



Australian Government

Department of Agriculture,
Fisheries and Forestry

Live sheep phase out commitment

Independent person to lead the consultation process

Minister meeting - 6 December 2022

Andrew McDonald, A/g First Assistant Secretary

Trade Reform Division

INDEPENDENT PERSON

The Independent Person will:

- Undertake an arms length, high-quality assessment to inform the government’s implementation plan to phase out live sheep exports.
- Consult widely with stakeholders to (amongst other issues):
 - Listen to stakeholder concerns about the phase out and understand their respective positions
 - Understand how ending live sheep exports will impact individuals across the supply chain, and what might be required to adjust
 - Provide how and when options for the phase out’s implementation
 - Consider domestic opportunities, e.g., expanding sheep meat exports
- Work with the department to consider and commission analysis and advice.
- Be the face of the phase out and ensure the minister can stay at arms length during the consultation process.

The Independent Person will need to:

- Engage across a polarised group of stakeholders, and understand and manage competing interests.
- Understand (or have ability to) the supply chain, broader ag sector and trade and diplomatic environment.
- Consider viable options to phase out the trade and support impacted parties. Must be conscious of budgetary environment.
- Establish sufficient profile / level of respect
- Be able to travel and commit sufficient time in order to complete the assessment.
- Be compensated appropriately. The method of appointment (e.g. contract, non-ongoing employee, consultancy etc) and salary will need to be agreed with the preferred candidate.

APPOINTMENT + LAUNCH TIMELINE

Week 1

Minister identifies IP

Dept has ‘without prejudice’ discussions with IP

IP agrees to lead process + completes paperwork

Week 2

Minister writes to PM

Dept Legal reviews and approves contract

Christmas shut down

Week 3

PM approves IP and announcement date

IP appointed. Initial briefing from dept + engagement with Minister

Dept provides launch pack to minister

Jan 23

Minister announces IP + launches consultation process

Dept supports IP at launch. Release website + other comms products

OPTIONS



Former Public Servant

Strengths

- Independence
- May have stakeholder connections across supply chain if previously in agriculture or related roles
- Understands government process and budget constraints
- Public policy experience

Considerations

- Industry knowledge could be limited depending on the candidate



Industry Participant

Strengths

- Connection / sound understanding of industry
- Insight into practical adjustment options

Considerations

- Perceived independence/bias against commitment
- May lack policy inexperience
- Lack large-scale consultation experience
- Some stakeholders (e.g. animal welfare groups) may be reluctant to engage



Other candidate

Strengths

- Independence
- Connections with government
- Stakeholder engagement skills

Considerations

- Public perception
- Some stakeholders may be reluctant to engage
- Industry knowledge could be limited

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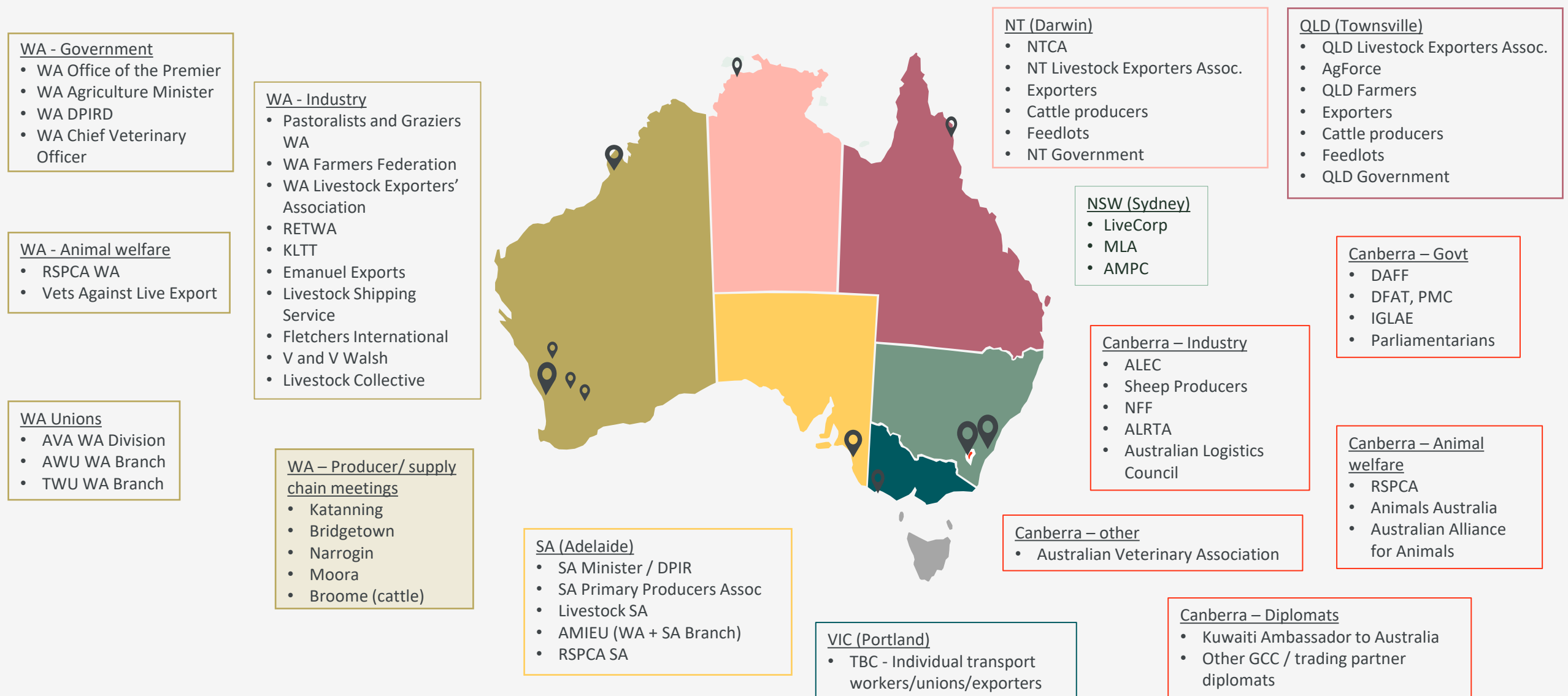
ENGAGEMENT PLAN

Suggested face to face meetings

The Independent Person's consultation process will include significant face-to-face engagement with stakeholders, owing to the sensitive nature of the phase out commitment. This will include opportunities to speak with sheep producers and supply chain participants in a series of regional forums in Western Australia.

Meetings are also proposed with cattle exporters and industry participants in Broome, Darwin and Townsville to ensure the second part of the election commitment – to continue support for live cattle exports – is addressed.

We anticipate additional stakeholders will be identified once the consultation process commences.



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INDEPENDENT ASSESSMENT - REPORT TO GOVERNMENT BY 30 SEPTEMBER 2023

The report will provide the underpinning policy analysis that will assist government consider how and when to phase out of live sheep exports by sea. It will deliver a proposed implementation plan and will be used to inform a RIS-like process to support actions.

The report will:

- Analyse the issue and provide recommendations to inform the government's implementation plan:
 - HOW** to phase out live sheep exports by sea
 - WHEN** the phase out should take place
 - WHAT** support could be provided to impacted parties
 - WHAT** opportunities might exist – e.g. increased sheep meat exports, domestic processing, on-shore value adding

The report will not consider the merits or otherwise of the policy.

The report will consider:

- Findings from stakeholder engagement and consultation
- Analysis, including economic impact
- Legal advice – domestic and international, including WTO implications
- Future forecasting and trade and market analysis
- Diplomatic intelligence and sensitivity analysis
- Scientific research
- International + domestic examples (e.g. NZ, ceasing tobacco production, etc)
- Interaction of the sheep phase out with live cattle exports.

The report will consider or build on existing work:

- Industry analysis, e.g.:
 - Mercado's Economic analysis of the live sheep export trade (LiveCorp)
 - ACIL Allen's Economic contribution and benefits of the northern live export cattle industry (LiveCorp)
- Community sentiment surveys – LiveCorp, RSPCA, etc
- Analysis and other work conducted by state and territory governments
- Moss Review
- McCarthy Review
- Northern Hemisphere Summer RIS + Review

Analysis may include (but not limited to):

- The structure, operation, current and historical state of **livestock exports** (sheep, cattle, goats, buffalo)
- How **live sheep exports fits into domestic production systems**, including impact on processing availability, employment (incl First Nations people), farm decision making, on-farm resilience and diversification, business management and income, etc.
- Historical trends, drivers and factors** that impact sheep production and prices, particularly in WA (incl climate change, intl sheep + sheep meat prices, etc)
- How and what farmers and other supply chain participants need to adjust.**
- Trade, market and supply chain analysis**, including potential to increase sheep meat exports.
- Live cattle exports**, and the potential impact of the live sheep phase out policy.

Consultation will be conducted via:

- DAFF's 'Have Your Say' platform
 - In-person meetings
 - Community drop-ins
 - Virtual meetings
 - Written submissions and surveys
 - Targeted engagement – e.g. with trading partners
 - Formal meetings (e.g. IDCs, industry meetings)
- A communications strategy has been developed to support this, including media releases, talking points, social media, op eds, etc

Implementation options to explore could include:

- Legislative amendments to provide a fixed date for the phase out **s. 47C(1)**
- A prohibition of new export licences, and a 'buy back' scheme for existing licences.
- The imposition of export quotas to be reduced over time
- Amendments to the Australian Standards for the Export of Livestock
- A extension to the Northern Hemisphere Summer prohibition
- Assistance grants for domestic meat processors
- Exit grants
- Domestic transport grants to encourage domestic processing

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What we are hearing

Exporters

- raised that the industry has reformed
- said the trade contributes to global food security
- claimed the policy is out of context
- said the trade cannot be replaced
- claimed the phase out is not based on facts
- said the industry is robust and sustainable

Farmers

- calling for the decision to be reconsidered / reversed
- said it is based on emotion not science
- claimed Australia’s involvement in the trade raises animal welfare standards internationally
- concerned about the impact on rural / regional WA
- said live cattle exports would be a “small step”

Proposed response



Proactive communication

- High cadence communication to manage public messages, provide transparency and address misinformation being circulated by the media (DAFF can provide talking points, media releases, op-eds)
- Statement on Minister’s webpage to provide clarity on the scope of the commitment
- Information about the commitment and consultation process on the DAFF website

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Animal welfare

- calling for a clear timeline – this term of govt
- calling for an immediate ban
- want all live exports to be phased out
- claimed legislation will be implemented this term of govt

Political

- questioned the science and evidence
- questioned influence of animal rights groups
- claimed it will outsource animal welfare issues
- claimed it will impact trade relationships
- claimed previous reform fixed the industry

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Data and Statistics

2021-22 VOLUME Total head for sea and air exports:

488,819	614,731	12,571	3,067	661
Sheep	Cattle	Buffalo	Goats	Alpaca

2021-22 VALUE Total \$ for sea and air exports:

\$85m	\$1.19b	\$2.3	\$1.9m	\$1.1m
Sheep	Cattle	Buffalo	Goats	Alpaca and camels

LIVE EXPORT INDUSTRY

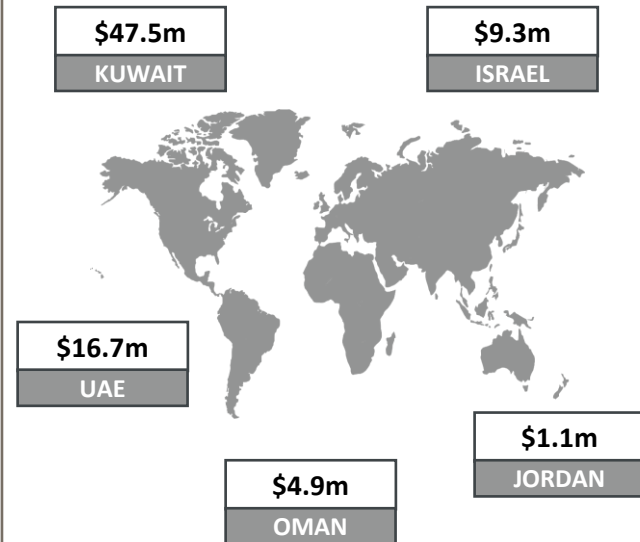
Direct employment (sheep) : 1,037 Indirect employment (sheep): 3,443

Exporters: 38 Registered Establishments: 38 Accredited vets:163

LIVE SHEEP EXPORTS 2021-22

- 97% of sheep exported by sea; 3% by air in 2021-22.
- 99% of sheep exported for the feeder / slaughter market.
- The Middle East is the largest market, with 62% sheep exported to Kuwait, 13% to the UAE & 7% to Jordan in 2021 by sea.
- In 2021-22, live sheep exported by sea only departed from the Port of Fremantle.
- The mortality rate for sheep exported by sea in 2021-22 was 0.2%
- Average time on vessels is 21 days
- Value & volume of live sheep exports have decreased by around 70% since 2017.
- Proportion of Aus ag exports – 0.2%

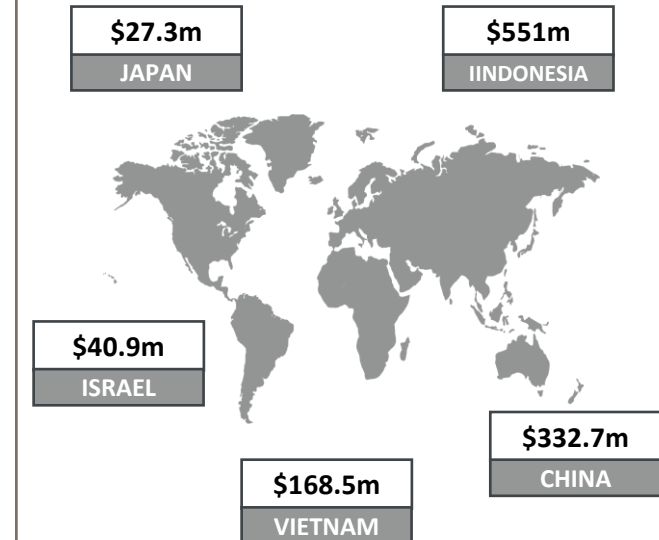
AUS TOP 5 SHEEP MARKETS – BY SEA



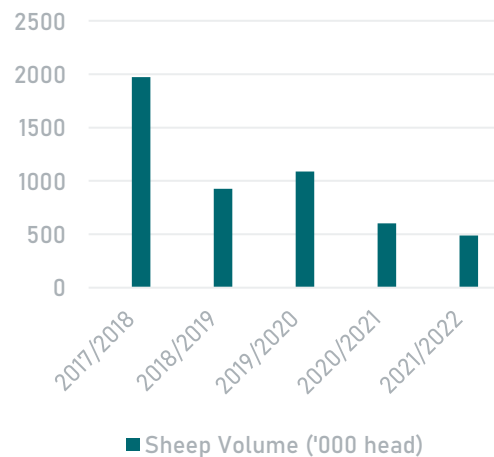
LIVE CATTLE EXPORTS 2021-22

- 99% of cattle exported by sea; 1% by air in 2021-22.
- 85% of cattle exported for the feeder / slaughter market.
- 77% cattle exported to South East Asia
- Live cattle exported by sea departed from Darwin, Townsville, Brisbane, Broome, Fremantle, Portland, Wyndham.
- The mortality rate for cattle exported by sea in 2021-22 was 0.09%
- Average time on vessel is 11 days (and significantly shorter to South East Asian destinations)
- Value & volume of live cattle exports are forecast to fall 4% in 2022-23.
- Proportion of Aus ag exports is 1.78%

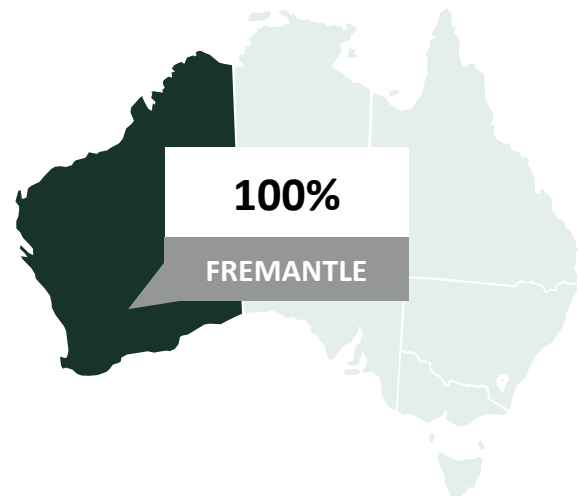
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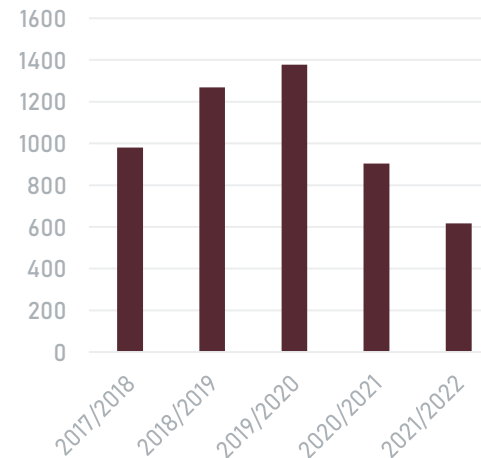
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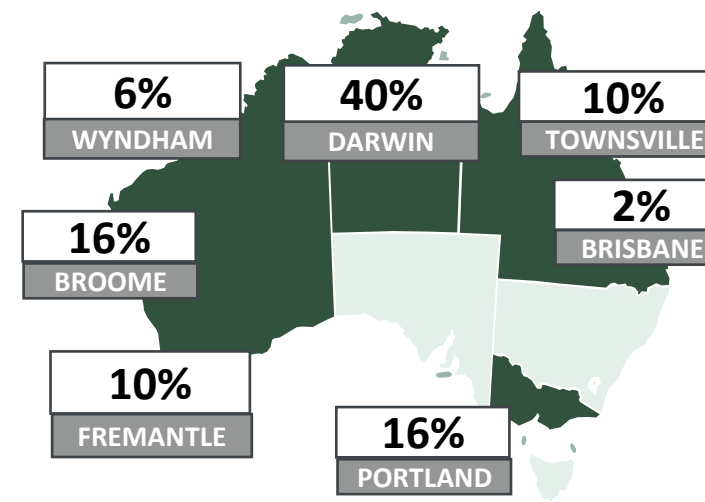
MARITIME LOAD PORTS



LIVE CATTLE EXPORTS



MARITIME LOAD PORTS





INDEPENDENT PERSON – POSSIBLE CANDIDATURE

Potential candidates for consideration are outlined below. We are also able to explore other options as identified.

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