

**Submission
No 160**

**INQUIRY INTO IMPACT OF THE PHASE-OUT OF
AUSTRALIAN LIVE SHEEP EXPORTS BY SEA ON NEW
SOUTH WALES**

Organisation: LiveCorp

Date Received: 27 September 2024



ABN: 88 082 408 740

27 September 2024

Hon. Mark Banasiak MLC
Chair
Portfolio Committee No. 4 – Regional NSW
Legislative Council
Parliament of NSW

Dear Mr Banasiak,

Re: Impact of the Phase-out of Australian Live Sheep Exports by Sea on NSW

Thank you for the opportunity to make a submission to this review.

Introduction to this submission

LiveCorp is a not-for-profit industry body, funded through statutory levies collected on the live export of sheep, goats and cattle (beef and dairy), and is one of the 15 Australian Rural Research and Development Corporations (RDCs). LiveCorp is the only RDC focused solely on the livestock export industry, using its funds to support Australian livestock exporters attain world leading animal welfare outcomes, gain market access, and improve supply chain efficiency.

LiveCorp does not engage in agri-political activity, with the Australian Livestock Exporters Council (ALEC) responsible for advocacy for the live export industry. Consequently, noting the political sensitivity concerning the policy to prohibit live sheep exports, this submission is aimed only at furnishing the Committee with factual background information on Australian live sheep exports.

Attached to this submission is a submission made by LiveCorp to the Commonwealth House of Representatives Standing Committee on Agriculture into the Export Control Amendment (Ending Live Sheep Exports by Sea) Bill 2024. This letter furnishes the NSW Legislative Council Portfolio Committee No. 4 with further information relevant to the current inquiry.

The Terms of Reference for the current inquiry emphasise the following:

- 1) The impact of the Australian Government's phase-out of live sheep exports on regional communities in NSW.
- 2) The reasons for the Australian Government's phase-out of live sheep exports.
- 3) Examples of graziers in other regions or countries that have successfully transitioned away from live export.
- 4) Broader community views in New South Wales (NSW) of the live export industry.

Brief comments are to be found below on points 1), 2) and 4).

Impact on phase-out of live sheep exports on regional communities in NSW

Live exports, including live sheep exports, have not occurred out of NSW ports for many years. Minor live sheep shipments occurred from Victorian and South Australian ports in 2018 and 2019, but during the last five completed calendar years more than 99% of live sheep exported have been loaded in Western Australia.

As a result of the shipment pattern in recent years the impact of the phase-out of live sheep exports on regional communities in NSW will be indirect, rather than direct. The fact that the impact will be indirect, rather than direct, however, is not to imply that the impact will be insignificant.

The indirect impact is likely mainly to be evident in two areas.

Importance of the Western Australian sheep reservoir

In this section the importance of the Western Australian sheep “reservoir” to eastern states producers is highlighted. Evidence is provided in this section that, without demand from live exports, the size of this reservoir will (further) decline. Following presentation of this evidence, implications of a decline in the Western Australian sheep flock for NSW producers will be outlined.

Without demand from live exports, the size of the Western Australian sheep flock will (further) decline

While a significant decline in the Western Australian sheep flock has been evident for some years, it is expected that this decline will accelerate without the crucial, complementary demand for sheep created by Western Australian live exports.

The latest Sheep Producers Intentions Survey provides a stark insight into the current thinking of WA sheep producers. Two-thirds of Western Australian producers have indicated that they will reduce breeding ewe numbers within the coming 12 months. Based on stated intentions, overall numbers of breeding ewes in Western Australia are expected to drop by 27% and overall number of wethers by almost 50%¹. Evidence contained in survey responses suggests that the live sheep export phase-out was a significant factor in driving producer decisions to drop sheep numbers.

Participants in the Western Australian sheep industry have also assessed that, without the support of live exports, their sheep industry will dramatically decline. For instance, Steven Bolt, a shearer and producer, stated before Commonwealth House of Representatives, Standing Committee on Agriculture, Inquiry into the Export Control Amendment (Ending Live Sheep Exports by Sea) Bill 2024:

“Merino ram sales for the 2023 season were down 21.4 per cent last year. We expect lambs available for the trade to be down by 40 per cent, confirmed by preg-scanning numbers, which are estimated to be down 30 per cent, and the number of growers that did not mate ewes this current season, as well as the poor seasonal conditions we’re experiencing. Local vaccine manufacturers confirmed that they have reduced their order of vaccines into Western Australia by 40 per cent, confirming that our estimated numbers are fairly close to the mark.

There was some work done by the Sheep Industry Leadership Council back in about mid-2015. They found that, for a sustainable WA sheep flock, if we fell below the level of 10 million head in this state, we would not be able to produce a sustainable number of sheep to sustain the flock and sustain the industry. We are going to go below that 10 million head number by this time next year.

¹ Meat & Livestock Australia and Australian Wool Innovation Ltd, 2024, *Sheep Producers Intention Survey*, June.

With WA having more than 85 per cent merino make-up of the flock and the Mediterranean climate that we operate under, there is a reason why the merino sheep is predominant in WA. It suits the mixed farming system that we have developed over the last 50 years. The multiple income streams it provides, with our cropping, our wool and our sheep is so important for our lower-rainfall areas of the state, our frost-prone areas of the state and for the high-production sheep-number areas of the state.

The live export is a key pillar within in the WA sheep industry, and if we remove it, the whole industry collapses”.²

Implications of the Western Australian sheep flock for NSW producers

The drop in Western Australian flock numbers has several implications for eastern states producers.

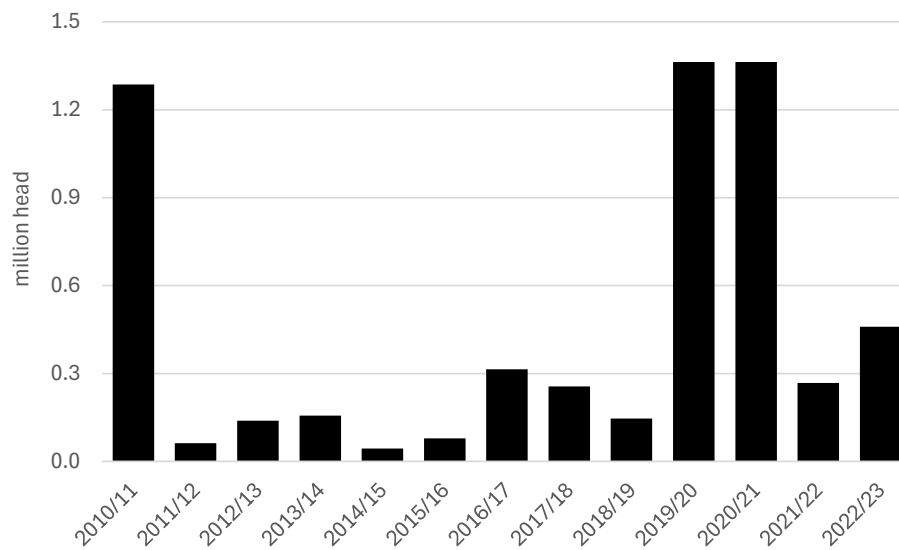
For a start, fixed costs associated with the Australian flock as a whole (e.g. certain R&D and marketing costs) will be spread over reduced numbers, increasing per unit costs.

More importantly, however, the existence of a substantial Western Australia sheep flock has *derisked* sheepmeat and wool production in the east. The significant Western Australian flock has effectively acted as a “reservoir” from which producers in eastern Australia can draw, on an “as needs” basis. The significant flock in Western Australia confers on the entire Australian sheep industry an important mechanism to reduce the risks and cushion the impact of regular Australian droughts, by allowing the eastern Australian flock to recover more quickly from drought than otherwise would be the case.

As can be seen from the chart below, in some years more than one million sheep travel by road from Western Australia to South Australia and the eastern states. Between 2007 and 2009, the southeastern states of Victoria and NSW endured three years of drought that broke only when La Niña rains drenched the region in late 2010. As can be seen from the chart, very substantial interstate shipments of sheep from Western Australia occurred in 2010/11. Similarly, another severe drought occurred in the years 2017-2020, with at times more than 99% of NSW drought declared. The drought started to ease in parts, however, in the first few months of 2020, with 2020/21 and 2021/22 being La Niña years. Again eastern states producers used sheep from Western Australia to replenish stocks.

² House of Representatives Standing Committee on Agriculture, 2024, *Export Control Amendment (Ending Live Sheep Exports by Sea) Bill 2024 (Hansard)*, Friday, 14 June 2024.

Interstate transfers of sheep from Western Australia



As Mr Steven McGuire, Vice President, Western Australian Farmers Federation, attested to the Commonwealth House of Representatives, Standing Committee on Agriculture, in Perth on 14 June 2024:

*"I don't know how many people on your committee have ever run a business, but it's not about supply and demand. A business is about risk and confidence."*³

Although this comment of Mr McGuire was made in the context of live exports de-risking sheep production in Western Australia (*"Live export is our get-out-of-jail card. It helps us manage our risk"*) the comment holds true in any business context.

With the anticipated (further) decline in the WA flock, in future years NSW producers will not be able to use, to the same extent, sheep transfers from the west to rapidly rebuild flocks, thus increasing their exposure to the impact of eastern states droughts.

The sheep phase-out decision increases the risk of farming generally

The second way that the sheep phase-out decision will affect NSW producers is increasing the perceived risks of farming generally. This impact is long term, but likely to be as great, or greater, than the impact described above.

A strong perception of producers, evident from testimony before the Commonwealth House of Representatives Standing Committee on Agriculture Inquiry, is that the decision to phase-out the live sheep trade has been primarily driven from pressure by trade opponents who are largely based within urban Australia⁴.

³ House of Representatives Standing Committee on Agriculture, 2024, *Export Control Amendment (Ending Live Sheep Exports by Sea) Bill 2024 (Hansard)*, Friday, 14 June 2024.

⁴ See, for instance, evidence particularly by Jo Hall, Wool Producers Australia before the House of Representatives Agricultural Committee where Government interest in phasing-out the live trade was attributed to pressure from animal activists and government interest *"to grab a few inner-city votes"*. Jo Hall's evidence appears at Hansard, 2024, House of Representatives Standing Committee on Agriculture, *Export Control Amendment (Ending Live Sheep Exports by Sea) Bill 2024*, Wednesday, 12 June 2024, Canberra, especially p25 & p38, but most of the evidence provided by industry on this issue is of relevance – *ibid*, pp24-41.

Knowledge and connection with agriculture has been falling across the Australian populace for many years and is particularly pronounced in urban Australia⁵. Now only about 50% of Australians know anyone who works in agriculture and less than 10% know more than 10 people who work in agriculture⁶.

This lack of knowledge and connection has an impact on acceptance of agricultural practices and outcomes generally.

To understand and track community trust and acceptance of Australia's rural industries one program to which LiveCorp has contributed is the Community Trust in Rural Industries (CTRI) program, a multi-industry research collaboration that began in 2019. A finding from this program is that: *"since 2019, there has been a 5% decrease in agreement to the statement 'rural industries are part of my heritage'"*. Another finding is that the higher the number of agriculture workers that the respondent knows, the more they trust/accept agriculture.

LiveCorp also engages an independent firm, Voconiq – founded by a team of social scientists from CSIRO – to complete a similar survey on livestock exports. This survey also points to the potential impact of the increasing urban-rural divide, and for instance, in 2023 concluded that:

"Knowledge of the livestock export industry and mortality rates for sheep on sea voyages is low. When presented with information about mortality rates, a greater proportion of Australians felt these rates were lower than they expected".⁷

The concern, as expressed by industry policy bodies, is that, over time, this lack of knowledge and connection, and the continued pursuit of activists, will drive other policy initiatives that are unfavourable to agriculture⁸. It is noted that the Australian Government has provided assurances that no intention exists to prevent live cattle exports⁹.

Summary of impact

Highlighted in this section has been that the phase-out of the live sheep trade will only have a minor **direct** impact on regional communities in NSW. Rather, the impact will be indirect and mainly take the form of increased risk. Economic models are poor at addressing the impact on changes in risk on

⁵ For instance, an Australian-wide study by CQUniversity's Agri-Tech Education & Extension team shows significant degrees of misunderstanding of agricultural practices by school students – see Cosby, A., Manning, J., Fogarty, E., Snowden, A., McCosker, A., McDonald, N., Lancaster, L., O'Dea, M., 2022, *Ag Knowledge in Schools. What do Australian primary and secondary students know about Agriculture?*, CQUniversity, Australia, <https://static1.squarespace.com/static/631b1176bb0573377cd87416/t/631b2df08f71a31aacdd1297/1662725695202/Ag+Knowledge+in+school+report+FINAL.pdf>. In most states agriculture does not form a compulsory subject for school students.

⁶ Voconiq, 2023, Community Trust in Australia's Rural Industries: Year Four National Survey, AgriFutures Australia, <https://agrifutures.com.au/wp-content/uploads/2024/03/24-061-CTRI-Year-4-report.pdf>, p10.

⁷ Voconiq, 2023, *Live Exports and the Australian Community: A national survey*. Voconiq, Australia.

⁸ See, for example, statements by the National Farmers' Federation (NFF) or the Red Meat Industry Council (RMAC). At the House of Representative's Inquiry Canberra hearings NFF attributed the decision to phase-out the live sheep trade to *"a misleading activist campaign"* and went onto note:

"We worry because we know the stated goal of these same organisations is an end to animal agriculture in Australia. We know that the moment that this is done, these organisations will shift their resources, their focus and their questionable tactics to other parts of our industry."

Similarly, Alistair James, RMAC, stated: *"All agricultural industries are at risk if political and activist agendas are allowed to undermine their future, rather than decisions being based on evidence of reform, improvement and performance"*.

⁹ Amongst other places these assurances are included on the Department's "Phase out of live sheep exports by sea" web page. Noted on this page is that *"The phase out does not apply to other livestock export industries, such as live cattle exports, nor does it apply to live sheep exports by air"*.

economic activity. However, evidence has been presented in this section that the sheep phase-out decision may change the risk profile of animal production generally in Australia and will impact on farming businesses, including in NSW.

The reasons for the Australian Government's phase-out of live sheep exports

LiveCorp will not speculate regarding the reasons for the Australian Government's phase-out of the live sheep trade. Rather, in this section, LiveCorp will present reasons often used by opponents of the trade for the trade to be shut-down and present evidence why these reasons are invalid.

The welfare record of the live sheep export industry is poor

Trade opponents have suggested that the welfare record of the live sheep export industry is poor.

Based on all available evidence, the welfare performance of the live sheep export industry is not poor. To the contrary, welfare outcomes across the live sheep export industry are high, and compare favourably with outcomes achieved elsewhere in the production and supply chain.

Due to increasingly exacting regulations, and initiatives implemented by exporters, very substantial improvements have occurred in the welfare outcomes for live sheep exports over the last 20 years.

While welfare measurement is multifactorial, a paramount measure of welfare is mortalities. There are four main reasons for concluding that mortalities continue to represent the primary welfare indicator currently available:

- First, the welfare consequence of a mortality is absolute. Once a mortality occurs welfare is extinguished. For other indicators welfare may be impaired, to varying degrees, either temporarily or permanently, but not extinguished. As Ferguson et al have noted "*mortality is clearly the ultimate measure of an animal's welfare (or lack thereof)*"¹⁰.
- Second, mortalities are correlated with a wide range of disease, health and welfare issues. Because of this correlation mortalities can act as a convenient indicator for a wide range of issues. Other welfare indicators, by comparison, may have narrower implications.
- Third, mortalities are unmistakable and can be readily collected by unskilled personnel. Other welfare indicators are open to significantly greater measurement error, involve greater interpretation and can comprise several different elements, including qualitative components.
- Finally, mortalities represent a widely accepted welfare measure. In contrast, agreement has yet to be achieved on a set of indicators that should be used in assessing animal welfare more broadly. Not only do mortalities represent the most widely accepted animal welfare indicator, but for live exports the Government has defined triggers, in terms of mortality numbers, that delineate acceptable from unacceptable performance. As the Technical Advisory Committee (TAC), which reviewed the Australian Standards for Export of Livestock (ASEL), noted in its final report¹¹:

"Measures of welfare are complex, requiring multiple measurements over time, and vary with many factors including livestock class and preparation and environmental context. These measures have not yet been clearly identified and described for on-farm assessment, nor

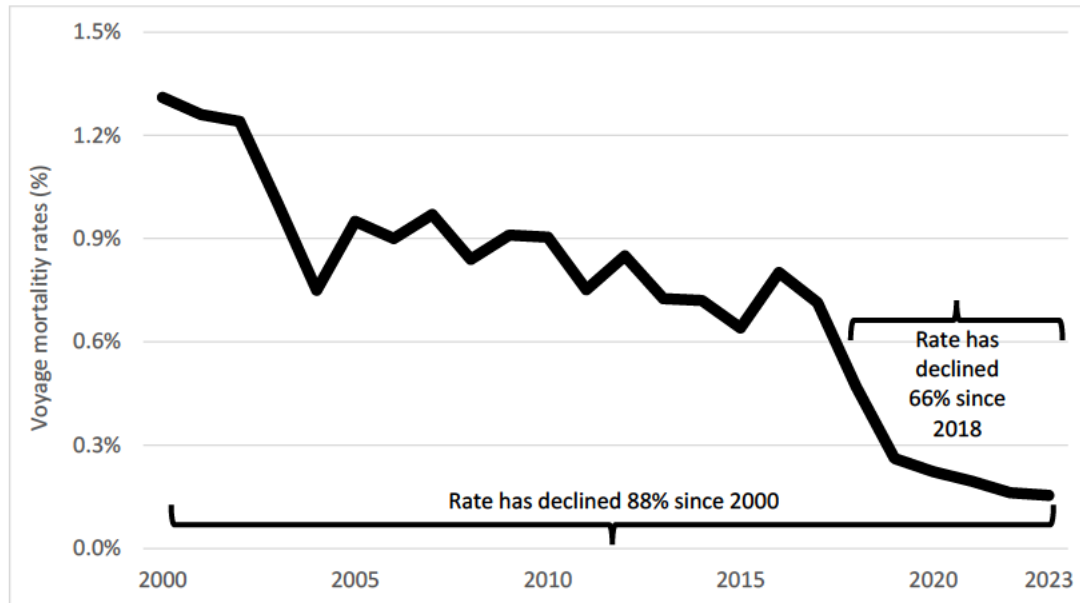
¹⁰ Ferguson, D., Fisher, A., White, B., Casey, R. and Mayer, R., 2008, Review of the livestock export heat stress risk assessment model (HotStuff), Final Report Projects W.LIV.0262–W.LIV.0265, Meat & Livestock Australia, North Sydney.

¹¹ ASEL Review Technical Advisory Committee 2018, *Review of the Australian Standards for the Export of Livestock: Sea Transport—final report*, Department of Agriculture and Water Resources, Canberra, December, p37.

adequately validated to determine thresholds to act as triggers for action. Thus the need to continue with notifiable mortality rates per consignments remains in the short term”.

The chart below shows that for this paramount measure of animal welfare an 88% drop in voyage mortality rates has occurred on sheep export vessels since the turn of the century, including a 66% improvement since 2018. Few other areas would exist where improvements have been made to the extent that has occurred with animal welfare onboard live sheep vessels.

Live sheep voyage mortality rates since 2000



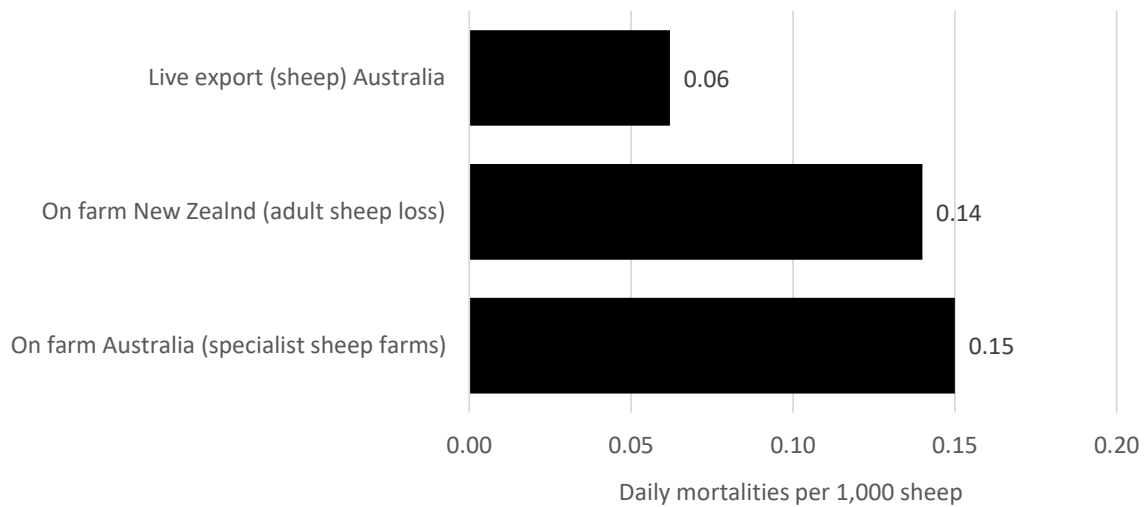
Not only have major improvements been made in mortality rates over time for live sheep exports, rates onboard vessels now compare favourably with rates elsewhere in the supply chain. Mortalities represent the only measure of welfare on which at least some information has been collected across the Australian sheep industry in general.

Sheep mortalities are low across the supply chain – and across every area of the supply chain care is shown for animals. But, based on mortalities data, outcomes achieved in live exports compare favourably with those achieved in other supply chain areas.

When comparing mortality rates across the supply chain the appropriate measure to use is daily mortality rates. Clearly the probability that an animal will die is directly related to how long the animal is under care – the longer animals reside in a portion of the supply chain, the greater the probability of mortalities occurring. Using daily mortality rates effectively places all components of the supply chain on the same footing.

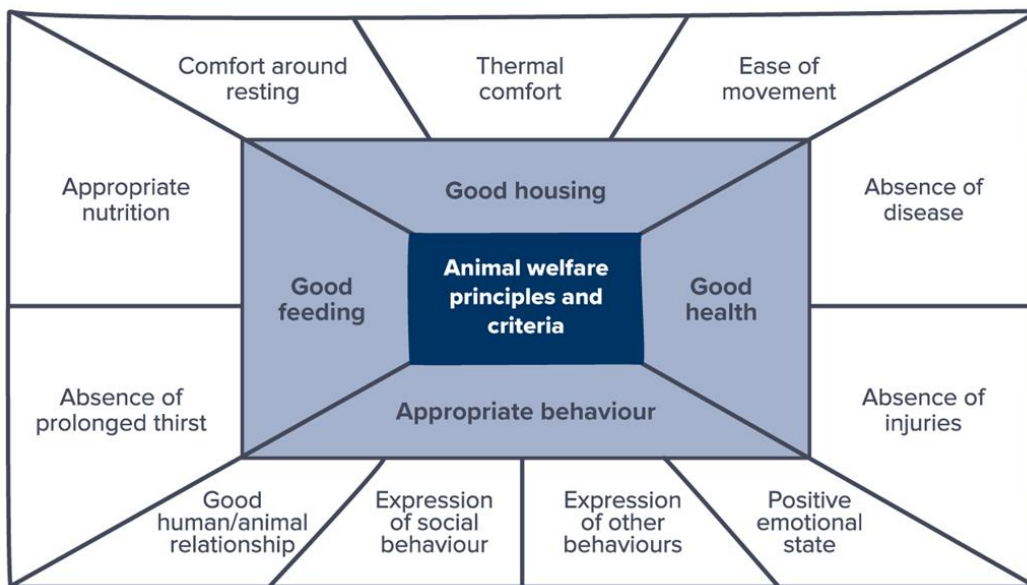
The chart below shows daily mortality rates on farms in Australia and New Zealand and onboard live export vessels. As can be seen from the chart, mortality rates in farms in New Zealand and Australia are broadly similar and occur at a higher daily rate than those in live exports.

Daily sheep mortality rates in live exports and other areas of the supply chain



Sources: Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), 2022, Financial performance of livestock farms, Financial performance of livestock farms 2019–20 to 2021–22, Beef and Lamb New Zealand, 2021, *Benchmark your farm*, <https://beeflambnz.com/data-tools/benchmark-your-farm>, LivexCollect data for 2023.

While mortality remains the primary measure, welfare is multifaceted and can only be measured using a multitude of measures. The many dimensions and measurement categories for welfare are shown below.



On all live sheep voyages, unlike other areas of the supply chain, information is captured across every welfare dimension by experienced veterinarians and stockpersons. This information is reviewed by the regulator within the Commonwealth Department of Agriculture, Fisheries and Forestry (DAFF). In addition, if any incident occurs during a voyage that has the potential to cause a serious adverse effect on animal health or welfare it is required under regulation that the exporter notify DAFF, which can then initiate its own investigations.

A further regulatory mechanism was also introduced by the Australian Government in 2019, whereby Independent Observers (IOs) were required to be placed on livestock export shipments. These IOs are Commonwealth employees and have been deployed regularly on live sheep vessels in the

ensuing years, except for a significant pause during COVID, and due to concerns related to the current conflict in the Middle East.

The IOs produce reports detailing their assessments and these are available on the DAFF website. A summary of the 12 sheep shipments with IOs since May 2022, including copies of all IO sheep photos from these voyages, was prepared for the Commonwealth House of Representatives Inquiry and is included in the attached submission.

Briefly, from those voyages, the daily mortality rate averaged 0.006% - below levels found elsewhere in the supply chain. The mortalities that did occur were not found by the IOs to be due to systemic failures by the exporter, and – while areas for continual improvement were identified – the IOs found in each report that no adverse animal health and welfare outcomes had arisen from exporter arrangements.

As outlined above, the evidence does not substantiate claims that the welfare performance of the live sheep export industry is poor. Rather, the evidence indicates that the animal welfare performance of the live sheep industry is strong and at least comparable, if not superior, to elsewhere in the supply chain.

Animal welfare will improve with a trade shutdown

A related reason given by trade opponents for shutting down the trade is that welfare will improve.

Given the information provided in the last section, this argument is not substantiated by the evidence. It has been shown that the welfare outcomes of the live industry are equivalent and/or superior to those found elsewhere. If, as a result of shutting down the live trade, animals spend greater amounts of time in other areas of the supply chain, *ipso facto*, overall welfare outcomes must decline (although remaining at very satisfactory levels).

There are other reasons, however, why this argument is factually incorrect.

Global animal welfare outcomes will fall, not rise

A shut-down of the Australian live sheep export trade will involve a deterioration in global animal welfare outcomes.

Live sheep are demanded in certain markets for deeply held cultural and religious reasons. As Bill Farmer noted in his 2011 review: “... *food security concerns, a preference for freshly slaughtered meat, infrastructure constraints and religious and cultural factors all play a role in driving demand for Australian livestock exports*”¹².

ABARES has noted that the preference for fresh meat in Middle East markets stems primarily from religious and cultural factors¹³. Halal and kosher traditions place strict requirements on how an animal must be slaughtered, and on treatment before and after slaughter. While there is a valuable export trade from Australia in sheepmeat, which is slaughtered and prepared in line with religious requirements, there is still a preference within Middle Eastern countries to slaughter animals under the auspices of local religious officials, in order to maintain control over the process.

¹² Farmer, W., 2011, Independent review of Australia’s livestock export trade, Commonwealth of Australia, August, 140pp, <https://www.agriculture.gov.au/biosecurity-trade/export/controlled-goods/live-animals/livestock/regulatory-framework/acts-regulations-orders-standards/review-live-export-trade>.

¹³ Drum, F. and Gunning-Trant, C., 2008, “Live animal exports: a profile of the Australian industry”, *ABARE Research Report 08.1*, Australian Government Department of Agriculture, Fisheries and Forestry, Canberra.

Sheep across the Middle East, from a cultural and culinary perspective, are also seen as symbols of hospitality, generosity, and kindness¹⁴. Sheep are especially important during festival periods, whether these be religious festivals or special occasions such as a wedding or birth of a child. On such occasions it is common for part of the meat from an animal to be given to the poor.

Members of the Kuwaiti community maintain that viewing the process of converting an animal into meat “teach[es] .. children about what they’re eating and to thank God for it, so they understand and show respect to what they consume”¹⁵. Several Middle Eastern governments have created abattoirs where members of the general public can take animals to be slaughtered, and view the process, while maintaining food safety and hygiene.

For all the reasons provided above, when Australian live sheep have become unavailable in certain markets (e.g. the Saudi market) rather than simply replace the unavailable live sheep from Australia with sheepmeat from Australia, markets have simply switched live sheep suppliers, buying more from Europe and African countries in particular.

These other suppliers do not place the same conditions on caring for animals that Australia requires under regulation. Australia is the only country in the world that regulates welfare outcomes from the point of transport from an Australian farm, to slaughter overseas. Set welfare outcomes must be achieved - and it is the exporter’s responsibility to ensure that they are achieved.

As a consequence of this responsibility, the Australian industry and individual exporters, invest heavily in ensuring that good welfare outcomes are achieved throughout the supply chain to point of slaughter overseas. Investment occurs in systems, in training businesses and people in good animal welfare practices, in infrastructure and in many other aspects of supply chains overseas.

The efforts of the Australian industry, and individual Australian exporters, in raising global animal welfare standards has been recognised by the World Organisation for Animal Health (then the OIE) and the Australian Government in departmental reports. For instance, Dr Derek Belton, then Head of International Trade Department OIE stated at the LIVEXChange Conference in October 2013.

“(Through live exports) Australia has taken animal welfare improvements to the rest of the world and for this has the OIE’s unequivocal support. ... The live export trade (in Australia) is leading the world in animal welfare and providing benchmarking. ... Many developing countries (who are OIE signatories) need support and capacity building and the efforts of the live export industry have the full support of the OIE.”¹⁶

Similarly, the Commonwealth of Australia in a 2015 report on the Exporter Supply Chain Assurance System (ESCAS) stated:

“ESCAS has increased awareness of the importance of animal welfare for livestock handling in Australia’s export markets. This has benefited not only Australian animals but also those sourced from other countries. These improvements have been driven by investments in training and

¹⁴ ACIL-Allen op cit.

¹⁵ Ibid, p.39. The statement was attributed to the CEO of the Kuwait Livestock Transport and Trading Company which is an arm of the Kuwaiti Government. Although the statement pertains to Kuwait, it applies widely to Arabs of the Muslim faith.

¹⁶ LiveCorp, 2014, *Australian Livestock Export Corporation Limited Annual Report 2013/14*, LiveCorp, Sydney.

*infrastructure from the Australian Government, industry and industry-funded research and development corporations”.*¹⁷

It is now not uncommon for sheep imported from countries other than Australia to be subject to the same ESCAS conditions as Australian sheep.

With Australian sheep removed from overseas markets, systems implemented by Australian sheep exporters and the industry will be unsupported and global welfare outcomes will fall.

Australian animal welfare outcomes will also likely fall

It is also possible that the closure of the live sheep trade will cause welfare outcomes for Australian sheep to fall, as more sheep are likely to be directed to land transport to the eastern states (over long distances across the Nullarbor).

While the welfare conditions for Australian sheep travelling by road are more than satisfactory and regulated domestically, they are arguably not at the same level as onboard live export vessels.

Summary

There is no evidence to support the argument that welfare outcomes will be raised as a result of closing the live sheep trade. To the contrary, outcomes will fall.

The Awassi Express incident has resulted in a loss of social license for the industry

The final argument used by trade opponents is that the *Awassi Express* incident resulted in a loss of social license for the industry.

In the media and in other forums, including at the Commonwealth House of Representatives Standing Committee on Agriculture inquiry, two options have been presented on the circumstances that resulted in unsatisfactory welfare outcomes aboard the *Awassi Express*:

- EITHER the circumstances were deliberately concocted by people working for animal activist organisations,
- OR the exporter involved in the *Awassi Express* shipment was at fault.

LiveCorp has no direct knowledge of which of these alternatives represents the truth, but mechanisms and regulation exist to manage either option through targeted and proportionate enforcement, rather than applying a blanket regulation or ban.

Such an approach is good regulatory practice, and a key lever to avoid or minimise unnecessary impacts on those that are not at fault. The benefits of such an approach have been pointed out by the Commonwealth Department of Agriculture and by the Commonwealth Government in the context of the ESCAS reforms, following a live export incident in 2011, including :

“ESCAS was a unique and innovative regulatory practice solution designed to seek to ensure that Australian animals exported for slaughter experienced a level of animal health, welfare, and slaughter standards and practices acceptable to the Australian public. It was also designed to prevent any future industry-wide bans by ensuring that the individual exporter, and through their

¹⁷ Commonwealth of Australia 2015, *Exporter Supply Chain Assurance System Report*, CC BY 3.0.

importers and supply chain facilities, were held accountable for any failures in maintaining these standards and practices (our emphasis).¹⁸

“If animal welfare issues do arise ... the Australian Government will have the ability to address these issues without closing entire markets. This is important for delivering global food security.”¹⁹

“The Government can hold [individual] exporters to account for the welfare of the livestock, and take action if required.”²⁰

“The Government is committed to the live export industry and these reforms will provide stability for the industry and thousands of regional jobs. The reforms give certainty to the community and certainty to industry and livestock producers who want an industry with a long-term future”²¹.

Such an approach is also seen domestically in relation to animal welfare, where incidents on-farm, in abattoirs or at a person’s home are dealt with by proportionate, targeted action taken against the business or individual. The same mechanism is also applied in a wide variety of other fields as well, for example, with food safety incidents in the food service sectors.

Summary of Australian Government reasons for phasing-out the live sheep trade

LiveCorp cannot comment on why the Australian Government has moved to phase-out the live sheep trade. However, in the preceding sections three arguments commonly used by trade opponents to close down the trade have been examined. None are substantiated by evidence or represent a reason for closing down the trade.

Broader community views in New South Wales of the live export industry

The Committee has also sought the views of the broader community on the live export industry.

Since 2019, LiveCorp has commissioned an independent third party, Voconiq, to conduct an annual survey into the Australian community’s views on various facets of the livestock export supply chain. Voconiq, a CSIRO spin out company, bases each survey on a nationally representative sample of more than 4,000 people. The latest available results are for 2023.

A full report of the 2023 survey is available from LiveCorp (see: https://voconiq.com/wp-content/uploads/2023/06/Live_Exports_and_the_Australian_Community_2019_2023-web-single-202306.pdf), but some key findings are presented below – both nationally and for NSW. These results point to a growing acceptance, as opposed to a growing concern, of the role that the live export industry plays and its attention to animal welfare.

- Nationally 64% of survey participants in 2023 agreed with the statement that *“the live export of animals to overseas markets supports the improvement of diet and nutrition of people in those countries”*, up from 55% in 2019.

¹⁸ Inspector-General of Live Animal Exports, 2021, *Review of the Exporter Supply Chain Assurance System*, Department of Agriculture, Water and the Environment, Canberra. CC BY 4.0.

¹⁹ Ludwig, J, 2011, *“Gillard Government reforms live export trade”*, Media Release, 21st October.

²⁰ Ludwig, J, 2012, *“Animal welfare reforms to cover 100% of Australia’s livestock trade”*, Media Release.

²¹ Ludwig, J, 2011, *“Gillard Government reforms live export trade”*, Media Release, 21st October.



- Nationally 79% of survey participants in 2023 agreed with the statement that “the live export industry makes an important economic contribution to Australia”, up from 72% in 2019.

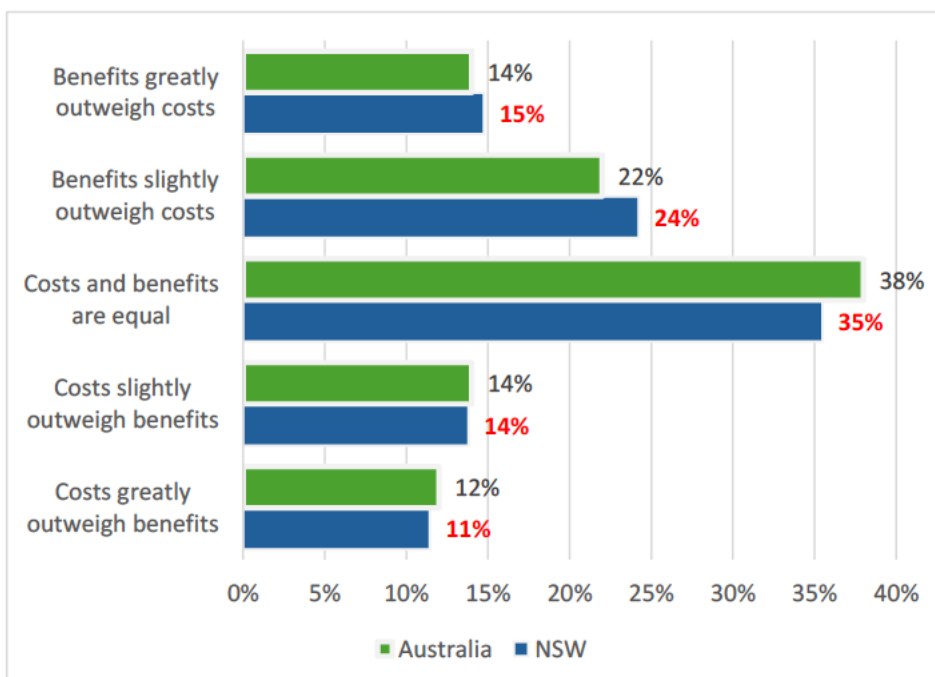


For NSW 80% of survey participants in 2023 agreed with the statement that “the live export industry makes an important economic contribution to Australia”.

- Acceptance of the industry has been growing across time. However, there is a great deal of nuance when it comes to sentiment, and many people still hold a ‘neutral’ position. When asked to rate “the extent to which you accept the live export industry” on a 5-point scale, with 1 representing “not at all” and 5 representing “extremely”, nationally the mean rating in 2023 was 3.01, up from 2.89 in 2019. For NSW the mean rating in 2023 was 3.19 – higher than the national average, signifying greater acceptance of the livestock export trade by those surveyed in NSW.

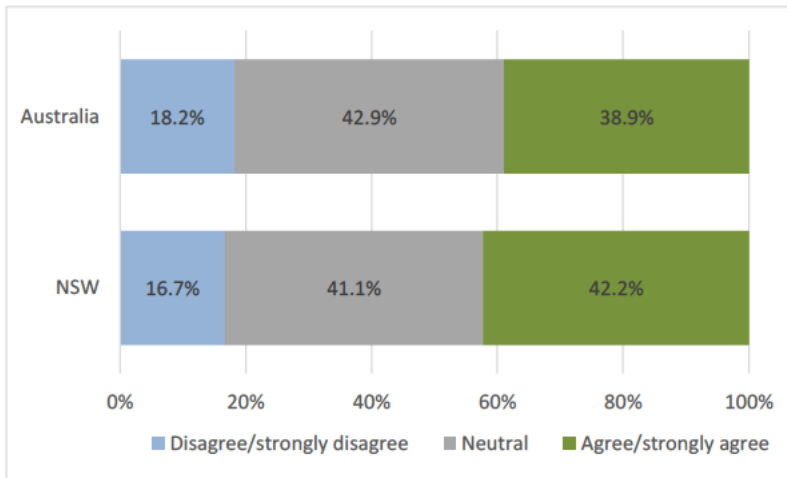
The above results relate to the live export industry generally. However, a series of questions added in 2023 found there was no significant difference in national perceptions about live sheep exports compared to the industry generally.

- In terms of benefits and costs of the live sheep trade, the following chart shows results nationally and for NSW – both national and NSW results show a majority of the community were of the view that the benefits of the live sheep trade exceeded costs.



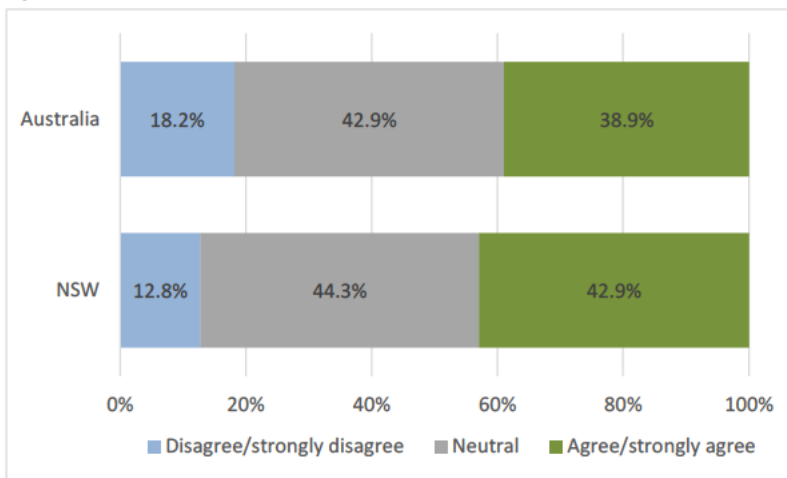
- A majority of respondents across Australia and in NSW thought the live sheep export industry was prepared to change its practices in response to community concerns -see chart below.

The live sheep export industry is prepared to change practices in response to community concerns



- A majority of respondents across Australia and in NSW thought the live sheep export industry was generally moving in the right direction in terms of how it operates.

The live sheep export industry is generally moving in the right direction in terms of how it operates



- Finally, when asked to express agreement / disagreement with the statement *“Australia should stop the export of live sheep to overseas markets, regardless of the impacts on Australian farmers”* on a 5-point scale, with 1 representing “strongly disagree”, 5 representing “strongly agree” and 3 being “neutral” the mean for Australia was 2.83 (signifying disagreement with the statement) and for NSW was 3.01 (signifying neutrality).

Conclusion

In this submission LiveCorp has provided factual information on three aspects of the Terms of Reference for the Inquiry by the NSW Legislative Council Portfolio Committee No. 4 into live sheep exports.

The following major points have been made in this submission:

- The direct, immediate, impact of the phase-out of the live sheep trade on NSW producers will be small, but the flow on effects in the longer term, particularly in terms of risk profiles, could be quite significant.
- Reasons for the phase-out of the live sheep trade are best directed to the Australian Government. However, LiveCorp in this submission has provided factual information concerning several areas referenced by trade opponents as a reason for shutting down the trade. In particular, it has been shown that:
 - Animal welfare outcomes for live sheep exports compare favourably with those achieved across Australian sheep production and transport systems generally.
 - Global and, possibly also Australian, animal welfare outcomes will deteriorate with a phase-out of Australian live sheep exports.
 - The *Awassi Express* incident (and any other similar incident) could be managed through normal regulatory mechanisms, directed at those deemed responsible.
- Views of those in NSW, surveyed by respected CSIRO spin-off Voconiq, in 2023 were that benefits exceeded costs for the live sheep trade and the trade was responding and moving in the right direction.