have 27 children in our local school, losing live export would eventually make our town a ghost town
- Less people in the country, sports clubs, pubs, service stations, would all feel the effect of less people.
- Huge it's not just me and the shearing staff that need to find more work it's the local truck drivers and their families and if people have no work it affects every business in town
- Less money for farmers, shearers and shed staff will have a flow on effect from not buying coffee and clothes, to buy new farm equipment

- Huge impact, schools closing, farmers going out of sheep. Country disappearing.
- Less employment opportunities
- We may lose the community
- Less opportunity for work close to the city and regional towns. Loss of jobs.
- Less work available locally, people may move to bigger regions.
- Communities will lose many valuable members with less sheep, there will be less shearers, less crutchers, stock agents will have less work, we will struggle to get carriers to cart livestock, local supermarket, hotels, roadhouses will lose revenue.
- Will be major, less employment opportunities
- Shops, schools, sporting clubs, pubs will all suffer from lack of money being spent in the community and lack of people staying in the smaller towns
- Less employees in wool, trucking, hay, industry's overall. Small towns will feel the effect of it.
- None to the metropolitan area initially but a lot of unemployed rural people may descend to the city looking for work or to just seek benefits
- Some wool producers will go less if not out of sheep all together.
- It would be devastating for our small businesses and community for live export where to be stopped, we need politicians from Canberra to stay short term in these communities and see what's really happening at the grass roots.

### Case Study

One shearing contractor in a small town of 500 people [REDACTED] employs 30 staff. He provides quarters (accommodation) and meals, so he also employs a cook. This employer has a payroll of \$2 million of which most is spent in his local town by him and his employees. Apart from the shearing service he provides to his clients he also spends over \$100,000 a year in the local IGA on food and supplies. He spends \$48,000 on fuel for his 5 buses and cars that transport the teams each day to and from the farms. These 30 staff also purchase food and drinks in the town and go to the local pub and cafe. Twenty of these staff live permanently in the town with families who also work in the area, children go to the local school, they play for the local footy club and contribute to the community. This shearing contractor is the largest employer in his town and this is common in many small towns throughout WA. For a small town it doesn't take a decrease of many people for the critical mass to fall below what is necessary to keep the local GP, hospital, and other services in the town...this is the slow death that regional communities are already fighting.

#### 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?**

Our industry is the sheep shearing industry - anything that reduces flock numbers in WA reduces our industry. We will see shearing contractors go out of business or sell to others reducing the number of viable contractors in the state. This in turn reduces the competitive nature of the business and the ability of contractors to cover all wool growing areas of the state - already a difficult situation. Some regional areas may lose their local contractors and rely on teams to come in when they can. This in turn means less people living, working, and recreating in those smaller towns. Those contractors that are able to continue will need to reduce staffing levels by 30% as indicated by the survey.

Yes, the industry will still have sheep that are not going to live export, but this decision will see some farmers go out of sheep altogether, reducing flock size even further. So, unless other opportunities are provided for farmers with incentives to stay in sheep, then “transitioning away from live export” is not viable for the sheep shearing industry.

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

Shearing contractors will lose revenue and have to reduce staff, unless sheep numbers remain the same there isn't any other work for the shearing industry - we shear sheep. Yes, there will still be sheep that are not going to live export, but this decision will see some farmers go out of sheep altogether, reducing flock size even further. So, unless other opportunities are provided for farmers with incentives to stay in sheep, then “transitioning away from live export” is not viable for the sheep shearing industry.

**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?**

Anything that stops a flock size reduction will assist to keep the work in shearing. Anything that can assist farmers stay optimistic in farming sheep. The only other option is to move out of shearing altogether, but if too many contractors do that then where will be the shearers for those that need them?

**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?**

Our shearing industry does not wish to transition away from live sheep exports by sea. Others have raised the potential to increase fresh and frozen meats from more abattoirs. This requires an increase in the abattoir workforce that is not currently available in Australia. Why close an industry that employs many Australian residents to support an industry that can only get a work force by importing them with work Visa's?

**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?**

Take the New Zealand example that it takes many years to cease live trade, many more years than was expected.

## Opportunities

**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)**

Not applicable. Anything that allows flock size in WA to remain the same, there isn't other work for the shearing industry. No point in expanding local processing because the local processors are already importing all their labour.

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

No comment.

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

No comment.

## Other

**13) Is there any other feedback you would like to provide on the phase out of live sheep exports by sea?**

- Banning live export would put more pressure on me and my staff because we will have to try and fit extra shearing into the months that we are busy in instead of shearing them for the boats in May June. It will cause mental health problems for staff working long days in a row to try to keep up and that increases injuries and with injuries comes shortage of staff. There is not enough staff in the shearing industry for 9 months work if every farmer wants to shear at the same time eg February, March, September, October, November.
- I fail to see how an industry that is doing all it can to meet standards and is a viable industry can be pulled apart by people who don't have anything to do with it and are basing their opinions on uneducated feelings. The type of people that do not understand the commercial and practical and very real aspect of food and fibre farming are causing a negative impact and their ignorance is ruining 100 yr old businesses and lives.
- For a political party that is pushing to be carbon neutral this is not a wise decision. In many areas where the sheep leave because of the proposed ban, farmers will go to total cropping. This means more chemicals being sprayed to kill the grasses that the sheep would eat. Growers would burn the stubble residue left from cropping, putting more carbon into the atmosphere where sheep would normally feed on these stubbles. Tractors and sprayers will burn more diesel to sow the crop and harvesters and trucks will burn more diesel to harvest the crop and cart the grain.
- The Labor Party was formed by the shearers, under the "Tree of Knowledge" in Barcaldine, they need to remember their roots!!