

14.1 NOTICE OF MOTION – LIVE SHEEP EXPORTS BY SEA

Responsible Officer: Steven Harding
Chief Executive Officer

Author: Joshua Brown
Manager Governance, Risk and Procurement

Proposed Meeting Date: 24 May 2024

Author Disclosure of Interest: Nil

MOTION

Notice of the following motion was received by **Councillor Wendy McWhirter-Brooks** on 19 May 2024 and is in accordance with the *Shire of East Pilbara Meeting Procedures Local Law 2019*:

NOTICE OF MOTION:

That Council recognises the threat to local businesses and the pastoral industry by the impending ban on the live export of sheep in the districts impacted, and requests the Pilbara Country Zone to urge State Council to advocate against this announced Commonwealth legislation on behalf of the local government sector.

COUNCIL MEMBER'S PRÉCIS

The impact of the intended ban on live sheep export will have a devastating effect on small businesses in the Local Government districts affected and the knock on impact on those districts will be significant. That there is a very real risk that the cattle industry will once again be affected in the same way would have a devastating impact on the northern cattle industry and the cattle industry State-wide.

OFFICER'S RESPONSE

Council may put forward matters for consideration by the WA Local Government Association (WALGA) through the Pilbara Country Zone. Council's two delegates to the Country Zone are the Shire President and Deputy President. Cr McWhirter-Brooks is also the Chair of the Country Zone.

The Australian Government has announced the export of live sheep by sea will end on 1 May 2028.

Legislation will be introduced in this term of the Australian Parliament to end the trade in law.

Trade can continue until the end date without any additional restrictions such as caps or quotas. The prohibition will not apply to other livestock export industries, such as live cattle exports, nor will it apply to live sheep exports by air.

The Minister for Agriculture, Fisheries and Forestry, Senator the Hon Murray Watt, announced the decision on 11 May 2024 together with the release of the government response to the report of the Independent Panel and a transition support package.

Further details of the Australian Government's announcement can be found at the following website:

<https://www.agriculture.gov.au/biosecurity-trade/export/controlled-goods/live-animals/livestock/live-sheep-exports-phase-out>

The following information has been sourced from a variety of agencies and organisations, including the WA Department of Primary Industries and Regional Development, the University of Western Australia Centre for Agricultural Economics and Development, the Commonwealth Department of Agriculture, Fisheries and Forestry, and the Australian Livestock Export Corporation.

The pastoral industry in the East Pilbara District is predominantly focussed on cattle production, with meat sheep production in Western Australia focussed in the southern agricultural region, with less than 3% of the State's sheep (including wool) produced in the Southern Rangelands (the Gascoyne, Murchison, Goldfields and Nullabor).

The WA Department of Primary Industries and Regional Development states the WA sheep industry accounted for 43% of the value of all livestock industries in the State in 2021/22. The combined sheep meat and wool industries contributed a gross value of production of \$1.35b to the WA economy, up from \$1.18b the previous year. Of the total contribution from the sheep industry, wool made up \$655m or 21% of the value of all livestock industries, while the sheep meat sector was worth \$692m or 22% of the value of the livestock sector.

The majority of sheep exported from Australia originate in WA and 100% of sheep exported by sea are exported from Fremantle. The number of sheep exported live has been on a declining trend over the last decade or so, as evident below. Sheep exported live declined from 2.6m in 2009 to 1m in 2019, a decline of 59%.

The sharp decline between 2017 and 2018 was largely due to the mid-year trade suspension and reduced stocking rates on ships imposed following the Awassi Express incident of 2017. Between 2019 and 2021 numbers declined again due to the loss of major markets such as Qatar following the removal of the subsidy for Australian sheep by the Qatari government. In 2023 live sheep exports from WA totalled 670,900, a 29% increase compared to 2022.

While not quite as consistent a decline as seen in the quantity of sheep exported live, there has been a likewise decrease in the value of live sheep exports, both nationally and from WA over the last decade. In 2019 live sheep exports from WA were worth \$136.2m, but this dropped to \$69.6m in 2023.

	2019	2020	2021	2022	2023
Sheep	1,118,499	811,481	575,529	502,758	650,717

Table 1: Live sheep exports by head – Australia Wide (Source: DAFF)

On a per head basis though the value per sheep has risen due to rising prices. In 2017 sheep were valued at \$126 per head exported live. This increased to \$131 in 2019 and \$155 in 2022, and reduced to \$104 in 2023.

The Federal Government has indicated its move towards a ban on live exports by sea will only apply to sheep exports. However, it is noted that a level of public opposition to all live exports remains and it is expected that opposition will continue to agitate for a broadening of the ban to include live cattle exports at some time in the future.

In 2023, approximately 600,000 cattle were produced in WA, with 30% destined for live export markets accounting for nearly one-third of Australia’s total live cattle exports. It is understood that 70% of cattle sales in northern WA are accounted for in live exports. Between 40-57% of revenue generated in Australia by the live cattle export market stays in Australia.

Despite the higher number of cattle processed domestically compared to exported live, the value of live cattle exports exceeds the value of boxed beef exports due to the impact of domestic beef consumption. WA beef exports reached the highest value on record of \$278.4 million in 2019. In 2020 there was a slight decline in the value of beef exports to \$252.6 million, however this was still the second highest on record and illustrated the resiliency of the trade in facing the global market shocks caused by COVID-19. WA beef is seen as a high value, quality product in overseas markets which has been reflected in the increasing prices and premiums received in recent years.

	2019	2020	2021	2022	2023
Cattle	1,303,929	1,048,751	771,931	600,024	676,592

Table 2: Live cattle exports by head – Australia Wide (Source: DAFF)

The value of live cattle exports (both breeding and non-breeding cattle) from WA reached an all-time high of \$412.4 million in 2016, before coming back to \$292.2 million the following year. In 2020 they totalled \$334.2 million which was the 2nd highest on record.

Combined, the WA beef industry exports reached a total value of \$586.8 million in 2020.

Given the local employment generated by, and the value of the live cattle industry to the East Pilbara District, Shire Officers recommend Council support the proposed motion for consideration by the Pilbara Country Zone. The issue a ban on live exports has been raised at other WALGA Zone meetings over the last twelve months. It does not appear however that the State Council of WALGA has established a position on the issue.

STATUTORY IMPLICATIONS/REQUIREMENTS

No known statutory implications.

POLICY IMPLICATIONS

No known policy implications.

STRATEGIC COMMUNITY PLAN

1: Economic

- 1 A diverse and sustainable economy, with a balanced population, providing equal opportunities and prosperity for all, and a fair share of the returns from our resources.
- 1.1 Develop strong networks for collaboration within and across the corporate and public sectors for growing exports, with a focus on agriculture, mining services, Aboriginal business and tourism.

RISK MANAGEMENT CONSIDERATIONS

Reputation - Minor

FINANCIAL IMPLICATIONS

No financial resource impact.

VOTING REQUIREMENTS

Simple Majority.

PROPOSED MOTION

That Council recognises the threat to local businesses and the pastoral industry by the impending ban on the live export of sheep in the districts impacted, and requests the Pilbara County Zone to urge State Council to advocate against this announced Commonwealth legislation on behalf of the local government sector.